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LAW/KR

P.L.2013, CHAPTER 93, *approved August 7, 2013*  
Senate, No. 2815 (*First Reprint*)

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

4

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

7

8 1. (New section) a. The trust shall create and establish a  
9 special fund (hereinafter referred to as the "Disaster Relief  
10 Emergency <sup>1</sup>**【Loan】** Financing Program<sup>1</sup> Fund") for the disaster  
11 relief emergency short-term or temporary loan program of the trust  
12 (hereinafter referred to as the "Disaster Relief Emergency Financing  
13 Program").

14 The Disaster Relief Emergency <sup>1</sup>**【Loan】** Financing Program<sup>1</sup>  
15 Fund shall be credited with:

16 (1) moneys deposited in the fund as administrative fees received  
17 by the trust pursuant to subsection o. of section 5 of P.L.1985, c.334  
18 (C.58:11B-5);

19 (2) moneys received by the trust as repayment of the principal  
20 of and the interest or premium on loans made from the fund;

21 (3) any interest earnings received on the moneys in the fund;

22 (4) such other moneys as the Legislature may appropriate to the  
23 trust for deposit into the fund at any time to finance or refinance  
24 emergency short-term or temporary loans pursuant to the Disaster  
25 Relief Emergency Financing Program;

26 (5) the proceeds of any bonds, notes or other obligations that  
27 may be issued by the trust from time to time in any principal  
28 amounts as in the judgment of the trust shall be necessary or  
29 appropriate to provide sufficient funds for deposit into the fund to  
30 finance or refinance emergency short-term or temporary loans  
31 pursuant to the Disaster Relief Emergency Financing Program; and

32 (6) any other source of available funds that may be deemed by  
33 the trust to be necessary or appropriate to provide sufficient funds  
34 for deposit into the fund to finance or refinance emergency short-  
35 term or temporary loans pursuant to the Disaster Relief Emergency  
36 Financing Program, including, without limitation, any funds drawn  
37 by the trust from a revolving line of credit or other similar financial  
38 vehicle, that may be procured by the trust pursuant to the provisions  
39 of section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit into the  
40 fund to finance or refinance emergency short-term or temporary

**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>Senate SEN committee amendments adopted June 3, 2013.

1 loans pursuant to the Disaster Relief Emergency Financing  
2 Program.

3 b. Notwithstanding any provision of 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.) to  
5 the contrary, the trust may make emergency short-term or  
6 temporary Disaster Relief Emergency Financing Program loans to:  
7 (1) local government units to finance or refinance the costs incurred  
8 in the environmental planning and design associated with such  
9 wastewater treatment system projects, and wastewater treatment  
10 system projects, as applicable; or (2) local government units, public  
11 water utilities, or private persons to finance or refinance the costs  
12 incurred in the environmental planning and design of water supply  
13 projects, and water supply projects, as applicable.

14 Emergency short-term or temporary loans may be made upon the  
15 determination and certification in writing by the department that  
16 any such project is necessary and appropriate to: repair damages to  
17 a wastewater treatment system or water supply facility directly  
18 arising from an act of terrorism, seismic activity, or weather  
19 conditions that occurred within the prior three fiscal years that gave  
20 rise to a declaration by the Governor of a state of emergency,  
21 provided the wastewater treatment system or water supply facility is  
22 located in a county included in the Governor's state of emergency  
23 declaration; or mitigate the risk of future damage to a wastewater  
24 treatment system or water supply facility from an act of terrorism,  
25 seismic activity, or weather conditions comparable in scope and  
26 severity to the act of terrorism, seismic activity, or weather  
27 conditions that occurred within the prior three fiscal years that gave  
28 rise to a declaration by the Governor of a state of emergency,  
29 provided the wastewater treatment system or water supply facility is  
30 located in a county included in the Governor's state of emergency  
31 declaration, without regard to any other provisions of P.L.1985,  
32 c.334 or P.L.1997, c.224, including, without limitation, the  
33 provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section  
34 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Financing  
35 Program Eligibility List pursuant to subsection d. of section 9 of  
36 P.L.1985, c.334 (C.58:11B-9), or any administrative or legislative  
37 approvals. Any such short-term or temporary loan pursuant to the  
38 Disaster Relief Emergency Financing Program shall mature no later  
39 than the last day of the third succeeding fiscal year following the  
40 closing date on which the short-term or temporary loan was made  
41 by the trust to the project sponsor.

42 c. The trust may make short-term or temporary loans pursuant  
43 to the Disaster Relief Emergency Financing Program to one or more  
44 of the project sponsors, for the respective projects thereof,  
45 identified on the Disaster Relief Emergency Financing Program  
46 project priority list (hereinafter referred to as the "Disaster Relief  
47 Emergency Financing Program Eligibility List") in the form  
48 provided to the Legislature by the Commissioner of Environmental

1 Protection. The Disaster Relief Emergency Financing Program  
2 Eligibility List shall be submitted to the Legislature pursuant to  
3 section 2 of P.L.1991, c.164 (C.52:14-19.1) at least once in each  
4 fiscal year. An environmental infrastructure project or a project  
5 sponsor thereof not identified on the Disaster Relief Emergency  
6 Financing Program Eligibility List submitted to the Legislature  
7 shall not be eligible for a short-term or temporary loan from the  
8 Disaster Relief Emergency Financing Program Fund.

9

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

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

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

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

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

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

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

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

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

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

9 g. The aggregate principal amount of bonds, notes or other  
10 obligations, including subordinated indebtedness of the trust, shall  
11 not exceed (1) \$5,000,000,000 with respect to bonds, notes or other  
12 obligations issued to finance the Disaster Relief Emergency  
13 Financing Program established pursuant to section 1 of  
14 P.L. , c. (C. ) (pending before the Legislature as this bill), and  
15 (2) \$2,800,000,000 with respect to bonds, notes or other obligations  
16 issued for all other purposes of the trust. In computing the foregoing  
17 limitations there shall be excluded all the bonds, notes or other  
18 obligations, including subordinated indebtedness of the trust, which  
19 shall be issued for refunding purposes, whenever the refunding shall  
20 be determined to result in a savings.

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

31 (2) The Joint Budget Oversight Committee or its successor shall  
32 have the authority to approve or disapprove the sales of refunding  
33 bonds as included in each report submitted in accordance with  
34 paragraph (1) of this subsection. The committee shall notify the  
35 trust in writing of the approval or disapproval within 30 days of  
36 receipt of the report. Should the committee not act within 30 days  
37 of receipt of the report, the trust may proceed with the sale of the  
38 refunding bonds, provided that the sale of refunding bonds shall  
39 realize not less than 3.00% net present value debt service savings.

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

44 (4) Within 30 days after the sale of the refunding bonds, the  
45 trust shall notify the committee of the result of that sale, including  
46 the prices and terms, conditions and regulations concerning the  
47 refunding bonds, the actual amount of debt service savings to be

1 realized as a result of the sale of refunding bonds, and the intended  
2 use of the proceeds from the sale of those bonds.

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

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

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

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

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

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

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

37 i. The trust shall not issue any bonds, notes or other  
38 obligations, or otherwise incur any additional indebtedness, on or  
39 after **June 30, 2031** June 30, 2033.

40 j. (Deleted by amendment, P.L.1996, c.88).  
41 (cf: P.L.2010, c.64, s.1)

42  
43 3. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to  
44 read as follows:

45 9. a. (1) The trust may make and contract to make loans to  
46 local government units, or to a local government unit on behalf of  
47 another local government unit, in accordance with and subject to the  
48 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,



1 c.224 (C.58:11B-10.1 et al.) to finance the cost of any wastewater  
2 treatment system project or water supply project, which the local  
3 government unit may lawfully undertake or acquire and for which  
4 the local government unit is authorized by law to borrow money.

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

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

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

43 b. The trust is authorized to guarantee or contract to guarantee  
44 the payment of all or any portion of the principal and interest on  
45 bonds, notes or other obligations issued by a local government unit  
46 to finance the cost of any wastewater treatment system project or  
47 water supply project, which the local government unit may lawfully  
48 undertake or acquire and for which the local government unit is

1 authorized by law to borrow money, and the guarantee shall  
2 constitute an obligation of the trust for the purposes of P.L.1985,  
3 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et  
4 al.). Each guarantee by the trust and the terms and conditions  
5 thereof shall be subject to approval by the State Treasurer, and the  
6 trust shall make available to the State Treasurer all information,  
7 statistical data and reports of independent consultants or experts as  
8 the State Treasurer shall deem necessary in order to evaluate the  
9 guarantee.

10 c. The trust shall not make or contract to make any loans or  
11 guarantees to local government units, public water utilities or any  
12 other person, or otherwise incur any additional indebtedness, on or  
13 after **June 30, 2031** June 30, 2033.

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

30 The trust shall create and establish a special fund (hereinafter  
31 referred to as the "Interim Financing Program Fund") for the short-  
32 term or temporary loan financing or refinancing program  
33 (hereinafter referred to as the "Interim Financing Program").

34 Any short-term or temporary loans made by the trust pursuant to  
35 this subsection may only be made in advance of the anticipated  
36 loans the trust may make and contract to make under the provisions  
37 of subsection a. of this section from any source of funds anticipated  
38 to be received by the trust. Any such short-term or temporary loan  
39 made pursuant to the Interim Financing Program shall mature no  
40 later than the last day of the third succeeding fiscal year following  
41 the closing date on which the short-term or temporary loan was  
42 made by the trust to the project sponsor. The trust may make short-  
43 term or temporary loans pursuant to the Interim Financing Program  
44 to any one or more of the project sponsors, for the respective  
45 projects thereof, identified in the interim financing project priority  
46 list (hereinafter referred to as the "Interim Financing Program  
47 Eligibility List") in the form provided to the Legislature by the  
48 Commissioner of Environmental Protection.

1 Incremental revisions or supplements to the Interim Financing  
2 Program Eligibility List may be submitted to the Legislature at any  
3 time between January 15th and May 15th of each year.

4 The Interim Financing Program Eligibility List, including any  
5 revision thereof or supplement thereto, shall be submitted to the  
6 Legislature on or before June 30 of each year on a day when both  
7 Houses are meeting. The President of the Senate and the Speaker of  
8 the General Assembly shall cause the date of submission to be  
9 entered upon the Senate Journal and the Minutes of the General  
10 Assembly, respectively. Any environmental infrastructure project or  
11 the project sponsor thereof not identified in the Interim Financing  
12 Program Eligibility List shall not be eligible for a short-term or  
13 temporary loan from the Interim Financing Program Fund.

14 (cf: P.L.2010, c.64, s.2)

15

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

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

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

44 The financial plan shall identify the wastewater treatment system  
45 projects financed during the prior fiscal year through the Disaster  
46 Relief Emergency Financing Program established pursuant to  
47 section 1 of P.L. , c. (C. ) (pending before the Legislature as this  
48 bill), including a project description, the amount of the Disaster

1 Relief Emergency Financing Program loan for each project, and the  
2 duration of such Disaster Relief Emergency Financing Program  
3 loan.

4 (cf: P.L.2001, c.223, s.7)

5

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

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

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

35 The financial plan shall identify the water supply projects  
36 financed during the prior fiscal year through the Disaster Relief  
37 Emergency Financing Program established pursuant to section 1 of  
38 P.L. , c. (C. ) (pending before the Legislature as this bill),  
39 including a project description, the amount of the Disaster Relief  
40 Emergency Financing Program loan for each project, and the  
41 duration of such Disaster Relief Emergency Financing Program  
42 loan.

43 (cf: P.L.2001, c.223, s.8)

44

45 6. This act shall take effect immediately.

**S2815 [1R]**

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Makes certain changes to NJ Environmental Infrastructure Trust

4

Financing Program.

# SENATE, No. 2815

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED MAY 20, 2013

**Sponsored by:**

**Senator BOB SMITH**

**District 17 (Middlesex and Somerset)**

**Senator JIM WHELAN**

**District 2 (Atlantic)**

**Co-Sponsored by:**

**Senators Greenstein and Bateman**

**SYNOPSIS**

Makes certain changes to NJ Environmental Infrastructure Trust Financing Program.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/4/2013)**

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

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

7  
8 1. (New section) a. The trust shall create and establish a  
9 special fund (hereinafter referred to as the "Disaster Relief  
10 Emergency Loan Fund") for the disaster relief emergency short-  
11 term or temporary loan program of the trust (hereinafter referred to  
12 as the "Disaster Relief Emergency Financing Program").

13 The Disaster Relief Emergency Loan Fund shall be credited  
14 with:

15 (1) moneys deposited in the fund as administrative fees received  
16 by the trust pursuant to subsection o. of section 5 of P.L.1985, c.334  
17 (C.58:11B-5);

18 (2) moneys received by the trust as repayment of the principal  
19 of and the interest or premium on loans made from the fund;

20 (3) any interest earnings received on the moneys in the fund;

21 (4) such other moneys as the Legislature may appropriate to the  
22 trust for deposit into the fund at any time to finance or refinance  
23 emergency short-term or temporary loans pursuant to the Disaster  
24 Relief Emergency Financing Program;

25 (5) the proceeds of any bonds, notes or other obligations that  
26 may be issued by the trust from time to time in any principal  
27 amounts as in the judgment of the trust shall be necessary or  
28 appropriate to provide sufficient funds for deposit into the fund to  
29 finance or refinance emergency short-term or temporary loans  
30 pursuant to the Disaster Relief Emergency Financing Program; and

31 (6) any other source of available funds that may be deemed by  
32 the trust to be necessary or appropriate to provide sufficient funds  
33 for deposit into the fund to finance or refinance emergency short-  
34 term or temporary loans pursuant to the Disaster Relief Emergency  
35 Financing Program, including, without limitation, any funds drawn  
36 by the trust from a revolving line of credit or other similar financial  
37 vehicle, that may be procured by the trust pursuant to the provisions  
38 of section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit into the  
39 fund to finance or refinance emergency short-term or temporary  
40 loans pursuant to the Disaster Relief Emergency Financing  
41 Program.

42 b. Notwithstanding any provision 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.) to  
44 the contrary, the trust may make emergency short-term or  
45 temporary Disaster Relief Emergency Financing Program loans 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 underlined thus is new matter.

1 (1) local government units to finance or refinance the costs incurred  
2 in the environmental planning and design associated with such  
3 wastewater treatment system projects, and wastewater treatment  
4 system projects, as applicable; or (2) local government units, public  
5 water utilities, or private persons to finance or refinance the costs  
6 incurred in the environmental planning and design of water supply  
7 projects, and water supply projects, as applicable.

8 Emergency short-term or temporary loans may be made upon the  
9 determination and certification in writing by the department that  
10 any such project is necessary and appropriate to: repair damages to  
11 a wastewater treatment system or water supply facility directly  
12 arising from an act of terrorism, seismic activity, or weather  
13 conditions that occurred within the prior three fiscal years that gave  
14 rise to a declaration by the Governor of a state of emergency,  
15 provided the wastewater treatment system or water supply facility is  
16 located in a county included in the Governor's state of emergency  
17 declaration; or mitigate the risk of future damage to a wastewater  
18 treatment system or water supply facility from an act of terrorism,  
19 seismic activity, or weather conditions comparable in scope and  
20 severity to the act of terrorism, seismic activity, or weather  
21 conditions that occurred within the prior three fiscal years that gave  
22 rise to a declaration by the Governor of a state of emergency,  
23 provided the wastewater treatment system or water supply facility is  
24 located in a county included in the Governor's state of emergency  
25 declaration, without regard to any other provisions of P.L.1985,  
26 c.334 or P.L.1997, c.224, including, without limitation, the  
27 provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section  
28 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Financing  
29 Program Eligibility List pursuant to subsection d. of section 9 of  
30 P.L.1985, c.334 (C.58:11B-9), or any administrative or legislative  
31 approvals. Any such short-term or temporary loan pursuant to the  
32 Disaster Relief Emergency Financing Program shall mature no later  
33 than the last day of the third succeeding fiscal year following the  
34 closing date on which the short-term or temporary loan was made  
35 by the trust to the project sponsor.

36 c. The trust may make short-term or temporary loans pursuant  
37 to the Disaster Relief Emergency Financing Program to one or more  
38 of the project sponsors, for the respective projects thereof,  
39 identified on the Disaster Relief Emergency Financing Program  
40 project priority list (hereinafter referred to as the "Disaster Relief  
41 Emergency Financing Program Eligibility List") in the form  
42 provided to the Legislature by the Commissioner of Environmental  
43 Protection. The Disaster Relief Emergency Financing Program  
44 Eligibility List shall be submitted to the Legislature pursuant to  
45 section 2 of P.L.1991, c.164 (C.52:14-19.1) at least once in each  
46 fiscal year. An environmental infrastructure project or a project  
47 sponsor thereof not identified on the Disaster Relief Emergency  
48 Financing Program Eligibility List submitted to the Legislature



1 shall not be eligible for a short-term or temporary loan from the  
2 Disaster Relief Emergency Financing Program Fund.

3

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

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

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

28 c. Bonds, notes or other obligations of the trust shall be  
29 authorized by a resolution or resolutions of the trust and may be  
30 issued in one or more series and shall bear any date or dates, mature  
31 at any time or times, bear interest at any rate or rates of interest per  
32 annum, be in any denomination or denominations, be in any form,  
33 either coupon, registered or book entry, carry any conversion or  
34 registration privileges, have any rank or priority, be executed in any  
35 manner, be payable in any coin or currency of the United States  
36 which at the time of payment is legal tender for the payment of  
37 public and private debts, at any place or places within or without  
38 the State, and be subject to any terms of redemption by the trust or  
39 the holders thereof, with or without premium, as the resolution or  
40 resolutions may provide. A resolution of the trust authorizing the  
41 issuance of bonds, notes or other obligations may provide that the  
42 bonds, notes or other obligations be secured by a trust indenture  
43 between the trust and a trustee, vesting in the trustee any property,  
44 rights, powers and duties in trust consistent with the provisions of  
45 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-  
46 10.1 et al.) as the trust may determine.

47 d. Bonds, notes or other obligations of the trust may be sold at  
48 any price or prices and in any manner as the trust may determine.

1 Each bond, note or other obligation shall mature and be paid not  
2 later than 20 years from the effective date thereof, or the certified  
3 useful life of the project or projects to be financed by the bonds,  
4 whichever is less.

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

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

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

1 payment of the principal of or the interest on the bonds, notes or  
2 other obligations.

3 g. The aggregate principal amount of bonds, notes or other  
4 obligations, including subordinated indebtedness of the trust, shall  
5 not exceed (1) \$5,000,000,000 with respect to bonds, notes or other  
6 obligations issued to finance the Disaster Relief Emergency  
7 Financing Program established pursuant to section 1 of  
8 P.L. , c. (C. ) (pending before the Legislature as this bill), and  
9 (2) \$2,800,000,000 with respect to bonds, notes or other obligations  
10 issued for all other purposes of the trust. In computing the foregoing  
11 limitations there shall be excluded all the bonds, notes or other  
12 obligations, including subordinated indebtedness of the trust, which  
13 shall be issued for refunding purposes, whenever the refunding shall  
14 be determined to result in a savings.

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

25 (2) The Joint Budget Oversight Committee or its successor shall  
26 have the authority to approve or disapprove the sales of refunding  
27 bonds as included in each report submitted in accordance with  
28 paragraph (1) of this subsection. The committee shall notify the  
29 trust in writing of the approval or disapproval within 30 days of  
30 receipt of the report. Should the committee not act within 30 days  
31 of receipt of the report, the trust may proceed with the sale of the  
32 refunding bonds, provided that the sale of refunding bonds shall  
33 realize not less than 3.00% net present value debt service savings.

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

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

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

1 h. Each issue of bonds, notes or other obligations of the trust  
2 may, if it is determined by the trust, be general obligations thereof  
3 payable out of any revenues, receipts or funds of the trust, or  
4 special obligations thereof payable out of particular revenues,  
5 receipts or funds, subject only to any agreements with the holders of  
6 bonds, notes or other obligations, and may be secured by one or  
7 more of the 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  
11 units, and any other payment made to the trust pursuant to  
12 agreements with any local government units, or a pledge or  
13 assignment of any notes, bonds or other obligations of any local  
14 government unit and the rights 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  
18 units, 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  
22 obligations;

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

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

31 i. The trust shall not issue any bonds, notes or other  
32 obligations, or otherwise incur any additional indebtedness, on or  
33 after ~~June 30, 2031~~ June 30, 2033.

34 j. (Deleted by amendment, P.L.1996, c.88).  
35 (cf: P.L.2010, c.64, s.1)

36

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

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

47 (2) The trust may make and contract to make loans to public  
48 water utilities, or to any other person or local government unit on

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

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

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

1 statistical data and reports of independent consultants or experts as  
2 the State Treasurer shall deem necessary in order to evaluate the  
3 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 ~~June 30, 2031~~ June 30, 2033.

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

24 The trust shall create and establish a special fund (hereinafter  
25 referred to as the "Interim Financing Program Fund") for the short-  
26 term or temporary loan financing or refinancing program  
27 (hereinafter referred to as the "Interim Financing Program").

28 Any short-term or temporary loans made by the trust pursuant to  
29 this subsection may only be made in advance of the anticipated  
30 loans the trust may make and contract to make under the provisions  
31 of subsection a. of this section from any source of funds anticipated  
32 to be received by the trust. Any such short-term or temporary loan  
33 made pursuant to the Interim Financing Program shall mature no  
34 later than the last day of the third succeeding fiscal year following  
35 the closing date on which the short-term or temporary loan was  
36 made by the trust to the project sponsor. The trust may make short-  
37 term or temporary loans pursuant to the Interim Financing Program  
38 to any one or more of the project sponsors, for the respective  
39 projects thereof, identified in the interim financing project priority  
40 list (hereinafter referred to as the "Interim Financing Program  
41 Eligibility List") in the form provided to the Legislature by the  
42 Commissioner of Environmental Protection.

43 Incremental revisions or supplements to the Interim Financing  
44 Program Eligibility List may be submitted to the Legislature at any  
45 time between January 15th and May 15th of each year.

46 The Interim Financing Program Eligibility List, including any  
47 revision thereof or supplement thereto, shall be submitted to the  
48 Legislature on or before June 30 of each year on a day when both

1 Houses are meeting. The President of the Senate and the Speaker of  
2 the General Assembly shall cause the date of submission to be  
3 entered upon the Senate Journal and the Minutes of the General  
4 Assembly, respectively. Any environmental infrastructure project or  
5 the project sponsor thereof not identified in the Interim Financing  
6 Program Eligibility List shall not be eligible for a short-term or  
7 temporary loan from the Interim Financing Program Fund.

8 (cf: P.L.2010, c.64, s.2)

9

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

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

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

38 The financial plan shall identify the wastewater treatment system  
39 projects financed during the prior fiscal year through the Disaster  
40 Relief Emergency Financing Program established pursuant to  
41 section 1 of P.L. , c. (C. ) (pending before the Legislature as this  
42 bill), including a project description, the amount of the Disaster  
43 Relief Emergency Financing Program loan for each project, and the  
44 duration of such Disaster Relief Emergency Financing Program  
45 loan.

46 (cf: P.L.2001, c.223, s.7)

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

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

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

30       The financial plan shall identify the water supply projects  
31 financed during the prior fiscal year through the Disaster Relief  
32 Emergency Financing Program established pursuant to section 1 of  
33 P.L. , c. (C. ) (pending before the Legislature as this bill),  
34 including a project description, the amount of the Disaster Relief  
35 Emergency Financing Program loan for each project, and the  
36 duration of such Disaster Relief Emergency Financing Program  
37 loan.

38 (cf: P.L.2001, c.223, s.8)

39

40       6. This act shall take effect immediately.

41

42

43

#### STATEMENT

44

45       The bill increases the statutory debt ceiling of the New Jersey  
46 Environmental Infrastructure Trust (Trust) by establishing a debt  
47 ceiling of \$5 billion for the Disaster Relief Emergency Financing  
48 Program, a new program established in the bill. The present debt



1 ceiling for obligations issued for all other purposes of the Trust  
2 would remain at \$2.8 billion. The statutory date after which the  
3 Trust may not incur any additional indebtedness is extended by two  
4 calendar years to June 30, 2033.

5 The bill also directs the Trust to establish a special "Disaster  
6 Relief Emergency Loan Fund" for a disaster relief emergency short-  
7 term or temporary loan program to be known as the "Disaster Relief  
8 Emergency Financing Program." The Disaster Relief Emergency  
9 Loan Fund would be credited with administrative fees, principal,  
10 and interest on loans made from the fund, interest earned on fund  
11 balances, such funds as appropriated by the Legislature, Trust bond  
12 proceeds, and other sources including, without limitation, any funds  
13 drawn by the Trust from a revolving line of credit or other similar  
14 financial vehicle, that may be procured by the Trust pursuant to the  
15 provisions of section 5 of P.L.1985, c.334 (C.58:11B-1 et seq.).

16 The bill provides that the Trust may make emergency short-term  
17 or temporary loans to (1) local government units to finance or  
18 refinance wastewater treatment system projects and the costs  
19 incurred in the environmental planning and design thereof, or to (2)  
20 local government units, public water utilities, and private persons to  
21 finance or refinance water supply projects and the costs incurred in  
22 the environmental planning and design thereof. Program loans may  
23 be made upon the determination and certification in writing by the  
24 Department of Environmental Protection that any such project is  
25 necessary and appropriate to (1) repair damages to a wastewater  
26 treatment system or water supply facility directly arising from an  
27 act of terrorism, seismic activity, or weather conditions which  
28 occurred within the prior three fiscal years that gave rise to a  
29 declaration by the Governor of a state of emergency for projects  
30 located in a county included in the Governor's state of emergency  
31 declaration, or (2) mitigate the risk of future damage to a  
32 wastewater treatment system or water supply facility from an act of  
33 terrorism, seismic activity, or weather conditions comparable in  
34 scope and severity to the act of terrorism, seismic activity, or  
35 weather conditions which occurred within the prior three fiscal  
36 years that gave rise to a declaration by the Governor of a state of  
37 emergency for projects located in a county included in the  
38 Governor's state of emergency declaration. The bill limits the  
39 duration of any loan to the last day of the third succeeding fiscal  
40 year following the closing date of the loan. The Disaster Relief  
41 Emergency Financing Program would function without regard to  
42 any other provision of the Trust's enabling laws, P.L.1985, c.334  
43 and P.L.1997, c.224, or any other administrative or legislative  
44 approvals. The Trust would be required to submit to the Legislature  
45 a Disaster Relief Emergency Financing Program project priority list  
46 identifying the projects to be funded, at least once in each fiscal  
47 year.

# SENATE ENVIRONMENT AND ENERGY COMMITTEE

## STATEMENT TO

### **SENATE, No. 2815**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 3, 2013

The Senate Environment and Energy Committee favorably reports Senate Bill No. 2815 with committee amendments.

This bill increases the statutory debt ceiling of the New Jersey Environmental Infrastructure Trust (Trust) by establishing a debt ceiling of \$5 billion for the Disaster Relief Emergency Financing Program, a new program established in the bill. The present debt ceiling for obligations issued for all other purposes of the Trust would remain at \$2.8 billion. The statutory date after which the Trust may not incur any additional indebtedness is extended by two calendar years to June 30, 2033.

The bill also directs the Trust to establish a special "Disaster Relief Emergency Financing Program Fund" for a disaster relief emergency short-term or temporary loan program to be known as the "Disaster Relief Emergency Financing Program." The Disaster Relief Emergency Financing Program Fund would be credited with administrative fees, principal, and interest on loans made from the fund, interest earned on fund balances, such funds as appropriated by the Legislature, Trust bond proceeds, and other sources including, without limitation, any funds drawn by the Trust from a revolving line of credit or other similar financial vehicle, that may be procured by the Trust pursuant to the provisions of section 5 of P.L.1985, c.334 (C.58:11B-5).

The bill provides that the Trust may make emergency short-term or temporary loans to (1) local government units to finance or refinance wastewater treatment system projects and the costs incurred in the environmental planning and design thereof, or (2) local government units, public water utilities, and private persons to finance or refinance water supply projects and the costs incurred in the environmental planning and design thereof. Program loans may be made upon the determination and certification in writing by the Department of Environmental Protection that any such project is necessary and appropriate to: repair damages to a wastewater treatment system or water supply facility directly arising from an act of terrorism, seismic activity, or weather conditions which occurred within the prior three fiscal years that gave rise to a declaration by the Governor of a state of

emergency for projects located in a county included in the Governor's state of emergency declaration; or mitigate the risk of future damage to a wastewater treatment system or water supply facility from an act of terrorism, seismic activity, or weather conditions comparable in scope and severity to the act of terrorism, seismic activity, or weather conditions which occurred within the prior three fiscal years that gave rise to a declaration by the Governor of a state of emergency for projects located in a county included in the Governor's state of emergency declaration. The bill limits the duration of any loan to the last day of the third succeeding fiscal year following the closing date of the loan. The Disaster Relief Emergency Financing Program would function without regard to any other provision of the Trust's enabling laws, P.L.1985, c.334 and P.L.1997, c.224, or any other administrative or legislative approvals. The Trust would be required to submit to the Legislature a Disaster Relief Emergency Financing Program project priority list identifying the projects to be funded, at least once in each fiscal year.

The committee amendments would make technical corrections to the bill to correct the name of the fund.

# ASSEMBLY, No. 4185

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JUNE 6, 2013

**Sponsored by:**

**Assemblyman RUBEN J. RAMOS, JR.**

**District 33 (Hudson)**

**Assemblyman JOHN F. MCKEON**

**District 27 (Essex and Morris)**

**Assemblyman JOHN J. BURZICHELLI**

**District 3 (Cumberland, Gloucester and Salem)**

**Assemblywoman GABRIELA M. MOSQUERA**

**District 4 (Camden and Gloucester)**

**Assemblyman CRAIG J. COUGHLIN**

**District 19 (Middlesex)**

**Co-Sponsored by:**

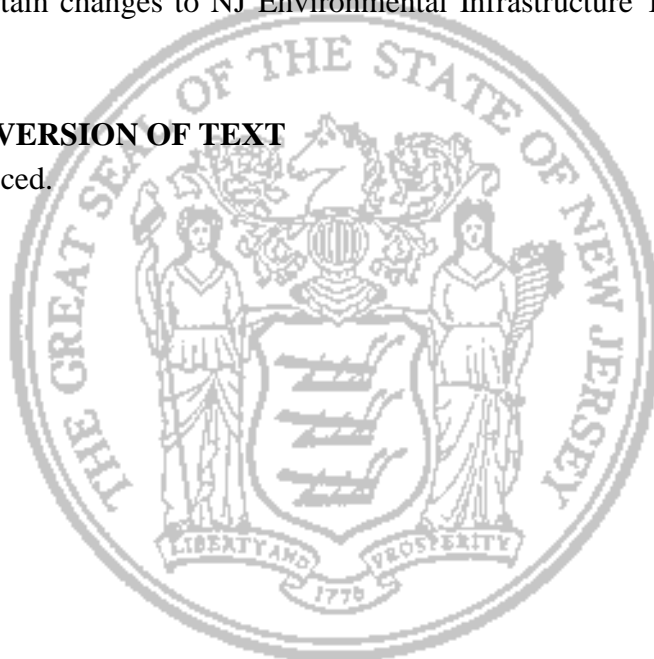
**Assemblyman Wisniewski**

**SYNOPSIS**

Makes certain changes to NJ Environmental Infrastructure Trust Financing Program.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/7/2013)**

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

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

7  
8 1. (New section) a. The trust shall create and establish a  
9 special fund (hereinafter referred to as the "Disaster Relief  
10 Emergency Loan Fund") for the disaster relief emergency short-  
11 term or temporary loan program of the trust (hereinafter referred to  
12 as the "Disaster Relief Emergency Financing Program").

13 The Disaster Relief Emergency Loan Fund shall be credited  
14 with:

15 (1) moneys deposited in the fund as administrative fees received  
16 by the trust pursuant to subsection o. of section 5 of P.L.1985, c.334  
17 (C.58:11B-5);

18 (2) moneys received by the trust as repayment of the principal  
19 of and the interest or premium on loans made from the fund;

20 (3) any interest earnings received on the moneys in the fund;

21 (4) such other moneys as the Legislature may appropriate to the  
22 trust for deposit into the fund at any time to finance or refinance  
23 emergency short-term or temporary loans pursuant to the Disaster  
24 Relief Emergency Financing Program;

25 (5) the proceeds of any bonds, notes or other obligations that  
26 may be issued by the trust from time to time in any principal  
27 amounts as in the judgment of the trust shall be necessary or  
28 appropriate to provide sufficient funds for deposit into the fund to  
29 finance or refinance emergency short-term or temporary loans  
30 pursuant to the Disaster Relief Emergency Financing Program; and

31 (6) any other source of available funds that may be deemed by  
32 the trust to be necessary or appropriate to provide sufficient funds  
33 for deposit into the fund to finance or refinance emergency short-  
34 term or temporary loans pursuant to the Disaster Relief Emergency  
35 Financing Program, including, without limitation, any funds drawn  
36 by the trust from a revolving line of credit or other similar financial  
37 vehicle, that may be procured by the trust pursuant to the provisions  
38 of section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit into the  
39 fund to finance or refinance emergency short-term or temporary  
40 loans pursuant to the Disaster Relief Emergency Financing  
41 Program.

42 b. Notwithstanding any provision 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.) to  
44 the contrary, the trust may make emergency short-term or  
45 temporary Disaster Relief Emergency Financing Program loans 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 underlined thus is new matter.

1 (1) local government units to finance or refinance the costs incurred  
2 in the environmental planning and design associated with such  
3 wastewater treatment system projects, and wastewater treatment  
4 system projects, as applicable; or (2) local government units, public  
5 water utilities, or private persons to finance or refinance the costs  
6 incurred in the environmental planning and design of water supply  
7 projects, and water supply projects, as applicable.

8 Emergency short-term or temporary loans may be made upon the  
9 determination and certification in writing by the department that  
10 any such project is necessary and appropriate to: repair damages to  
11 a wastewater treatment system or water supply facility directly  
12 arising from an act of terrorism, seismic activity, or weather  
13 conditions that occurred within the prior three fiscal years that gave  
14 rise to a declaration by the Governor of a state of emergency,  
15 provided the wastewater treatment system or water supply facility is  
16 located in a county included in the Governor's state of emergency  
17 declaration; or mitigate the risk of future damage to a wastewater  
18 treatment system or water supply facility from an act of terrorism,  
19 seismic activity, or weather conditions comparable in scope and  
20 severity to the act of terrorism, seismic activity, or weather  
21 conditions that occurred within the prior three fiscal years that gave  
22 rise to a declaration by the Governor of a state of emergency,  
23 provided the wastewater treatment system or water supply facility is  
24 located in a county included in the Governor's state of emergency  
25 declaration, without regard to any other provisions of P.L.1985,  
26 c.334 or P.L.1997, c.224, including, without limitation, the  
27 provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section  
28 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Financing  
29 Program Eligibility List pursuant to subsection d. of section 9 of  
30 P.L.1985, c.334 (C.58:11B-9), or any administrative or legislative  
31 approvals. Any such short-term or temporary loan pursuant to the  
32 Disaster Relief Emergency Financing Program shall mature no later  
33 than the last day of the third succeeding fiscal year following the  
34 closing date on which the short-term or temporary loan was made  
35 by the trust to the project sponsor.

36 c. The trust may make short-term or temporary loans pursuant  
37 to the Disaster Relief Emergency Financing Program to one or more  
38 of the project sponsors, for the respective projects thereof,  
39 identified on the Disaster Relief Emergency Financing Program  
40 project priority list (hereinafter referred to as the "Disaster Relief  
41 Emergency Financing Program Eligibility List") in the form  
42 provided to the Legislature by the Commissioner of Environmental  
43 Protection. The Disaster Relief Emergency Financing Program  
44 Eligibility List shall be submitted to the Legislature pursuant to  
45 section 2 of P.L.1991, c.164 (C.52:14-19.1) at least once in each  
46 fiscal year. An environmental infrastructure project or a project  
47 sponsor thereof not identified on the Disaster Relief Emergency  
48 Financing Program Eligibility List submitted to the Legislature

1 shall not be eligible for a short-term or temporary loan from the  
2 Disaster Relief Emergency Financing Program Fund.

3

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

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

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

28 c. Bonds, notes or other obligations of the trust shall be  
29 authorized by a resolution or resolutions of the trust and may be  
30 issued in one or more series and shall bear any date or dates, mature  
31 at any time or times, bear interest at any rate or rates of interest per  
32 annum, be in any denomination or denominations, be in any form,  
33 either coupon, registered or book entry, carry any conversion or  
34 registration privileges, have any rank or priority, be executed in any  
35 manner, be payable in any coin or currency of the United States  
36 which at the time of payment is legal tender for the payment of  
37 public and private debts, at any place or places within or without  
38 the State, and be subject to any terms of redemption by the trust or  
39 the holders thereof, with or without premium, as the resolution or  
40 resolutions may provide. A resolution of the trust authorizing the  
41 issuance of bonds, notes or other obligations may provide that the  
42 bonds, notes or other obligations be secured by a trust indenture  
43 between the trust and a trustee, vesting in the trustee any property,  
44 rights, powers and duties in trust consistent with the provisions of  
45 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-  
46 10.1 et al.) as the trust may determine.

47 d. Bonds, notes or other obligations of the trust may be sold at  
48 any price or prices and in any manner as the trust may determine.

1 Each bond, note or other obligation shall mature and be paid not  
2 later than 20 years from the effective date thereof, or the certified  
3 useful life of the project or projects to be financed by the bonds,  
4 whichever is less.

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

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

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



1 payment of the principal of or the interest on the bonds, notes or  
2 other obligations.

3 g. The aggregate principal amount of bonds, notes or other  
4 obligations, including subordinated indebtedness of the trust, shall  
5 not exceed (1) \$5,000,000,000 with respect to bonds, notes or other  
6 obligations issued to finance the Disaster Relief Emergency  
7 Financing Program established pursuant to section 1 of  
8 P.L. , c. (C. ) (pending before the Legislature as this bill), and  
9 (2) \_\_\_\_\_ \$2,800,000,000 with respect to bonds, notes or other  
10 obligations issued for all other purposes of the trust. In computing  
11 the foregoing limitations there shall be excluded all the bonds, notes  
12 or other obligations, including subordinated indebtedness of the  
13 trust, which shall be issued for refunding purposes, whenever the  
14 refunding shall be determined to result in a savings.

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

25 (2) The Joint Budget Oversight Committee or its successor shall  
26 have the authority to approve or disapprove the sales of refunding  
27 bonds as included in each report submitted in accordance with  
28 paragraph (1) of this subsection. The committee shall notify the  
29 trust in writing of the approval or disapproval within 30 days of  
30 receipt of the report. Should the committee not act within 30 days  
31 of receipt of the report, the trust may proceed with the sale of the  
32 refunding bonds, provided that the sale of refunding bonds shall  
33 realize not less than 3.00% net present value debt service savings.

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

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

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

1 h. Each issue of bonds, notes or other obligations of the trust  
2 may, if it is determined by the trust, be general obligations thereof  
3 payable out of any revenues, receipts or funds of the trust, or  
4 special obligations thereof payable out of particular revenues,  
5 receipts or funds, subject only to any agreements with the holders of  
6 bonds, notes or other obligations, and may be secured by one or  
7 more of the 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  
11 units, and any other payment made to the trust pursuant to  
12 agreements with any local government units, or a pledge or  
13 assignment of any notes, bonds or other obligations of any local  
14 government unit and the rights 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  
18 units, 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  
22 obligations;

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

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

31 i. The trust shall not issue any bonds, notes or other  
32 obligations, or otherwise incur any additional indebtedness, on or  
33 after ~~June 30, 2031~~ June 30, 2033.

34 j. (Deleted by amendment, P.L.1996, c.88).  
35 (cf: P.L.2010, c.64, s.1)

36

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

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

47 (2) The trust may make and contract to make loans to public  
48 water utilities, or to any other person or local government unit on

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

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

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

1 statistical data and reports of independent consultants or experts as  
2 the State Treasurer shall deem necessary in order to evaluate the  
3 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 ~~June 30, 2031~~ June 30, 2033.

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

24 The trust shall create and establish a special fund (hereinafter  
25 referred to as the "Interim Financing Program Fund") for the short-  
26 term or temporary loan financing or refinancing program  
27 (hereinafter referred to as the "Interim Financing Program").

28 Any short-term or temporary loans made by the trust pursuant to  
29 this subsection may only be made in advance of the anticipated  
30 loans the trust may make and contract to make under the provisions  
31 of subsection a. of this section from any source of funds anticipated  
32 to be received by the trust. Any such short-term or temporary loan  
33 made pursuant to the Interim Financing Program shall mature no  
34 later than the last day of the third succeeding fiscal year following  
35 the closing date on which the short-term or temporary loan was  
36 made by the trust to the project sponsor. The trust may make short-  
37 term or temporary loans pursuant to the Interim Financing Program  
38 to any one or more of the project sponsors, for the respective  
39 projects thereof, identified in the interim financing project priority  
40 list (hereinafter referred to as the "Interim Financing Program  
41 Eligibility List") in the form provided to the Legislature by the  
42 Commissioner of Environmental Protection.

43 Incremental revisions or supplements to the Interim Financing  
44 Program Eligibility List may be submitted to the Legislature at any  
45 time between January 15th and May 15th of each year.

46 The Interim Financing Program Eligibility List, including any  
47 revision thereof or supplement thereto, shall be submitted to the  
48 Legislature on or before June 30 of each year on a day when both

1 Houses are meeting. The President of the Senate and the Speaker of  
2 the General Assembly shall cause the date of submission to be  
3 entered upon the Senate Journal and the Minutes of the General  
4 Assembly, respectively. Any environmental infrastructure project or  
5 the project sponsor thereof not identified in the Interim Financing  
6 Program Eligibility List shall not be eligible for a short-term or  
7 temporary loan from the Interim Financing Program Fund.

8 (cf: P.L.2010, c.64, s.2)

9

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

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

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

38 The financial plan shall identify the wastewater treatment system  
39 projects financed during the prior fiscal year through the Disaster  
40 Relief Emergency Financing Program established pursuant to  
41 section 1 of P.L. , c. (C. ) (pending before the Legislature as this  
42 bill), including a project description, the amount of the Disaster  
43 Relief Emergency Financing Program loan for each project, and the  
44 duration of such Disaster Relief Emergency Financing Program  
45 loan.

46 (cf: P.L.2001, c.223, s.7)

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

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

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

30       The financial plan shall identify the water supply projects  
31 financed during the prior fiscal year through the Disaster Relief  
32 Emergency Financing Program established pursuant to section 1 of  
33 P.L. , c. (C. ) (pending before the Legislature as this bill),  
34 including a project description, the amount of the Disaster Relief  
35 Emergency Financing Program loan for each project, and the  
36 duration of such Disaster Relief Emergency Financing Program  
37 loan.

38 (cf: P.L.2001, c.223, s.8)

39

40       6. This act shall take effect immediately.

41

42

43

#### STATEMENT

44

45       The bill increases the statutory debt ceiling of the New Jersey  
46 Environmental Infrastructure Trust (Trust) by establishing a debt  
47 ceiling of \$5 billion for the Disaster Relief Emergency Financing  
48 Program, a new program established in the bill. The present debt

1 ceiling for obligations issued for all other purposes of the Trust  
2 would remain at \$2.8 billion. The statutory date after which the  
3 Trust may not incur any additional indebtedness is extended by two  
4 calendar years to June 30, 2033.

5 The bill also directs the Trust to establish a special "Disaster  
6 Relief Emergency Loan Fund" for a disaster relief emergency short-  
7 term or temporary loan program to be known as the "Disaster Relief  
8 Emergency Financing Program." The Disaster Relief Emergency  
9 Loan Fund would be credited with administrative fees, principal,  
10 and interest on loans made from the fund, interest earned on fund  
11 balances, such funds as appropriated by the Legislature, Trust bond  
12 proceeds, and other sources including, without limitation, any funds  
13 drawn by the Trust from a revolving line of credit or other similar  
14 financial vehicle, that may be procured by the Trust pursuant to the  
15 provisions of section 5 of P.L.1985, c.334 (C.58:11B-1 et seq.).

16 The bill provides that the Trust may make emergency short-term  
17 or temporary loans to (1) local government units to finance or  
18 refinance wastewater treatment system projects and the costs  
19 incurred in the environmental planning and design thereof, or to (2)  
20 local government units, public water utilities, and private persons to  
21 finance or refinance water supply projects and the costs incurred in  
22 the environmental planning and design thereof. Program loans may  
23 be made upon the determination and certification in writing by the  
24 Department of Environmental Protection that any such project is  
25 necessary and appropriate to (1) repair damages to a wastewater  
26 treatment system or water supply facility directly arising from an  
27 act of terrorism, seismic activity, or weather conditions which  
28 occurred within the prior three fiscal years that gave rise to a  
29 declaration by the Governor of a state of emergency for projects  
30 located in a county included in the Governor's state of emergency  
31 declaration, or (2) mitigate the risk of future damage to a  
32 wastewater treatment system or water supply facility from an act of  
33 terrorism, seismic activity, or weather conditions comparable in  
34 scope and severity to the act of terrorism, seismic activity, or  
35 weather conditions which occurred within the prior three fiscal  
36 years that gave rise to a declaration by the Governor of a state of  
37 emergency for projects located in a county included in the  
38 Governor's state of emergency declaration. The bill limits the  
39 duration of any loan to the last day of the third succeeding fiscal  
40 year following the closing date of the loan. The Disaster Relief  
41 Emergency Financing Program would function without regard to  
42 any other provision of the Trust's enabling laws, P.L.1985, c.334  
43 and P.L.1997, c.224, or any other administrative or legislative  
44 approvals. The Trust would be required to submit to the Legislature  
45 a Disaster Relief Emergency Financing Program project priority list  
46 identifying the projects to be funded, at least once in each fiscal  
47 year.

ASSEMBLY ENVIRONMENT AND SOLID WASTE  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 4185**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 10, 2013

The Assembly Environment and Solid Waste Committee reports favorably and with committee amendments Assembly Bill No. 4185.

This bill increases the statutory debt ceiling of the New Jersey Environmental Infrastructure Trust (Trust) by establishing a debt ceiling of \$5 billion for the Disaster Relief Emergency Financing Program, a new program established in the bill. The present debt ceiling for obligations issued for all other purposes of the Trust would remain at \$2.8 billion. The statutory date after which the Trust may not incur any additional indebtedness is extended by two calendar years to June 30, 2033.

The bill also directs the Trust to establish a special "Disaster Relief Emergency Financing Program Fund" for a disaster relief emergency short-term or temporary loan program to be known as the "Disaster Relief Emergency Financing Program." The Disaster Relief Emergency Financing Program Fund would be credited with administrative fees, principal, and interest on loans made from the fund, interest earned on fund balances, such funds as appropriated by the Legislature, Trust bond proceeds, and other sources including, without limitation, any funds drawn by the Trust from a revolving line of credit or other similar financial vehicle, that may be procured by the Trust pursuant to the provisions of section 5 of P.L.1985, c.334 (C.58:11B-5).

The bill provides that the Trust may make emergency short-term or temporary loans to (1) local government units to finance or refinance wastewater treatment system projects and the costs incurred in the environmental planning and design thereof, or (2) local government units, public water utilities, and private persons to finance or refinance water supply projects and the costs incurred in the environmental planning and design thereof. Program loans may be made upon the determination and certification in writing by the Department of Environmental Protection that any such project is necessary and appropriate to: repair damages to a wastewater treatment system or water supply facility directly arising from an act of terrorism, seismic



activity, or weather conditions which occurred within the prior three fiscal years that gave rise to a declaration by the Governor of a state of emergency for projects located in a county included in the Governor's state of emergency declaration; or mitigate the risk of future damage to a wastewater treatment system or water supply facility from an act of terrorism, seismic activity, or weather conditions comparable in scope and severity to the act of terrorism, seismic activity, or weather conditions which occurred within the prior three fiscal years that gave rise to a declaration by the Governor of a state of emergency for projects located in a county included in the Governor's state of emergency declaration. The bill limits the duration of any loan to the last day of the third succeeding fiscal year following the closing date of the loan. The Disaster Relief Emergency Financing Program would function without regard to any other provision of the Trust's enabling laws, P.L.1985, c.334 and P.L.1997, c.224, or any other administrative or legislative approvals. The Trust would be required to submit to the Legislature a Disaster Relief Emergency Financing Program project priority list identifying the projects to be funded, at least once in each fiscal year.

COMMITTEE AMENDMENTS:

The committee amendments make technical corrections to the bill to correct the name of the fund.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

[First Reprint]

**ASSEMBLY, No. 4185**

# **STATE OF NEW JERSEY**

DATED: JUNE 17, 2013

The Assembly Budget Committee reports favorably Assembly Bill No. 4185 (1R).

This bill makes certain changes to the New Jersey Environmental Infrastructure Trust Financing Program.

The bill increases the statutory debt ceiling of the New Jersey Environmental Infrastructure Trust by establishing a debt ceiling of \$5 billion for the Disaster Relief Emergency Financing Program, a new program established in the bill. The present debt ceiling for obligations issued for all other purposes of the Trust remains at \$2.8 billion. The bill provides that the statutory date after which the Trust may not incur any additional indebtedness is extended by two years from June 30, 2031 to June 30, 2033.

The bill directs the Trust to establish a special "Disaster Relief Emergency Financing Program Fund" for a disaster relief emergency short-term or temporary loan program to be known as the "Disaster Relief Emergency Financing Program." The fund will be credited with administrative fees, principal and interest on loans made from the fund, interest earned on fund balances, appropriations made by the Legislature, Trust bond proceeds, and other sources including, without limitation, any funds drawn by the Trust from a revolving line of credit or other similar financial vehicle procured by the Trust.

The bill provides that the Trust may make emergency short-term or temporary loans to (1) local government units to finance or refinance wastewater treatment system projects and the costs incurred in the environmental planning and design thereof, or (2) local government units, public water utilities, and private persons to finance or refinance water supply projects and the costs incurred in the environmental planning and design thereof.

The bill provides that program loans may be made upon the determination and certification in writing by the Department of Environmental Protection that any such project is necessary and appropriate to: repair damages to a wastewater treatment system or water supply facility directly arising from an act of terrorism, seismic activity, or weather conditions which occurred within the prior three fiscal years that gave rise to a declaration by the Governor of a state of

emergency for projects located in a county included in the Governor's state of emergency declaration; or mitigate the risk of future damage to a wastewater treatment system or water supply facility from an act of terrorism, seismic activity, or weather conditions comparable in scope and severity to the act of terrorism, seismic activity, or weather conditions which occurred within the prior three fiscal years that gave rise to a declaration by the Governor of a state of emergency for projects located in a county included in the Governor's state of emergency declaration.

The bill limits the duration of any program loan to the last day of the third succeeding fiscal year following the closing date of the loan. The Disaster Relief Emergency Financing Program will function without regard to any other provision of the Trust's enabling laws, P.L.1985, c.334 and P.L.1997, c.224, or any other administrative or legislative approvals. The Trust is required to submit to the Legislature a Disaster Relief Emergency Financing Program project priority list identifying the projects to be funded, at least once each fiscal year.

The bill takes effect immediately upon enactment.

**FISCAL IMPACT:**

The bill was not certified as requiring a fiscal note.