

**Sec 1 T&E & Approp; Sec 2-11 T&E; Sec 12-13 Approp**  
**LEGISLATIVE HISTORY CHECKLIST**

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**LAWS OF:** 2022                    **CHAPTER:** 99

**NJSA:** Sec 1 T&E & Approp; Sec 2-11 T&E; Sec 12-13 Approp  
(Appropriates funds to DEP for environmental infrastructure projects for FY2023.)

**BILL NO:** A4066                    (Substituted for S2734)

**SPONSOR(S)** Anthony S. Verrelli and others

**DATE INTRODUCED:** 6/2/2022

**COMMITTEE:**                    **ASSEMBLY:** Appropriations  
**SENATE:** ---

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:**    **ASSEMBLY:** 6/16/2022  
**SENATE:** 6/16/2022

**DATE OF APPROVAL:** 8/12/2022

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

<b>FINAL TEXT OF BILL</b> (Introduced bill enacted)	Yes
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**A4066**

<b>INTRODUCED BILL:</b> (Includes sponsor(s) statement)	Yes
<b>COMMITTEE STATEMENT:</b> <b>ASSEMBLY:</b>	Yes
<b>SENATE:</b>	No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

<b>FLOOR AMENDMENT STATEMENT:</b>	No
<b>LEGISLATIVE FISCAL ESTIMATE:</b>	No

**S2734**

<b>INTRODUCED BILL:</b> (Includes sponsor(s) statement)	Yes
<b>COMMITTEE STATEMENT:</b> <b>ASSEMBLY:</b>	No
<b>SENATE:</b>	Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

<b>FLOOR AMENDMENT STATEMENT:</b>	No
<b>LEGISLATIVE FISCAL ESTIMATE:</b>	No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** Yes

Committee meeting of Senate Environment and Energy Committee : the Committee will meet to hear testimony from invited guests on actions the State could take to foster a circular, clean energy economy; the Committee will also take testimony, for discussion only, on Senate bill 426, which requires producers of packaging products sold in New Jersey to adopt and implement packaging product stewardship plans [June 13, 2022]

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**NEWSPAPER ARTICLES:** No

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§1  
T & E and  
Approp.  
§§2-11  
T & E  
§§12,13  
Approp.

P.L. 2022, CHAPTER 99, *approved August 12, 2022*  
Assembly, No. 4066

1 AN ACT appropriating moneys to the Department of Environmental  
2 Protection for the purpose of making zero interest loans or  
3 principal forgiveness loans to project sponsors to finance a  
4 portion of the costs of environmental infrastructure projects.  
5

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

8  
9 1. a. (1) There is appropriated to the department from the  
10 "Clean Water State Revolving Fund," established pursuant to  
11 section 1 of P.L.2009, c.77, an amount equal to the federal fiscal  
12 year 2022 capitalization grant made available to the State for clean  
13 water project loans pursuant to the "Water Quality Act of 1987," 33  
14 U.S.C. s.1251 et seq., and any amendatory and supplementary acts  
15 thereto (hereinafter referred to as the "Federal Clean Water Act")  
16 and such sums as are made available to the department from the  
17 "Clean Water State Revolving Fund" from funds made available  
18 pursuant to the federal "Infrastructure Investment and Jobs Act,"  
19 Pub. L. 117-58.

20 (2) There is appropriated to the department from the "Interim  
21 Environmental Financing Program Fund," established by the New  
22 Jersey Infrastructure Bank pursuant to subsection d. of section 9 of  
23 P.L.1985, c.334 (C.58:11B-9), such amounts as may be necessary to  
24 supplement the sums appropriated from the Clean Water State  
25 Revolving Fund for the purposes of clean water project loans and  
26 providing the State match as may be required for the award of the  
27 capitalization grants made available to the State for clean water  
28 projects pursuant to the Federal Clean Water Act.

29 (3) There is appropriated to the department from the "Disaster  
30 Relief Emergency Financing Program Fund," established by the  
31 New Jersey Infrastructure Bank pursuant to section 1 of P.L.2013,  
32 c.93 (C.58:11B-9.5), such amounts as may be necessary to  
33 supplement the sums appropriated from the Clean Water State  
34 Revolving Fund for the purposes of clean water project loans and  
35 providing the State match as may be required for the award of the  
36 capitalization grants made available to the State for clean water  
37 projects pursuant to the Federal Clean Water Act.

1 (4) There is appropriated to the department from the "Drinking  
2 Water State Revolving Fund," established pursuant to section 1 of  
3 P.L.1998, c.84, an amount equal to the federal fiscal year 2022  
4 capitalization grant made available to the State for drinking water  
5 projects pursuant to the "Safe Drinking Water Act Amendments of  
6 1996," Pub.L.104-182, and any amendatory and supplementary acts  
7 thereto (hereinafter referred to as the "Federal Safe Drinking Water  
8 Act") and such sums as are made available to the department from  
9 the "Drinking Water State Revolving Fund" from funds made  
10 available pursuant to the federal "Infrastructure Investment and Jobs  
11 Act," Pub. L. 117-58.

12 The department is authorized to transfer from the Clean Water  
13 State Revolving Fund to the Drinking Water State Revolving Fund,  
14 pursuant to the "Water Infrastructure Funding Transfer Act,"  
15 Pub.L.116-63, additional amounts as may be necessary to address a  
16 threat to public health, and an amount equal to the maximum  
17 amount authorized to be transferred is appropriated to the  
18 department for those purposes.

19 The department is authorized to transfer from the Clean Water  
20 State Revolving Fund to the Drinking Water State Revolving Fund  
21 an amount up to the maximum amount authorized to be transferred  
22 pursuant to the Federal Safe Drinking Water Act to meet present  
23 and future needs for the financing of eligible drinking water  
24 projects, and an amount equal to that maximum amount is  
25 appropriated to the department for those purposes.

26 The department is authorized to transfer from the Drinking  
27 Water State Revolving Fund to the Clean Water State Revolving  
28 Fund an amount up to the maximum amount authorized to be  
29 transferred pursuant to the Federal Clean Water Act to meet present  
30 and future needs for the financing of eligible clean water projects,  
31 and an amount equal to that maximum amount is appropriated to the  
32 department for those purposes.

33 Notwithstanding any provision of this act to the contrary, the  
34 department is authorized to utilize funds from the Clean Water State  
35 Revolving Fund for the purposes of the Drinking Water State  
36 Revolving Fund, and may charge interest on loans made with such  
37 invested funds to the extent permitted by the Federal Clean Water  
38 Act and the Federal Safe Drinking Water Act.

39 (5) There is appropriated to the department the unappropriated  
40 balances from the Clean Water State Revolving Fund, including the  
41 balances from the Federal Disaster Relief Appropriations Act, and  
42 any repayments of loans and interest therefrom, as may be available  
43 on or before June 30, 2023, for the purposes of clean water project  
44 loans and providing the State match as may be required for the  
45 award of the capitalization grants made available to the State for  
46 clean water projects pursuant to the Federal Clean Water Act.

47 (6) There is appropriated to the department the unappropriated  
48 balances from the "Wastewater Treatment Fund," established

1 pursuant to section 15 of the "Wastewater Treatment Bond Act of  
2 1985," P.L.1985, c.329, and any repayments of loans and interest  
3 therefrom, as may be available on or before June 30, 2023, for the  
4 purposes of clean water project loans and providing the State match  
5 as may be required for the award of the capitalization grants made  
6 available to the State for clean water projects pursuant to the  
7 Federal Clean Water Act.

8 (7) There is appropriated to the department the unappropriated  
9 balances from the "1992 Wastewater Treatment Fund," established  
10 pursuant to section 27 of the "Green Acres, Clean Water, Farmland  
11 and Historic Preservation Bond Act of 1992," P.L.1992, c.88, and  
12 any repayments of loans and interest therefrom, as may be available  
13 on or before June 30, 2023, for the purposes of clean water project  
14 loans and providing the State match as may be required for the  
15 award of the capitalization grants made available to the State for  
16 clean water projects pursuant to the Federal Clean Water Act.

17 (8) There is appropriated to the department the unappropriated  
18 balances from the "2003 Water Resources and Wastewater  
19 Treatment Fund," established pursuant to subsection a. of section 19  
20 of the "Dam, Lake, Stream, Flood Control, Water Resources, and  
21 Wastewater Treatment Project Bond Act of 2003," P.L.2003, c.162,  
22 and any repayments of loans and interest therefrom, as may be  
23 available on or before June 30, 2023, for the purposes of clean  
24 water project loans and providing the State match as may be  
25 required for the award of the capitalization grants made available to  
26 the State for clean water projects pursuant to the Federal Clean  
27 Water Act.

28 (9) There is appropriated to the department the unappropriated  
29 balances from the "Pinelands Infrastructure Trust Fund," established  
30 pursuant to section 14 of the "Pinelands Infrastructure Trust Bond  
31 Act of 1985," P.L.1985, c.302, and any repayments of loans and  
32 interest therefrom, as may be available on or before June 30, 2023,  
33 for the purposes of clean water project loans and drinking water  
34 project loans and providing the State match as may be required for  
35 the award of the capitalization grants made available to the State for  
36 clean water projects pursuant to the Federal Clean Water Act and  
37 for drinking water projects pursuant to the Federal Safe Drinking  
38 Water Act.

39 (10) There is appropriated to the department the unappropriated  
40 balances from the "Stormwater Management and Combined Sewer  
41 Overflow Abatement Fund," established pursuant to the  
42 "Stormwater Management and Combined Sewer Overflow  
43 Abatement Bond Act of 1989," P.L.1989, c.181, and any  
44 repayments of loans and interest therefrom, as may be available on  
45 or before June 30, 2023, for the purposes of clean water project  
46 loans and providing the State match as may be required for the  
47 award of the capitalization grants made available to the State for  
48 clean water projects pursuant to the Federal Clean Water Act.

1 (11) There is appropriated to the department the unappropriated  
2 balances from the Drinking Water State Revolving Fund and any  
3 repayments of loans and interest therefrom, including the balances  
4 from the Federal Disaster Relief Appropriations Act as may be  
5 available on or before June 30, 2023, for the purposes of drinking  
6 water project loans.

7 (12) There is appropriated to the department such sums as may  
8 be needed from loan repayments and interest earnings from the  
9 "Water Supply Fund," established pursuant to section 14 of the  
10 "Water Supply Bond Act of 1981," P.L.1981, c.261, for the  
11 "Drinking Water State Revolving Fund Match Accounts" contained  
12 within that fund, for the purpose of providing the State match as  
13 may be required for the award of the capitalization grants made  
14 available to the State for drinking water projects pursuant to the  
15 Federal Safe Drinking Water Act.

16 (13) There is appropriated to the department from the "Interim  
17 Environmental Financing Program Fund," established by the New  
18 Jersey Infrastructure Bank pursuant to subsection d. of section 9 of  
19 P.L.1985, c.334 (C.58:11B-9), such amounts as may be available on  
20 or before June 30, 2023, and any repayments of loans and interest  
21 therefrom, as may be necessary to supplement the sums  
22 appropriated from the Drinking Water State Revolving Fund for the  
23 purposes of drinking water project loans and providing the State  
24 match as may be required for the award of the capitalization grants  
25 made available to the State for drinking water projects pursuant to  
26 the Federal Safe Drinking Water Act.

27 (14) There is appropriated to the department from the "Disaster  
28 Relief Emergency Financing Program Fund," established by the  
29 New Jersey Infrastructure Bank pursuant to section 1 of P.L.2013,  
30 c.93 (C.58:11B-9.5), such amounts as may be necessary to  
31 supplement the sums appropriated from the Drinking Water State  
32 Revolving Fund for the purposes of drinking water project loans  
33 and providing the State match as may be required for the award of  
34 the capitalization grants made available to the State for drinking  
35 water projects pursuant to the Federal Safe Drinking Water Act.

36 (15) There is appropriated to the department such amounts as  
37 may be received by the Department of Community Affairs, as the  
38 grantee from the United States Department of Housing and Urban  
39 Development Community Development Block Grant - Disaster  
40 Recovery Program (CDBG-DR), as may be available on or before  
41 June 30, 2023, for the purposes of CDBG-DR eligible clean water  
42 and drinking water project loans and providing the State match as  
43 may be required for the award of the capitalization grants made  
44 available to the State for clean water projects pursuant to the  
45 Federal Clean Water Act and drinking water projects pursuant to the  
46 Federal Safe Drinking Water Act.

47 (16) There is appropriated to the department such sums as may  
48 be available on or before June 30, 2023, as repayments of drinking

1 water project loans and any interest therefrom from the "Water  
2 Supply Fund," established pursuant to section 14 of the "Water  
3 Supply Bond Act of 1981," P.L.1981, c.261, for the purposes of  
4 drinking water project loans and providing the State match as may  
5 be required for the award of the capitalization grants made available  
6 to the State for drinking water projects pursuant to the Federal Safe  
7 Drinking Water Act.

8 (17) Of the sums appropriated to the department from the "Water  
9 Supply Fund" pursuant to P.L.1999, c.174, P.L.2001, c.222,  
10 P.L.2002, c.70, and P.L.2003, c.158, the department is authorized to  
11 transfer any unexpended balances and any repayments of loans and  
12 interest therefrom as may be available on or before June 30, 2023,  
13 in such amounts as needed to the Drinking Water State Revolving  
14 Fund accounts contained within the Water Supply Fund established  
15 for the purposes of providing drinking water project loans and  
16 providing the State match as may be required for the award of the  
17 capitalization grants made available to the State for drinking water  
18 projects pursuant to the Federal Safe Drinking Water Act.

19 (18) Of the sums appropriated to the department from the "1992  
20 Wastewater Treatment Fund" pursuant to P.L.1996, c.85, P.L.1997,  
21 c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92, P.L.2001,  
22 c.222, and P.L.2002, c.70, the department is authorized to transfer  
23 any unexpended balances and any repayments of loans and interest  
24 therefrom as may be available on or before June 30, 2023, in such  
25 amounts as needed to the Clean Water State Revolving Fund  
26 accounts contained within the 1992 Wastewater Treatment Fund for  
27 the purposes of providing clean water project loans and providing  
28 the State match as may be required for the award of the  
29 capitalization grants made available to the State for clean water  
30 projects pursuant to the Federal Clean Water Act.

31 (19) Of the sums appropriated to the department from the "2003  
32 Water Resources and Wastewater Treatment Fund" pursuant to  
33 P.L.2004, c.109 and P.L.2007, c.139, the department is authorized  
34 to transfer any unexpended balances and any repayments of loans  
35 and interest therefrom as may be available on or before June 30,  
36 2023, in such amounts as needed to the Clean Water State  
37 Revolving Fund accounts contained within the 2003 Water  
38 Resources and Wastewater Treatment Fund for the purposes of  
39 providing clean water project loans and providing the State match  
40 as may be required for the award of the capitalization grants made  
41 available to the State for clean water projects pursuant to the  
42 Federal Clean Water Act.

43 (20) There is appropriated to the department the sums deposited  
44 by the New Jersey Infrastructure Bank into the Clean Water State  
45 Revolving Fund, the "Wastewater Treatment Fund," the "1992  
46 Wastewater Treatment Fund," the "Water Supply Fund," the  
47 "Stormwater Management and Combined Sewer Overflow  
48 Abatement Fund," established pursuant to the "Stormwater

1 Management and Combined Sewer Overflow Abatement Bond Act  
2 of 1989," P.L.1989, c.181, the "2003 Water Resources and  
3 Wastewater Treatment Fund," and the Drinking Water State  
4 Revolving Fund, as appropriate, pursuant to paragraph (6) of  
5 subsection c. of section 1 of P.L. , c. (pending before the  
6 Legislature as Senate Bill No. 2735 of 2022 and Assembly Bill No.  
7 4067 of 2022), as may be available on or before June 30, 2023, for  
8 the purposes of providing clean water project loans and drinking  
9 water project loans and providing the State match as may be  
10 required for the award of the capitalization grants made available to  
11 the State for clean water projects pursuant to the Federal Clean  
12 Water Act and for drinking water projects pursuant to the Federal  
13 Safe Drinking Water Act.

14 Any such amounts shall be for the purpose of making zero  
15 interest and principal forgiveness financing loans, to the extent  
16 sufficient funds are available, to or on behalf of local government  
17 units or public water utilities (hereinafter referred to as "project  
18 sponsors") to finance a portion of the cost of the construction of  
19 clean water projects and drinking water projects listed in sections 2  
20 and 3 of this act, and for the purpose of implementing and  
21 administering the provisions of this act, to the extent permitted by  
22 the Federal Disaster Relief Appropriations Act, the Federal Clean  
23 Water Act, the Federal Safe Drinking Water Act, P.L.2009, c.77,  
24 the "Wastewater Treatment Bond Act of 1985." P.L.1985, c.329, the  
25 "Water Supply Bond Act of 1981," P.L.1981, c.261, the  
26 "Stormwater Management and Combined Sewer Overflow  
27 Abatement Bond Act of 1989," P.L.1989, c.181, the "Green Acres,  
28 Clean Water, Farmland and Historic Preservation Bond Act of  
29 1992," P.L.1992, c.88, the "Dam, Lake, Stream, Flood Control,  
30 Water Resources, and the Wastewater Treatment Project Bond Act  
31 of 2003," P.L.2003, c.162, and any amendatory and supplementary  
32 acts thereto.

33 (21) Of the \$60 million appropriated to the department for the  
34 capital construction of drinking water infrastructure by the State  
35 fiscal year 2021 appropriations act, P.L.2020 c.97, up to \$25  
36 million may be transferred to the New Jersey Infrastructure Bank to  
37 invest, provide debt service reserve or guarantee, or pay interest on  
38 behalf of a sponsor of a drinking water environmental infrastructure  
39 project.

40 (22) There is appropriated to the department for the purposes of  
41 eligible clean water project grants such amounts as may be received  
42 by the department under the Sewer Overflow and Stormwater Reuse  
43 Grants Program, as the grantee from the United States  
44 Environmental Protection Agency and as may be available on or  
45 before June 30, 2023.

46 b. The department is authorized to make zero interest and  
47 principal forgiveness financing loans to or on behalf of the project  
48 sponsors for the environmental infrastructure projects listed in



1 subsection a. of section 2 and subsection a. of section 3 of this act  
2 for clean water projects, up to the individual amounts indicated and  
3 in the priority stated, to the extent there are sufficient eligible  
4 project applications, except that any such amounts may be reduced  
5 if a project fails to meet the requirements of sections 4 or 5 of this  
6 act, or by the Commissioner of Environmental Protection pursuant  
7 to section 7 of this act.

8 (1) A maximum of \$30 million in principal forgiveness loans,  
9 plus any appropriated but unallocated funds designated in State  
10 fiscal year 2022 for combined sewer overflow projects, shall be  
11 issued as provided in subsection a. of section 3 of this act to  
12 communities in combined sewer overflow sewersheds for  
13 construction projects that reduce or eliminate discharges from  
14 combined sewer overflow outfalls. The amount of a principal  
15 forgiveness loan issued pursuant to this paragraph shall not exceed  
16 \$5 million per borrower whenever practicable. For project costs up  
17 to and including \$10 million, 50 percent of the principal of the loan  
18 shall be forgiven and the remaining 50 percent of the loan shall  
19 have a blended interest rate of 50 percent of the trust's market rate.  
20 For project costs greater than \$10 million, the loan shall have a  
21 blended interest rate of 50 percent of the trust's market rate. For  
22 projects in communities that meet "Clean Water State Revolving  
23 Fund" affordability criteria, for project costs up to and including \$5  
24 million, 100 percent of the principal of the loan shall be forgiven.  
25 For project costs greater than \$5 million and up to and including  
26 \$10 million, the loan shall have a blended interest rate of 50 percent  
27 of the trust's market rate. For project costs greater than \$10 million  
28 up to and including \$12 million, 100 percent of the principal of this  
29 portion of the loan shall be forgiven. For project costs greater than  
30 \$12 million and up to and including \$14 million, the loan shall have  
31 a blended interest rate of 50 percent of the trust's market rate. For  
32 project costs greater than \$14 million and up to and including \$20  
33 million, the loan shall have a blended interest rate of 25 percent of  
34 the trust's market rate, and, for the remaining project costs over \$20  
35 million, the loan shall have a blended interest rate of 50 percent of  
36 the trust's market rate.

37 (2) A maximum of \$6 million in principal forgiveness loans, plus  
38 any appropriated but unallocated funds designated in State fiscal  
39 year 2022 for water quality restoration projects, shall be issued as  
40 provided in subsection a. of section 3 of this act for water quality  
41 restoration projects. The amount of a principal forgiveness loan  
42 issued pursuant to this paragraph shall not exceed \$2.5 million per  
43 borrower whenever practicable. For project costs up to and  
44 including \$4 million, 50 percent of the principal of the loan shall be  
45 forgiven, and the remaining 50 percent of the loan shall have a  
46 blended interest rate of 50 percent of the trust's market rate. For  
47 project costs greater than \$4 million and up to and including \$10  
48 million, the loan shall have a blended interest rate of 25 percent of

1 the trust's market rate. For project costs greater than \$10 million,  
2 the loan shall have a blended interest rate of 50 percent of the trust's  
3 market rate.

4 (3) A maximum of \$36 million in principal forgiveness loans for  
5 projects sponsored by applicants that meet the "Clean Water State  
6 Revolving Fund" affordability criteria as set forth by the department  
7 shall be issued as provided in subsection a. of section 3 of this act  
8 for water quality restoration projects. The amount of a principal  
9 forgiveness loan issued pursuant to this paragraph shall not exceed  
10 \$2 million per borrower whenever practicable. For project costs up  
11 to and including \$2 million, 100 percent of the principal of the loan  
12 shall be forgiven. For project costs greater than \$2 million and up  
13 to and including \$4 million, the loan shall have a blended interest  
14 rate of 50 percent of the trust's market rate. For project costs greater  
15 than \$4 million and up to and including \$10 million, the loan shall  
16 have a blended interest rate of 25 percent of the trust's market rate.  
17 For project costs greater than \$10 million, the loan shall have a  
18 blended interest rate of 50 percent of the trust's market rate.

19 (4) A maximum of \$10 million in principal forgiveness loans for  
20 water and energy efficiency projects shall be issued as provided in  
21 subsection a. of section 3 of this act to projects that address water  
22 and energy efficiency goals that meet the eligibility requirements  
23 for water and energy efficiency as defined in the United States  
24 Environmental Protection Agency's "Green Project Reserve  
25 Guidance." The amount of a principal forgiveness loan issued  
26 pursuant to this paragraph shall not exceed \$2 million per borrower  
27 whenever practicable. For project costs up to and including \$4  
28 million, 50 percent of the principal of the loan shall be forgiven and  
29 the remaining 50 percent of the loan shall have a blended interest  
30 rate of 50 percent of the trust's market rate. For project costs  
31 greater than \$4 million and up to and including \$10 million, the  
32 loan shall have a blended interest rate of 25 percent of the trust's  
33 market rate. For project costs greater than \$10 million, the loan  
34 shall have a blended interest rate of 50 percent of the trust's market  
35 rate.

36 (5) A maximum of \$4 million in principal forgiveness loans for  
37 emerging contaminant projects shall be issued as provided in  
38 subsection a. of section 3 of this act to projects that primarily  
39 address substances and microorganisms, which are known or  
40 anticipated in the environment, and which may pose newly  
41 identified or re-emerging risks to human health, aquatic life, or the  
42 environment. The amount of a principal forgiveness loan issued  
43 pursuant to this paragraph shall not exceed \$2 million per borrower  
44 whenever practicable. For project costs up to and including \$2  
45 million, 100 percent of the principal of the loan shall be forgiven.  
46 For project costs greater than \$2 million and up to and including \$4  
47 million, the loan shall have a blended interest rate of 50 percent of  
48 the trust's market rate. For project costs greater than \$4 million and

1 up to and including \$10 million, the loan shall have a blended  
2 interest rate of 25 percent of the trust's market rate. For project  
3 costs greater than \$10 million, the loan shall have a blended interest  
4 rate of 50 percent of the trust's market rate.

5 (6) A maximum of \$1 million in principal forgiveness loans for  
6 combined sewer overflow or stormwater management projects shall  
7 be issued to finance up to 20 percent of project costs for projects  
8 that qualify for a Sewer Overflow and Stormwater Reuse grant. 100  
9 percent of the principal of the loan shall be forgiven, and the  
10 remaining project costs shall be financed through a Sewer Overflow  
11 and Stormwater Reuse grant from the department.

12 (7) The projects listed in subsection a. of section 2 of this act and  
13 subsection a. of section 3 of this act that were previously identified  
14 in P.L.2021, c.203, as amended by P.L.2021, c.328, are granted  
15 continued priority status and shall be subject to the provisions of  
16 P.L.2021, c.203, as amended by P.L.2021, c.328, provided such  
17 projects received short-term funding prior to June 30, 2022.

18 c. The department is authorized to make zero interest and  
19 principal forgiveness financing loans to or on behalf of the project  
20 sponsors for the environmental infrastructure projects listed in  
21 subsection b. of section 3 of this act for drinking water projects, up  
22 to the individual amounts indicated and in the priority stated,  
23 provided:

24 (1) up to \$8 million of Drinking Water State Revolving Fund  
25 loans, plus any appropriated but unallocated funds designated in  
26 State fiscal year 2022 for drinking water systems serving  
27 populations of up to 10,000 residents, shall be available for drinking  
28 water systems serving populations of up to 10,000 residents  
29 wherein principal forgiveness shall not exceed \$500,000 in the  
30 aggregate and shall not exceed 50 percent of the total loan amount  
31 per project sponsor in an amount not to exceed \$1 million per  
32 project sponsor;

33 (2) up to \$3 million in principal forgiveness loans shall be  
34 available for drinking water systems that serve fewer than 1,000  
35 persons, have been assisted by the Community Engineering Corps,  
36 and do not meet credit eligibility requirements of the Water Bank  
37 Financing Program credit policy. A loan issued pursuant to this  
38 paragraph shall have 100 percent principal forgiveness for a loan  
39 amount of up to \$750,000 per applicant;

40 (3) a maximum of \$13 million of principal forgiveness loans  
41 shall be available for drinking water projects that primarily address  
42 emerging contaminants, for which principal forgiveness may be  
43 authorized for up to 100 percent of the total fund loan amount of up  
44 to \$1 million per applicant;

45 (4) a maximum of \$5 million of principal forgiveness loans shall  
46 be available for drinking water projects other than those to address  
47 emerging contaminants or lead that meet the affordability criteria of  
48 the department, for which principal forgiveness may be authorized

1 for up to 100 percent of the total fund loan amount of up to \$1  
2 million per applicant. For project costs greater than \$1 million and  
3 up to and including \$11 million, the loan shall have a blended  
4 interest rate of 25 percent of the trust's market rate. For project  
5 costs greater than \$11 million and up to and including \$25 million,  
6 the loan shall have a blended interest rate of 50 percent of the  
7 trust's market rate. Project costs over \$25 million may be financed  
8 at an interest rate of 100 percent of the trust's market rate as  
9 capacity allows; and

10 (5) up to \$25 million plus any appropriated but unallocated funds  
11 designated in State fiscal year 2022, may be issued for principal  
12 forgiveness loans for drinking water systems serving 10,000 or  
13 fewer customers to finance lead service line replacements, for  
14 which principal forgiveness shall not exceed 50 percent of the total  
15 loan amount of up to \$5 million per water system.

16 Loans may be made pursuant to this subsection to the extent  
17 there are sufficient eligible project applications and as may be  
18 required for the award of the capitalization grants made available to  
19 the State for drinking water projects pursuant to the Federal Safe  
20 Drinking Water Act. Any such amounts may be reduced by the  
21 Commissioner of Environmental Protection pursuant to section 7 of  
22 this act, or if a project fails to meet the requirements of section 4 or  
23 5 of this act.

24 d. The department is authorized to make zero interest and  
25 principal forgiveness financing loans to or on behalf of the project  
26 sponsors for the environmental infrastructure projects listed in  
27 sections 2 and 3 of this act under the same terms, conditions and  
28 requirements set forth in this section from any unexpended balances  
29 of the amounts appropriated pursuant to section 1 of P.L.1987,  
30 c.200, section 2 of P.L.1988, c.133, section 1 of P.L.1989, c.189,  
31 section 1 of P.L.1990, c.99, section 1 of P.L.1991, c.325, section 1  
32 of P.L.1992, c.38, section 1 of P.L.1993, c.193, section 1 of  
33 P.L.1994, c.106, section 1 of P.L.1995, c.219, section 1 of  
34 P.L.1996, c.85, section 1 of P.L.1997, c.221, section 2 of P.L.1998,  
35 c.84, section 2 of P.L.1999, c.174, section 2 of P.L.2000, c.92,  
36 sections 1 and 2 of P.L.2001, c.222, sections 1 and 2 of P.L.2002,  
37 c.70, sections 1 and 2 of P.L.2003, c.158, sections 1 and 2 of  
38 P.L.2004, c.109, sections 1 and 2 of P.L.2005, c.196, sections 1 and  
39 2 of P.L.2006, c.68, sections 1 and 2 of P.L.2007, c.139, sections 1  
40 and 2 of P.L.2008, c.68, sections 1 and 2 of P.L.2009, c.102,  
41 sections 1 and 2 of P.L.2010, c.63, sections 1 and 2 of P.L.2011,  
42 c.93, sections 1 and 2 of P.L.2012, c.43, sections 1 and 2 of  
43 P.L.2013, c.95, sections 1 and 2 of P.L.2014, c.25, sections 1 and 2  
44 of P.L.2015, c.108, sections 1 and 2 of P.L.2016, c.32, as amended  
45 by P.L.2017, c.14, sections 1 and 2 of P.L.2017, c.143, as amended  
46 by P.L.2017, c.326, sections 1 and 2 of P.L.2018, c.85, as amended  
47 by P.L.2018, c.137 and P.L.2019, c.12, sections 1 and 2 of  
48 P.L.2019, c.193, as amended by P.L.2019, c.514, P.L.2020, c.49, as

1 amended by P.L.2021, c.21, and P.L.2021, c.203, as amended by  
2 P.L.2021, c.328, including amounts resulting from the low bid and  
3 final building cost reductions authorized pursuant to section 6 of  
4 P.L.1987, c.200, section 7 of P.L.1988, c.133, section 6 of  
5 P.L.1989, c.189, section 6 of P.L.1990, c.99, section 6 of P.L.1991,  
6 c.325, section 6 of P.L.1992, c.38, section 6 of P.L.1993, c.193,  
7 section 6 of P.L.1994, c.106, section 6 of P.L.1995, c.219, section 6  
8 of P.L. 1996, c.85, section 6 of P.L.1997, c.221, section 7 of  
9 P.L.1998, c.84, section 6 of P.L.1999, c.174, section 6 of P.L.2000,  
10 c.92, section 6 of P.L.2001, c.222, section 6 of P.L.2002, c.70,  
11 section 6 of P.L.2003, c.158, section 6 of P.L.2004, c.109, section 6  
12 of P.L.2005, c.196, section 6 of P.L.2006, c.68, section 6 of  
13 P.L.2007, c.139, section 6 of P.L.2008, c.68, section 7 of P.L.2009,  
14 c.102, section 6 of P.L.2010, c.63, section 6 of P.L.2011, c.93,  
15 section 6 of P.L.2012, c.43, section 6 of P.L.2013, c.95, section 7 of  
16 P.L.2014, c.25, section 7 of P.L.2015, c.108, section 7 of P.L.2016,  
17 c.32, as amended by P.L.2017, c.14, section 7 of P.L.2017, c.143 as  
18 amended by P.L.2017, c.326, section 7 of P.L.2018, c.85, as  
19 amended by P.L.2018, c.137 and P.L.2019, c.12, section 7 of  
20 P.L.2019, c.193, as amended by P.L.2019, c.514, section 7 of  
21 P.L.2020, c.49, as amended by P.L.2021, c.21, and P.L.2021, c.203,  
22 as amended by P.L.2021, c.328, and from any repayments of loans  
23 and interest from the Clean Water State Revolving Fund, the  
24 "Wastewater Treatment Fund," the "Water Supply Fund," the "1992  
25 Wastewater Treatment Fund," the "2003 Water Resources and  
26 Wastewater Treatment Fund," and amounts deposited therein during  
27 State fiscal year 2022 and State fiscal year 2023 pursuant to the  
28 provisions of section 16 of P.L.1985, c.329, and section 2 of  
29 P.L.2009, c.77 and any amendatory and supplementary acts thereto,  
30 including any Clean Water State Revolving Fund Accounts  
31 contained within the "Wastewater Treatment Fund," and from any  
32 repayment of loans and interest from the Drinking Water State  
33 Revolving Fund.

34 e. The department is authorized to make zero interest and  
35 principal forgiveness Sandy financing loans to or on behalf of the  
36 project sponsors for the Sandy environmental infrastructure projects  
37 listed in subsection a. of section 3 of this act for clean water  
38 projects, in a manner consistent with the Federal Disaster Relief  
39 Appropriations Act, up to the individual amounts indicated, except  
40 that any such amount may be reduced by the Commissioner of  
41 Environmental Protection pursuant to section 7 of this act, or if a  
42 project fails to meet the requirements of section 4, 5, or 7 of this  
43 act, provided a maximum of \$300 million shall be provided for  
44 Sandy financing loans for clean water projects to provide financial  
45 assistance to communities affected by the Storm Sandy, and for  
46 projects whose purpose is to reduce flood damage risk and  
47 vulnerability or to enhance resiliency to rapid hydrologic change or  
48 a natural disaster.

- 1 f. For the purposes of this act:  
 2 "Department" means the Department of Environmental  
 3 Protection.  
 4 "Federal Disaster Relief Appropriations Act" means the  
 5 "Disaster Relief Appropriations Act, 2013," Pub.L.113-2, and any  
 6 amendatory and supplementary acts thereto.  
 7 "Sandy financing" means grants, zero interest loans or principal  
 8 forgiveness loans provided by the Department of Environmental  
 9 Protection from funds made available to the State for clean water or  
 10 drinking water projects, or clean water or drinking water project  
 11 match, pursuant to the Federal Disaster Relief Appropriations Act.  
 12 "Trust" means the New Jersey Infrastructure Bank created  
 13 pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4).  
 14  
 15 2. a. (1) The department is authorized to expend funds for the  
 16 purpose of making supplemental zero interest loans to or on behalf  
 17 of the project sponsors listed below for the following clean water  
 18 environmental infrastructure projects:  
 19

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable DEP Loan Amount</b>	<b>Estimated Total Loan Amount</b>
Camden County MUA	S340640-18R	\$7,500,000	\$10,000,000
Clinton Town	S340924-07R	\$600,000	\$800,000
Hoboken City	S340635-06R	\$24,750,000	\$33,000,000
Jersey City MUA	S340928-15R	\$2,625,000	\$3,500,000
Newark City	S340815-24R	\$15,750,000	\$21,000,000
North Bergen MUA	S340652-14R	\$6,150,000	\$8,200,000
Ocean Township. SA	S340750-14R	\$750,000	\$1,000,000
Passaic Valley SC	S340689-40R	\$1,125,000	\$1,500,000
Plumsted Township	S340607-03R	\$7,500,000	\$10,000,000
Rockaway Valley RSA	S340821-07R	\$2,250,000	\$3,000,000
Paterson City	S340850-03-1	\$1,912,500	\$2,550,000
Somerville Borough	S342013-01-1	\$1,387,500	\$1,850,000
<b>Total Projects: 12</b>		<b>\$72,300,000</b>	<b>\$96,400,000</b>

- 20  
 21 (2) The loans authorized in this subsection shall be made for the  
 22 difference between the allowable loan amounts required by these  
 23 projects based upon final building costs pursuant to section 7 of this  
 24 act and the loan amounts certified by the Commissioner of  
 25 Environmental Protection in State fiscal years 2017, 2018, 2019,  
 26 2020, and 2021 and for increased allowable costs as defined and  
 27 determined in accordance with the rules and regulations adopted by  
 28 the department pursuant to section 4 of P.L.1985, c.329. The loans  
 29 authorized in this subsection shall be made to or on behalf of the  
 30 project sponsors listed, up to the individual amounts indicated and

1 in the priority stated, to the extent sufficient funds are available,  
 2 except as a project fails to meet the requirements of section 4, 5, or  
 3 7 of this act.

4 (3) The zero interest loans for the projects authorized in this  
 5 subsection shall have priority over projects listed in subsection a. of  
 6 section 3 of this act.

7 b. (1) The department is authorized to expend funds for the  
 8 purpose of making supplemental loans to or on behalf of the project  
 9 sponsors listed below for the following drinking water  
 10 environmental infrastructure projects:

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable DEP Loan Amount</b>	<b>Estimated Total Loan Amount</b>
National Park Borough	0812001-004R	\$750,000	\$1,000,000
Newark City	0714001-016R	\$2,250,000	\$3,000,000
North Jersey District Water Supply Comm.	1613001-025R	\$19,125,000	\$25,500,000
<b>Total Projects: 3</b>		<b>\$22,125,000</b>	<b>\$29,500,000</b>

11  
 12 (2) The loans authorized in this subsection shall be made for the  
 13 difference between the allowable loan amount required by these  
 14 projects based upon final building costs pursuant to section 7 of this  
 15 act and the loan amounts certified by the Commissioner of  
 16 Environmental Protection in State fiscal years 2018, 2019 and 2020  
 17 and for increased allowable costs as defined and determined in  
 18 accordance with the rules and regulations adopted by the  
 19 department pursuant to section 5 of P.L.1981, c.261. The loans  
 20 authorized in this subsection shall be made to or on behalf of the  
 21 project sponsors listed, up to the individual amounts indicated and  
 22 in the priority stated, to the extent sufficient funds are available,  
 23 except as a project fails to meet the requirements of section 4, 5, or  
 24 7 of this act.

25 (3) The zero interest loans for the projects authorized in this  
 26 subsection shall have priority over projects listed in subsection b. of  
 27 section 3 of this act.

28 c. The department is authorized to adjust the allowable  
 29 department loan amount for projects authorized in this section to  
 30 between zero percent and 100 percent of the total allowable loan  
 31 amount, and, if the department loan amount is adjusted to 100  
 32 percent of the total allowable loan amount, the loan shall be  
 33 provided pursuant to the terms and conditions of the financing  
 34 program year in which the construction loan component of the  
 35 project was certified by the department, and for which the trust  
 36 issued an interim financing program loan for the project, or, in the  
 37 absence of an interim financing program loan, the terms and  
 38 conditions of the State fiscal year 2023 financing program.

- 1 3. a. (1) The following environmental infrastructure projects  
 2 shall be known and may be cited as the "Storm Sandy and State  
 3 Fiscal Year 2023 Clean Water Project Eligibility List":  
 4

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable DEP Loan Amount</b>	<b>Estimated Total Loan Amount</b>
Musconetcong SA	S340384-09	\$4,650,000	\$6,200,000
Camden County MUA	S340640-20	\$2,250,000	\$3,000,000
Camden County MUA	S345040-01	\$1,035,000	\$1,380,000
Camden City	S340366-15	\$9,997,500	\$13,330,000
Jersey City MUA	S340928-21	\$9,750,000	\$13,000,000
Jersey City MUA	S340928-24	\$81,000,000	\$108,000,000
Elizabeth City	S345070-01	\$3,000,001	\$4,000,001
Bayonne City	S340399-31	\$3,750,000	\$5,000,000
Long Branch SA	S340336-08	\$1,305,525	\$1,740,700
Ocean County UA	S340372-63	\$1,650,000	\$2,200,000
Hoboken City	S340635-09	\$375,000	\$500,000
Mount Laurel Township MUA	S340943-06	\$6,000,000	\$8,000,000
North Hudson SA	S340952-34	\$900,000	\$1,200,000
North Hudson SA	S340952-33	\$20,250,000	\$27,000,000
North Hudson SA	S340952-31	\$675,000	\$900,000
North Hudson SA	S345190-01	\$4,500,000	\$6,000,000
North Hudson SA	S340952-38	\$1,013,400	\$1,351,200
Perth Amboy City	S345220-01	\$750,000	\$1,000,000
Hackensack City	S340923-13	\$11,400,000	\$15,200,000
Hackensack City	S340923-14	\$6,000,000	\$8,000,000
Passaic Valley SC	S340689-37	\$91,125,000	\$121,500,000
Passaic Valley SC	S345200-01	\$7,125,000	\$9,500,000
Pennsville SA	S340870-05	\$3,000,000	\$4,000,000
Bergen County UA	S340386-23	\$14,025,000	\$18,700,000
Logan Township MUA	S340123-02	\$9,000,000	\$12,000,000
Bergen County UA	S340386-21	\$5,700,000	\$7,600,000
Linden Roselle SA	S340299-08	\$20,250,000	\$27,000,000
Passaic Valley SC	S340689-50	\$6,600,000	\$8,800,000
Gloucester County UA	S340902-15	\$8,625,000	\$11,500,000



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Allentown Borough	S340567-05	\$3,825,000	\$5,100,000
Stony Brook RSA	S340400-11	\$16,500,000	\$22,000,000
Evesham MUA	S340838-09	\$375,000	\$500,000
Rutgers, The State University of New Jersey	S340500-01	\$28,125,000	\$37,500,000
Willingboro MUA	S340132-09	\$6,750,000	\$9,000,000
Rockaway Valley RSA	S340821-08	\$11,625,000	\$15,500,000
Wildwood City	S340664-06	\$11,784,758	\$15,713,010
New Jersey Water Supply Authority	S340421-02	\$71,250,000	\$95,000,000
Long Branch SA	S340336-09	\$4,200,000	\$5,600,000
Stafford Township	S340946-08	\$2,625,000	\$3,500,000
Stafford Township	S340946-07	\$3,750,000	\$5,000,000
Vernon Township	S340745-03	\$1,875,000	\$2,500,000
Delran Township	S340794-10	\$1,575,000	\$2,100,000
Hopatcong Borough	S340488-07	\$60,000	\$80,000
Tuckerton Borough	S340034-05	\$2,475,000	\$3,300,000
Atlantic County UA	S340809-30	\$7,575,000	\$10,100,000
Toms River MUA	S340145-08	\$1,018,800	\$1,358,400
Two Rivers Water Reclamation Authority	S340117-09	\$3,150,000	\$4,200,000
Northwest Bergen County UA	S340700-19	\$6,099,338	\$8,132,450
Two Rivers Reclamation Authority	S340117-10	\$2,475,000	\$3,300,000
Franklin Township SA	S340839-09	\$5,625,000	\$7,500,000
Parsippany Troy Hills Township	S340886-05	\$8,800,125	\$11,733,500
Berkeley Township SA	S340969-14	\$2,625,000	\$3,500,000
Scotch Plains Township	S340512-01	\$2,025,000	\$2,700,000
Burlington Township	S340712-17	\$750,000	\$1,000,000
Hopewell Township	S340282-03	\$1,230,000	\$1,640,000
Mantua Township MUA	S340514-03	\$1,012,500	\$1,350,000
Middlesex Borough	S340698-03	\$900,000	\$1,200,000
Pennsville SA	S340870-04	\$1,200,000	\$1,600,000
Red Bank	S340528-01	\$3,375,000	\$4,500,000

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Borough			
North Haledon Borough	S340229-02	\$75,000	\$100,000
North Haledon Borough	S340229-01	\$765,771	\$1,021,028
Haddon Heights Borough	S340877-02	\$82,500	\$110,000
Emerson Borough	S340497-01	\$75,000	\$100,000
Emerson Borough	S340497-02	\$337,500	\$450,000
Mount Arlington Borough	S340451-05	\$159,589	\$212,785
Medford Lakes Borough	S340319-03	\$8,250,000	\$11,000,000
Mendham Borough	S340159-03	\$2,400,000	\$3,200,000
Hamburg Borough	S340149-03	\$75,000	\$100,000
Long Beach Township	S340023-07	\$3,450,000	\$4,600,000
Borough of Wenonah	S340531-01	\$997,500	\$1,330,000
Seaside Park Borough	S340083-04	\$3,000,000	\$4,000,000
Ship Bottom Borough	S340311-05	\$3,750,000	\$5,000,000
Passaic Valley SC	S340689-45	\$7,657,577	\$10,210,102
Montville Township	S340931-04	\$2,625,000	\$3,500,000
Camden County MUA	S340640-26	\$21,150,000	\$28,200,000
Lower Township MUA	S340810-05	\$22,500,000	\$30,000,000
Mantua Township MUA	S340514-02	\$1,687,500	\$2,250,000
Little Egg Harbor Township	S340579-04	\$1,530,000	\$2,040,000
Gloucester Township	S340364-11	\$712,500	\$950,000
Gloucester Township	S340364-15	\$1,087,500	\$1,450,000
Northfield City	S340508-02	\$112,500	\$150,000
Spotswood Borough	S340510-01	\$4,070,250	\$5,427,000
North Hudson SA	S340952-36	\$675,000	\$900,000
Sussex County MUA	S342008-04	\$8,250,000	\$11,000,000
Atlantic City MUA	S340439-04	\$2,300,000	\$3,066,667
Sussex County MUA	S342008-06	\$32,250,000	\$43,000,000
Burlington City	S340140-02	\$1,950,000	\$2,600,000
Willingboro MUA	S340132-11	\$7,500,000	\$10,000,000
Bloomfield Township	S340516-01	\$5,423,228	\$7,230,970

Brick Township MUA	S340448-14	\$1,500,000	\$2,000,000
University Hospital	S340500-03	\$5,850,000	\$7,800,000
Ship Bottom Borough	S340311-04	\$2,062,500	\$2,750,000
<b>Total Projects: 92</b>		<b>\$704,668,362</b>	<b>\$939,557,813</b>

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(2) The department is authorized to make clean water project loans to the following municipalities receiving funding from the "Pinelands Infrastructure Trust Fund," established pursuant to section 14 of the "Pinelands Infrastructure Trust Bond Act of 1985," P.L.1985, c.302:

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Total Loan Amount</b>
Pemberton Twp.	Pinelands 1	\$2,929,000
Manchester Twp./ Jackson MUA	Pinelands 2	\$7,192,035
Galloway Twp.	Pinelands 4	\$3,493,440
Winslow Twp.	Pinelands 5	\$1,728,940
<b>Total Pinelands Projects: 4</b>		<b>\$15,343,415</b>

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b. The following environmental infrastructure projects shall be known and may be cited as the "Storm Sandy and State Fiscal Year 2023 Drinking Water Project Eligibility List":

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable DEP Loan Amount</b>	<b>Estimated Total Loan Amount</b>
Newark City	0714001-020	\$13,125,000	\$17,500,000
Trenton City	1111001-011	\$15,255,000	\$20,340,000
Newark City	0714001-019	\$9,375,000	\$12,500,000
Newark City	0714001-021	\$67,500,000	\$90,000,000
Orange City	0717001-013	\$525,000	\$700,000
Bloomfield Township	0702001-003	\$823,796	\$1,098,395
NJ American Water Company, Incorporated	1345001-017	\$7,575,000	\$10,100,000
Trenton City	1111001-005	\$179,250,000	\$239,000,000
National Park Borough	0812001-005	\$1,350,000	\$1,800,000
Moorestown Township	0322001-001	\$18,468,750	\$24,625,000
Brick Township MUA	1506001-011	\$15,667,500	\$20,890,000
East Orange City	0705001-014	\$24,750,000	\$33,000,000

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Highbridge Borough	1014001-004	\$1,108,404	\$1,477,872
East Greenwich	0803001-004	\$1,950,000	\$2,600,000
Lakeshore Company	1413001-001	\$375,000	\$500,000
Jersey City MUA	0906001-017	\$1,305,180	\$1,740,240
NJ American Water Company, Incorporated	2004002-012	\$15,000,000	\$20,000,000
Woodbine Borough	0516001-001	\$3,750,000	\$5,000,000
Newark City	0714001-018	\$3,862,500	\$5,150,000
Jersey City MUA	0906001-019	\$5,025,000	\$6,700,000
Wildwood City	0514001-006	\$4,637,403	\$6,183,204
Seaside Park Borough	1527001-004	\$1,125,000	\$1,500,000
NJ American Water Company, Incorporated	1345001-021	\$19,758,750	\$26,345,000
Brick Township MUA	1506001-014	\$2,700,000	\$3,600,000
Hightstown Borough	1104001-009	\$712,500	\$950,000
Jersey City MUA	0906001-025	\$24,000,000	\$32,000,000
Perth Amboy City	1216001-010	\$1,238,649	\$1,651,532
Jersey City MUA	0906001-009	\$3,750,000	\$5,000,000
Middlesex Water Company	1225001-028	\$8,400,000	\$11,200,000
Old Bridge MUA	1209002-005	\$2,025,000	\$2,700,000
Hoboken City	0905001-002	\$6,000,000	\$8,000,000
Clinton Town	1005001-010	\$1,320,000	\$2,640,000
Spotswood Borough	1224001-001	\$2,582,936	\$3,443,914
Point Pleasant Borough	1525001-002	\$2,100,000	\$2,800,000
Glen Ridge Borough	0708001-008	\$2,025,000	\$2,700,000
Tuckerton Borough	1532002-007	\$1,275,000	\$1,700,000
Jersey City MUA	0906001-020	\$4,965,000	\$6,620,000
Jersey City MUA	0906001-021	\$8,250,000	\$11,000,000
Ship Bottom Borough	1528001-003	\$7,500,000	\$10,000,000
Allentown Borough	1302001-004	\$1,746,720	\$2,328,960
Jersey City MUA	0906001-015	\$2,691,950	\$3,589,266
Brick Township MUA	1506001-008	\$4,912,500	\$6,550,000
Middlesex Water Company	1225001-025	\$42,750,000	\$57,000,000

Brick Township MUA	1506001-009	\$4,446,570	\$5,928,760
Ship Bottom Borough	1528001-004	\$3,150,000	\$4,200,000
Clinton Town	1005001-012	\$2,625,000	\$3,500,000
Farmingdale Borough	1314001-002	\$680,250	\$907,000
Roosevelt Borough	1341001-007	\$750,000	\$1,000,000
NJ American Water Company, Incorporated	2004002-013	\$12,000,000	\$16,000,000
Clinton Town	1005001-013	\$2,250,000	\$3,000,000
Winslow Township	0436007-010	\$2,868,750	\$3,825,000
Mount Arlington Borough	1426005-001	\$165,836	\$250,285
Highbridge Borough	1014001-001	\$75,000	\$100,000
<b>Total Projects: 53</b>		<b>\$571,518,944</b>	<b>\$762,934,428</b>

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2 c. The department is authorized to adjust the allowable  
3 department loan amount for projects authorized in this section to  
4 between zero percent and 100 percent of the total allowable loan  
5 amount, and, if the department loan amount is adjusted to 100  
6 percent of the total allowable loan amount, the loan shall be  
7 provided pursuant to the terms and conditions of the financing  
8 program year in which the construction loan component of the  
9 project was certified by the department, and for which the trust  
10 issued an interim financing program loan, or, in the absence of an  
11 interim financing program loan, the terms and conditions of the  
12 State fiscal year 2023 financing program.

13

14 4. Any financing loan made by the department pursuant to this  
15 act shall be subject to the following requirements:

16 a. The Commissioner Environmental Protection has certified  
17 that the project is in compliance with the provisions of P.L.1977,  
18 c.224, P.L.1985, c.329, P.L.1992, c.88, P.L.1997, c.223, P.L.1997,  
19 c.225, or P.L.2003, c.162, and any rules and regulations adopted  
20 pursuant thereto;

21 b. Except as otherwise provided in this subsection, a loan for an  
22 environmental infrastructure project listed in section 2 or 3 of this  
23 act shall be subject to the terms and conditions of the financing  
24 program year in which the construction loan component of the  
25 project was certified by the department, and for which the trust  
26 issued an interim financing program loan, or, in the absence of an  
27 interim financing program loan, the terms and conditions of the  
28 State fiscal year 2023 financing program. Notwithstanding any  
29 provision of this act or a financial plan of the trust for State fiscal  
30 years 2018 through 2022 developed pursuant to section 21 of

1 P.L.1985, c.334 (C.58:11B-21) or section 25 of P.L.1997, c.224  
2 (C.58:11B-21.1) to the contrary, a loan for an environmental  
3 infrastructure project listed in section 2 or 3 of this act that is  
4 partially funded from the proceeds of bonds issued by the trust to  
5 the United States Environmental Protection Agency pursuant to the  
6 federal "Water Infrastructure Finance and Innovation Act of 2014,"  
7 33 U.S.C. s.3901 et seq., shall be subject to terms and conditions  
8 regulating the blending of federal and other funds that are consistent  
9 with those provisions of the financial plan of the trust for State  
10 fiscal year 2023 that reference the federal "Water Infrastructure  
11 Finance and Innovation Act of 2014;"

12 c. Notwithstanding the provisions of sections 2 and 3 of this act,  
13 the department allowable loan amount may be 100 percent of the  
14 total allowable loan amount for:

15 (1) clean water project and drinking water project loans to (a)  
16 municipalities that do not satisfy the New Jersey Infrastructure  
17 Bank credit policy but are subject to State financial supervision and  
18 oversight pursuant to the "Local Government Supervision Act  
19 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), or (b) municipal,  
20 county, or regional sewerage authorities, or utilities authorities, that  
21 do not satisfy the New Jersey Infrastructure Bank credit policy but  
22 where the municipal participant through its service agreement with  
23 the authority or utility is under State financial supervision and  
24 oversight pursuant to the "Local Government Supervision Act  
25 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), and the repayment  
26 obligation of the authority or utility is secured by the full faith and  
27 credit of the participating municipality pursuant to the service  
28 agreement;

29 (2) clean water and drinking water loans to municipalities  
30 receiving funding under the United States Department of Housing  
31 and Urban Development Community Development Block Grant –  
32 Disaster Recovery Program (CDBG-DR); and

33 (3) clean water loans to municipal, county, or regional sewerage  
34 authorities that qualify for Sewer Overflow and Stormwater Reuse  
35 grants for combined sewer overflows or stormwater management  
36 projects;

37 d. With the exception of a loan for which the department issues  
38 100 percent of the loan amount pursuant to subsection b. of section  
39 2, subsection c. of section 3, and subsection c. of this section, the  
40 loan shall be conditioned upon approval of a loan from the New  
41 Jersey Infrastructure Bank pursuant to P.L. , c. (pending before  
42 the Legislature as Senate Bill No. 2735 of 2022 and Assembly Bill  
43 No. 4067 of 2022), prior to June 30, 2022;

44 e. The loan shall be repaid within a period not to exceed 30  
45 years, or 35 years for loans funded pursuant to the federal "Water  
46 Infrastructure Finance and Innovation Act of 2014," 33 U.S.C.  
47 s.3901 et seq. as amended and supplemented, or 45 years for

1 combined sewer overflow abatement projects, of the making of the  
2 loan; and

3 f. The loan shall be subject to any other terms and conditions  
4 as may be established by the commissioner and approved by the  
5 State Treasurer, which may include, notwithstanding any other  
6 provision of law to the contrary, subordination of a loan authorized  
7 in this act to loans made by the New Jersey Infrastructure Bank  
8 pursuant to P.L. , c. (pending before the Legislature as Senate  
9 Bill No. 2735 of 2022 and Assembly Bill No. 4067 of 2022), or to  
10 administrative fees payable to the trust pursuant to subsection o. of  
11 section 5 of P.L.1985, c.334 (C.58:11B 5).

12  
13 5. Any Sandy financing loan made by the department pursuant  
14 to this act shall be subject to the following requirements:

15 a. The commissioner has certified that the project is in  
16 compliance with the provisions of Title X, Chapter 7 of the Federal  
17 Disaster Relief Appropriations Act;

18 b. The commissioner has certified that the project is in  
19 compliance with the provisions of P.L.1977, c.224, P.L.1985, c.329,  
20 P.L.1992, c.88, P.L.1997, c.223, P.L.1997, c.225 or P.L.2003,  
21 c.162, and any rules and regulations adopted pursuant thereto; and

22 c. The loan shall be subject to any other terms and conditions as  
23 may be established by the commissioner and approved by the State  
24 Treasurer, which may include, notwithstanding any other provision  
25 of law to the contrary, subordination of a loan authorized in this act  
26 to loans made by the trust pursuant to P.L. , c. (pending before  
27 the Legislature as Senate Bill No. 2735 of 2022 and Assembly Bill  
28 No. 4067 of 2022) prior to June 30, 2023, or to administrative fees  
29 payable to the trust pursuant to subsection o. of section 5 of  
30 P.L.1985, c.334 (C.58:11B-5).

31  
32 6. The eligibility lists and authorization for the making of loans  
33 pursuant to sections 2 and 3 of this act shall expire on July 1, 2023,  
34 and any project sponsor which has not executed and delivered a  
35 loan agreement with the department for a loan authorized in this act  
36 shall no longer be entitled to that loan.

37  
38 7. The Commissioner of Environmental Protection is authorized  
39 to reduce or increase the individual amount of loan funds made  
40 available to or on behalf of project sponsors pursuant to sections 2  
41 and 3 of this act based upon final or low bid building costs defined  
42 in and determined in accordance with rules and regulations adopted  
43 by the commissioner pursuant to section 4 of P.L.1985, c.329,  
44 section 2 of P.L.1999, c.362 (C.58:12A-12.2), or section 5 of  
45 P.L.1981, c.261, provided that the total loan amount does not  
46 exceed the estimated total allowable loan amount. The  
47 commissioner is authorized to reduce or increase the individual  
48 amount of loan funds made available to or on behalf of project

1 sponsors pursuant to sections 2 and 3 of this act in an amount not to  
2 exceed 10 percent of the total allowable loan amount based upon  
3 additional project costs to comply with the department's guidance  
4 for asset management, emergency response, flood protection, and  
5 auxiliary power.

6  
7 8. The expenditure of the funds appropriated by this act is  
8 subject to the provisions and conditions of P.L.1977, c.224,  
9 P.L.1085, c.302, P.L.1985, c.329, P.L.1989, c.181, P.L.1992, c.88,  
10 P.L.1997, c.223, P.L.1997, c.225 or P.L.2003, c.162, and the rules  
11 and regulations adopted by the Commissioner of Environmental  
12 Protection pursuant thereto, and the provisions of the Federal  
13 Disaster Relief Appropriations Act, the Federal Clean Water Act,  
14 and the Federal Safe Drinking Water Act, and any amendatory and  
15 supplementary acts thereto.

16  
17 9. The department shall provide general technical assistance to  
18 any project sponsor requesting assistance regarding environmental  
19 infrastructure project development or applications for funds for a  
20 project.

21  
22 10. a. Prior to repayment to the Clean Water State Revolving  
23 Fund pursuant to sections 1 and 2 of P.L.2009, c.77 and any  
24 amendatory and supplementary acts thereto, prior to repayment to  
25 the "Wastewater Treatment Fund" pursuant to the provisions of  
26 section 16 of P.L.1985, c.329, prior to repayment to the "1992  
27 Wastewater Treatment Fund" pursuant to the provisions of section  
28 28 of P.L.1992, c.88, prior to repayment to the Drinking Water  
29 State Revolving Fund, prior to repayment to the "Stormwater  
30 Management and Combined Sewer Overflow Abatement Fund"  
31 pursuant to the provisions of section 15 of P.L.1989, c.181, prior to  
32 repayment to the "2003 Water Resources and Wastewater  
33 Treatment Fund" pursuant to the provisions of section 20 of  
34 P.L.2003, c.162, prior to repayment to the "Water Supply Fund"  
35 pursuant to the provisions of section 15 of P.L.1981, c.261, or prior  
36 to the repayment to the "Pinelands Infrastructure Trust Fund"  
37 pursuant to the provisions of section 5 of P.L.1985, c.302,  
38 repayments of loans made pursuant to these acts may be utilized by  
39 the New Jersey Infrastructure Bank established pursuant to  
40 P.L.1985, c.334 (C.58:11B 1 et seq.), as amended and supplemented  
41 by P.L.1997, c.224, under terms and conditions established by the  
42 commissioner and trust, approved by the State Treasurer, and  
43 consistent with the provisions of P.L.1985, c.334 (C.58:11B 1 et  
44 seq.) and federal tax, environmental or securities law, to the extent  
45 necessary to secure repayment of trust bonds issued to finance loans  
46 approved pursuant to P.L. , c. (pending before the Legislature as  
47 Senate Bill No. 2735 of 2022 and Assembly Bill No. 4067 of 2022),  
48 and to secure the administrative fees payable to the trust pursuant to



1 subsection o. of section 5 of P.L.1985, c.334 (C.58:11B 5) by the  
2 project sponsors receiving trust loans.

3 b. Prior to repayment to the Clean Water State Revolving Fund  
4 pursuant to section 1 and 2 of P.L.2009, c.77 and any amendatory  
5 and supplementary acts thereto, prior to repayment to the  
6 "Wastewater Treatment Fund" pursuant to the provisions of section  
7 16 of P.L.1985, c.329, prior to repayment to the "1992 Wastewater  
8 Treatment Fund" pursuant to the provisions of section 28 of  
9 P.L.1992, c.88, prior to repayment to the "Water Supply Fund"  
10 pursuant to the provisions of section 15 of P.L.1981, c.261, prior to  
11 repayment to the Drinking Water State Revolving Fund, prior to  
12 repayment to the "2003 Water Resources and Wastewater  
13 Treatment Fund" pursuant to the provisions of section 20 of  
14 P.L.2003, c.162, prior to repayment to the "Stormwater  
15 Management and Combined Sewer Overflow Abatement Fund"  
16 pursuant to the provisions of section 15 of P.L.1989, c.181, or prior  
17 to repayment to the "Pinelands Infrastructure Trust Fund" pursuant  
18 to the provisions of section 5 of P.L.1985, c.302, the trust is further  
19 authorized to utilize repayments of loans made pursuant to  
20 P.L.1989, c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38,  
21 P.L.1993, c.193, P.L.1994, c.106, P.L.1995, c.219, P.L.1996, c.85,  
22 P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92,  
23 P.L.2001, c.222, P.L.2002, c.70, P.L.2003, c.158, P.L.2004, c.109,  
24 P.L.2005, c.196, P.L.2006, c.68, P.L.2007, c.139, P.L.2008, c.68,  
25 P.L.2009, c.102, P.L.2010, c.63, P.L.2011, c.93, P.L.2012, c.43,  
26 P.L.2013, c.95, P.L.2014, c.25, P.L.2015, c.108, P.L.2016, c.32,  
27 P.L.2017, c.143, as amended by P.L.2017, c.326, P.L.2018, c.85, as  
28 amended by P.L.2018, c.137, P.L.2019, c.12, P.L.2019, c.193, as  
29 amended by P.L.2019, c.514, P.L.2020, c.49, as amended by  
30 P.L.2021, c.21, P.L.2021, c.203, as amended by P.L.2021, c.328, or  
31 P.L. , c. (pending before the Legislature as this bill) to secure  
32 repayment of trust bonds issued to finance loans approved pursuant  
33 to P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85,  
34 P.L.1999, c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71,  
35 P.L.2003, c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67,  
36 P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62,  
37 P.L.2011, c.95, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26,  
38 P.L.2015, c.107, P.L.2016, c.31, P.L.2017, c.142, as amended by  
39 P.L.2017, c.327, P.L.2018, c.84, as amended by P.L.2019, c.30,  
40 P.L.2019, c.192, as amended by P.L.2019, c.515, P.L.2020, c.48, as  
41 amended by P.L.2021, c.22, P.L.2021, c.204, as amended by  
42 P.L.2021, c.316, or P.L. , c. (pending before the Legislature as  
43 Senate Bill No. 2735 of 2022 and Assembly Bill No. 4067 of 2022),  
44 and to secure the administrative fees payable to the trust under these  
45 loans pursuant to subsection o. of section 5 of P.L.1985, c.334  
46 (C.58:11B-5).

47 c. To the extent that any loan repayment sums are used to satisfy  
48 any trust bond repayment or administrative fee payment

1 deficiencies, the trust shall repay such sums to the department for  
2 deposit into the Clean Water State Revolving Fund, the  
3 "Wastewater Treatment Fund," the "1992 Wastewater Treatment  
4 Fund," the "Water Supply Fund," the Drinking Water State  
5 Revolving Fund, the "2003 Water Resources and Wastewater  
6 Treatment Fund," the "Stormwater Management and Combined  
7 Sewer Overflow Abatement Fund," or the "Pinelands Infrastructure  
8 Trust Fund," as appropriate, from amounts received by or on behalf  
9 of the trust from project sponsors causing any such deficiency.

10

11 11. The Commissioner of Environmental Protection is  
12 authorized to enter into capitalization grant agreements as may be  
13 required pursuant to the Federal Disaster Relief Appropriations Act,  
14 the Federal Clean Water Act, or the Federal Safe Drinking Water  
15 Act.

16

17 12. There is appropriated to the New Jersey Infrastructure Bank  
18 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) from  
19 repayments of loans and interest deposited in any account, on or  
20 before June 30, 2023, including the "Clean Water State Revolving  
21 Fund," the "1992 Wastewater Treatment Fund," the "Water Supply  
22 Fund," the "Stormwater Management and Combined Sewer  
23 Overflow Abatement Fund," the "2003 Water Resources and  
24 Wastewater Treatment Fund," or the Drinking Water State  
25 Revolving Fund, as appropriate, and from any net earnings received  
26 from the investment and reinvestment of such deposits, such sums  
27 as the chairperson or secretary of the trust shall certify to the  
28 Commissioner of Environmental Protection to be necessary and  
29 appropriate for deposit into one or more reserve funds or accounts  
30 established by the trust pursuant to section 11 of P.L.1985, c.334  
31 (C.58:11B-11).

32

33 13. There is appropriated to the New Jersey Infrastructure Bank  
34 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), funds  
35 from the Federal Disaster Relief Appropriations Act deposited in  
36 any account including the Clean Water State Revolving Fund, the  
37 "Water Supply Fund," or the Drinking Water State Revolving Fund,  
38 as appropriate, funds transferred by the department to the New  
39 Jersey Infrastructure Bank pursuant to paragraph (21) of subsection  
40 a. of section 1 of P.L. , c. (pending before the Legislature as  
41 this bill), and funds from any net earnings received from the  
42 investment and reinvestment of such deposits, such sums as the  
43 chairperson of the trust certifies to the Commissioner of  
44 Environmental Protection to be necessary and appropriate for  
45 deposit into one or more reserve funds or accounts established by  
46 the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11).

47

48 14. This act shall take effect immediately.

## STATEMENT

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This bill appropriates certain federal and State moneys to the Department of Environmental Protection (DEP) for the purpose of implementing the State Fiscal Year 2023 New Jersey Environmental Infrastructure Financing Program (NJEIFP), which is expected to finance up to \$2.07 billion in water infrastructure projects for State Fiscal Year 2023. The bill would appropriate these funds for the purpose of making loans to local governments and privately-owned water companies (project sponsors) for a portion of the costs of water infrastructure projects. A companion bill, Assembly Bill No. 4067 of this session, would authorize the New Jersey Infrastructure Bank (NJIB) to execute loans using the funds appropriated to the DEP by this bill to finance a portion of the costs of the clean water and drinking water projects enumerated by the bill.

The bill would authorize the DEP to use the moneys appropriated by the bill to fund the following projects:

(1) in subsection a. of section 2 of the bill, a list of 12 projects to improve water discharge and treatment systems that had previously received a loan and require supplemental loans, representing \$96.4 million in estimated total loan amounts;

(2) in subsection b. of section 2 of the bill, a list of three projects to improve drinking water systems that had previously received a loan and require supplemental loans, representing \$28.5 million in estimated total loan amounts;

(3) in paragraph (1) of subsection a. of section 3 of the bill, the "Storm Sandy and State Fiscal Year 2023 Clean Water Project Eligibility List," a list of 92 projects to improve water discharge and treatment systems, representing \$939.6 million in estimated total loan amounts;

(4) in paragraph (2) of subsection a. of section 3 of the bill, a list of four projects in the Pinelands area that are receiving funding under the "Pinelands Infrastructure Trust Bond Act of 1985," P.L.1985, c.302, to improve water discharge and treatment systems, representing \$15.3 million in estimated total loan amounts; and

(5) in subsection b. of section 3 of the bill, the "Storm Sandy and State Fiscal Year 2023 Drinking Water Project Eligibility List," a list of 53 projects to improve drinking water systems, representing \$762.9 million in estimated total loan amounts.

Several projects in the "Storm Sandy and State Fiscal Year 2023 Clean Water Project Eligibility List" and the "Storm Sandy and State Fiscal Year 2023 Drinking Water Project Eligibility List," representing \$222.1 million in estimated total loan amounts, are eligible to receive long-term funding from the NJIB by the end of FY2022, and thus would not receive loans under the 2023 NJEIFP if they receive funding during FY2022. They are included in these

1 lists in the event that long-term financing cannot be secured by the  
2 end of FY2022.

3 The bill would also appropriate the unexpended balances from  
4 various funds to the DEP, and allow the DEP to transfer moneys  
5 between various State funds, for the purpose of funding the NJEIFP  
6 and providing the State match for federal funding provided under  
7 the federal laws, including the Clean Water Act and Safe Drinking  
8 Water Act, as detailed in subsection a. of section 1 of the bill. In  
9 addition, the bill appropriate to the DEP funds deposited in the  
10 "Clean Water State Revolving Fund" and the "Drinking Water State  
11 Revolving Fund" pursuant to the federal "Infrastructure Investment  
12 and Jobs Act," Pub. L. 117-58.

13 The bill would authorize loans to certain project sponsors to  
14 include zero interest or principal forgiveness, subject to certain  
15 funding limits and restrictions detailed in subsections b. through e.  
16 of section 1 of the bill. Projects designated for zero interest or  
17 principal forgiveness loans include projects that reduce or eliminate  
18 discharges from combined sewer overflow outfalls, water quality  
19 restoration projects, water and energy efficiency projects, and  
20 emerging contaminant projects.

21 The bill would establish certain requirements on loans to project  
22 sponsors made by the DEP pursuant to the bill, as enumerated in  
23 section 4 of the bill. The bill would also establish additional  
24 restrictions, described in section 5 of the bill, for "Sandy financing  
25 loans," which are those loans that utilize federal funding provided  
26 pursuant to the federal "Disaster Relief Appropriations Act, 2013,"  
27 Pub.L.113-2. Under the bill, the project lists and the DEP's  
28 authorization to utilize the funds appropriated by the bill would  
29 expire on July 1, 2023.

30 The bill would also authorize the NJIB to utilize repayments of  
31 loans made using moneys from various State funds, enumerated in  
32 subsections a. and b. of section 10 of the bill, to recoup trust bond  
33 repayments and administrative fees that have not been paid by  
34 project sponsors instead of redepositing the money into the funds.  
35 However, the bill would also require the NJIB to make a  
36 compensatory deposit into certain State funds, enumerated in  
37 subsection c. of section 10 of the bill, when the NJIB receives the  
38 deficient payments or fees from the project sponsor. Finally, the  
39 bill would appropriate to the NJIB, from repayments of loans,  
40 interest payments, certain federal funds, and any earnings received  
41 from the investment of those funds, as enumerated in sections 12  
42 and 13 of the bill, such amounts as the chairperson or secretary of  
43 the NJIB certifies are necessary and appropriate for deposit into one  
44 or more reserve funds established by the NJIB.

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46

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**A4066**

27

- 1 Appropriates funds to DEP for environmental infrastructure
- 2 projects for FY2023.

# ASSEMBLY, No. 4066

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 2, 2022

**Sponsored by:**

**Assemblyman ANTHONY S. VERRELLI**

**District 15 (Hunterdon and Mercer)**

**Assemblyman WILLIAM F. MOEN, JR.**

**District 5 (Camden and Gloucester)**

**Assemblywoman SHANIQUE SPEIGHT**

**District 29 (Essex)**

**Senator RICHARD J. CODEY**

**District 27 (Essex and Morris)**

**Senator JEAN STANFIELD**

**District 8 (Atlantic, Burlington and Camden)**

**Co-Sponsored by:**

**Assemblymen Benson, Caputo, Assemblywoman McKnight, Assemblymen Wimberly, Space, Wirths, Assemblywomen Jasey, N.Munoz, Assemblymen DiMaio, Thomson, Rooney, McClellan, Scharfenberger, Assemblywoman DeFuccio, Assemblymen DePhillips, Auth, Webber, Assemblywomen Matsikoudis, Swift, Assemblyman Guardian, Assemblywomen McCarthy Patrick, Dunn, Assemblyman Umba, Assemblywomen Eulner, Piperno, Flynn, Assemblymen Rumpf, Catalano, Assemblywoman Gove, Assemblymen McGuckin, Peterson, Torrissi, Assemblywoman Sawyer, Assemblymen Simonsen, Bergen, S.Kean and Dancer**

**SYNOPSIS**

Appropriates funds to DEP for environmental infrastructure projects for FY2023.

**CURRENT VERSION OF TEXT**

As introduced.

(Sponsorship Updated As Of: 6/16/2022)

1 AN ACT appropriating moneys to the Department of Environmental  
2 Protection for the purpose of making zero interest loans or  
3 principal forgiveness loans to project sponsors to finance a  
4 portion of the costs of environmental infrastructure projects.

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

8  
9 1. a. (1) There is appropriated to the department from the  
10 "Clean Water State Revolving Fund," established pursuant to  
11 section 1 of P.L.2009, c.77, an amount equal to the federal fiscal  
12 year 2022 capitalization grant made available to the State for clean  
13 water project loans pursuant to the "Water Quality Act of 1987," 33  
14 U.S.C. s.1251 et seq., and any amendatory and supplementary acts  
15 thereto (hereinafter referred to as the "Federal Clean Water Act")  
16 and such sums as are made available to the department from the  
17 "Clean Water State Revolving Fund" from funds made available  
18 pursuant to the federal "Infrastructure Investment and Jobs Act,"  
19 Pub. L. 117-58.

20 (2) There is appropriated to the department from the "Interim  
21 Environmental Financing Program Fund," established by the New  
22 Jersey Infrastructure Bank pursuant to subsection d. of section 9 of  
23 P.L.1985, c.334 (C.58:11B-9), such amounts as may be necessary to  
24 supplement the sums appropriated from the Clean Water State  
25 Revolving Fund for the purposes of clean water project loans and  
26 providing the State match as may be required for the award of the  
27 capitalization grants made available to the State for clean water  
28 projects pursuant to the Federal Clean Water Act.

29 (3) There is appropriated to the department from the "Disaster  
30 Relief Emergency Financing Program Fund," established by the  
31 New Jersey Infrastructure Bank pursuant to section 1 of P.L.2013,  
32 c.93 (C.58:11B-9.5), such amounts as may be necessary to  
33 supplement the sums appropriated from the Clean Water State  
34 Revolving Fund for the purposes of clean water project loans and  
35 providing the State match as may be required for the award of the  
36 capitalization grants made available to the State for clean water  
37 projects pursuant to the Federal Clean Water Act.

38 (4) There is appropriated to the department from the "Drinking  
39 Water State Revolving Fund," established pursuant to section 1 of  
40 P.L.1998, c.84, an amount equal to the federal fiscal year 2022  
41 capitalization grant made available to the State for drinking water  
42 projects pursuant to the "Safe Drinking Water Act Amendments of  
43 1996," Pub.L.104-182, and any amendatory and supplementary acts  
44 thereto (hereinafter referred to as the "Federal Safe Drinking Water  
45 Act") and such sums as are made available to the department from  
46 the "Drinking Water State Revolving Fund" from funds made  
47 available pursuant to the federal "Infrastructure Investment and Jobs  
48 Act," Pub. L. 117-58.

1 The department is authorized to transfer from the Clean Water  
2 State Revolving Fund to the Drinking Water State Revolving Fund,  
3 pursuant to the "Water Infrastructure Funding Transfer Act,"  
4 Pub.L.116-63, additional amounts as may be necessary to address a  
5 threat to public health, and an amount equal to the maximum  
6 amount authorized to be transferred is appropriated to the  
7 department for those purposes.

8 The department is authorized to transfer from the Clean Water  
9 State Revolving Fund to the Drinking Water State Revolving Fund  
10 an amount up to the maximum amount authorized to be transferred  
11 pursuant to the Federal Safe Drinking Water Act to meet present  
12 and future needs for the financing of eligible drinking water  
13 projects, and an amount equal to that maximum amount is  
14 appropriated to the department for those purposes.

15 The department is authorized to transfer from the Drinking  
16 Water State Revolving Fund to the Clean Water State Revolving  
17 Fund an amount up to the maximum amount authorized to be  
18 transferred pursuant to the Federal Clean Water Act to meet present  
19 and future needs for the financing of eligible clean water projects,  
20 and an amount equal to that maximum amount is appropriated to the  
21 department for those purposes.

22 Notwithstanding any provision of this act to the contrary, the  
23 department is authorized to utilize funds from the Clean Water State  
24 Revolving Fund for the purposes of the Drinking Water State  
25 Revolving Fund, and may charge interest on loans made with such  
26 invested funds to the extent permitted by the Federal Clean Water  
27 Act and the Federal Safe Drinking Water Act.

28 (5) There is appropriated to the department the unappropriated  
29 balances from the Clean Water State Revolving Fund, including the  
30 balances from the Federal Disaster Relief Appropriations Act, and  
31 any repayments of loans and interest therefrom, as may be available  
32 on or before June 30, 2023, for the purposes of clean water project  
33 loans and providing the State match as may be required for the  
34 award of the capitalization grants made available to the State for  
35 clean water projects pursuant to the Federal Clean Water Act.

36 (6) There is appropriated to the department the unappropriated  
37 balances from the "Wastewater Treatment Fund," established  
38 pursuant to section 15 of the "Wastewater Treatment Bond Act of  
39 1985," P.L.1985, c.329, and any repayments of loans and interest  
40 therefrom, as may be available on or before June 30, 2023, for the  
41 purposes of clean water project loans and providing the State match  
42 as may be required for the award of the capitalization grants made  
43 available to the State for clean water projects pursuant to the  
44 Federal Clean Water Act.

45 (7) There is appropriated to the department the unappropriated  
46 balances from the "1992 Wastewater Treatment Fund," established  
47 pursuant to section 27 of the "Green Acres, Clean Water, Farmland  
48 and Historic Preservation Bond Act of 1992," P.L.1992, c.88, and



1 any repayments of loans and interest therefrom, as may be available  
2 on or before June 30, 2023, for the purposes of clean water project  
3 loans and providing the State match as may be required for the  
4 award of the capitalization grants made available to the State for  
5 clean water projects pursuant to the Federal Clean Water Act.

6 (8) There is appropriated to the department the unappropriated  
7 balances from the "2003 Water Resources and Wastewater  
8 Treatment Fund," established pursuant to subsection a. of section 19  
9 of the "Dam, Lake, Stream, Flood Control, Water Resources, and  
10 Wastewater Treatment Project Bond Act of 2003," P.L.2003, c.162,  
11 and any repayments of loans and interest therefrom, as may be  
12 available on or before June 30, 2023, for the purposes of clean  
13 water project loans and providing the State match as may be  
14 required for the award of the capitalization grants made available to  
15 the State for clean water projects pursuant to the Federal Clean  
16 Water Act.

17 (9) There is appropriated to the department the unappropriated  
18 balances from the "Pinelands Infrastructure Trust Fund," established  
19 pursuant to section 14 of the "Pinelands Infrastructure Trust Bond  
20 Act of 1985," P.L.1985, c.302, and any repayments of loans and  
21 interest therefrom, as may be available on or before June 30, 2023,  
22 for the purposes of clean water project loans and drinking water  
23 project loans and providing the State match as may be required for  
24 the award of the capitalization grants made available to the State for  
25 clean water projects pursuant to the Federal Clean Water Act and  
26 for drinking water projects pursuant to the Federal Safe Drinking  
27 Water Act.

28 (10) There is appropriated to the department the unappropriated  
29 balances from the "Stormwater Management and Combined Sewer  
30 Overflow Abatement Fund," established pursuant to the  
31 "Stormwater Management and Combined Sewer Overflow  
32 Abatement Bond Act of 1989," P.L.1989, c.181, and any  
33 repayments of loans and interest therefrom, as may be available on  
34 or before June 30, 2023, for the purposes of clean water project  
35 loans and providing the State match as may be required for the  
36 award of the capitalization grants made available to the State for  
37 clean water projects pursuant to the Federal Clean Water Act.

38 (11) There is appropriated to the department the unappropriated  
39 balances from the Drinking Water State Revolving Fund and any  
40 repayments of loans and interest therefrom, including the balances  
41 from the Federal Disaster Relief Appropriations Act as may be  
42 available on or before June 30, 2023, for the purposes of drinking  
43 water project loans.

44 (12) There is appropriated to the department such sums as may  
45 be needed from loan repayments and interest earnings from the  
46 "Water Supply Fund," established pursuant to section 14 of the  
47 "Water Supply Bond Act of 1981," P.L.1981, c.261, for the  
48 "Drinking Water State Revolving Fund Match Accounts" contained

1 within that fund, for the purpose of providing the State match as  
2 may be required for the award of the capitalization grants made  
3 available to the State for drinking water projects pursuant to the  
4 Federal Safe Drinking Water Act.

5 (13) There is appropriated to the department from the "Interim  
6 Environmental Financing Program Fund," established by the New  
7 Jersey Infrastructure Bank pursuant to subsection d. of section 9 of  
8 P.L.1985, c.334 (C.58:11B-9), such amounts as may be available on  
9 or before June 30, 2023, and any repayments of loans and interest  
10 therefrom, as may be necessary to supplement the sums  
11 appropriated from the Drinking Water State Revolving Fund for the  
12 purposes of drinking water project loans and providing the State  
13 match as may be required for the award of the capitalization grants  
14 made available to the State for drinking water projects pursuant to  
15 the Federal Safe Drinking Water Act.

16 (14) There is appropriated to the department from the "Disaster  
17 Relief Emergency Financing Program Fund," established by the  
18 New Jersey Infrastructure Bank pursuant to section 1 of P.L.2013,  
19 c.93 (C.58:11B-9.5), such amounts as may be necessary to  
20 supplement the sums appropriated from the Drinking Water State  
21 Revolving Fund for the purposes of drinking water project loans  
22 and providing the State match as may be required for the award of  
23 the capitalization grants made available to the State for drinking  
24 water projects pursuant to the Federal Safe Drinking Water Act.

25 (15) There is appropriated to the department such amounts as  
26 may be received by the Department of Community Affairs, as the  
27 grantee from the United States Department of Housing and Urban  
28 Development Community Development Block Grant - Disaster  
29 Recovery Program (CDBG-DR), as may be available on or before  
30 June 30, 2023, for the purposes of CDBG-DR eligible clean water  
31 and drinking water project loans and providing the State match as  
32 may be required for the award of the capitalization grants made  
33 available to the State for clean water projects pursuant to the  
34 Federal Clean Water Act and drinking water projects pursuant to the  
35 Federal Safe Drinking Water Act.

36 (16) There is appropriated to the department such sums as may  
37 be available on or before June 30, 2023, as repayments of drinking  
38 water project loans and any interest therefrom from the "Water  
39 Supply Fund," established pursuant to section 14 of the "Water  
40 Supply Bond Act of 1981," P.L.1981, c.261, for the purposes of  
41 drinking water project loans and providing the State match as may  
42 be required for the award of the capitalization grants made available  
43 to the State for drinking water projects pursuant to the Federal Safe  
44 Drinking Water Act.

45 (17) Of the sums appropriated to the department from the "Water  
46 Supply Fund" pursuant to P.L.1999, c.174, P.L.2001, c.222,  
47 P.L.2002, c.70, and P.L.2003, c.158, the department is authorized to  
48 transfer any unexpended balances and any repayments of loans and

1 interest therefrom as may be available on or before June 30, 2023,  
2 in such amounts as needed to the Drinking Water State Revolving  
3 Fund accounts contained within the Water Supply Fund established  
4 for the purposes of providing drinking water project loans and  
5 providing the State match as may be required for the award of the  
6 capitalization grants made available to the State for drinking water  
7 projects pursuant to the Federal Safe Drinking Water Act.

8 (18) Of the sums appropriated to the department from the "1992  
9 Wastewater Treatment Fund" pursuant to P.L.1996, c.85, P.L.1997,  
10 c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92, P.L.2001,  
11 c.222, and P.L.2002, c.70, the department is authorized to transfer  
12 any unexpended balances and any repayments of loans and interest  
13 therefrom as may be available on or before June 30, 2023, in such  
14 amounts as needed to the Clean Water State Revolving Fund  
15 accounts contained within the 1992 Wastewater Treatment Fund for  
16 the purposes of providing clean water project loans and providing  
17 the State match as may be required for the award of the  
18 capitalization grants made available to the State for clean water  
19 projects pursuant to the Federal Clean Water Act.

20 (19) Of the sums appropriated to the department from the "2003  
21 Water Resources and Wastewater Treatment Fund" pursuant to  
22 P.L.2004, c.109 and P.L.2007, c.139, the department is authorized  
23 to transfer any unexpended balances and any repayments of loans  
24 and interest therefrom as may be available on or before June 30,  
25 2023, in such amounts as needed to the Clean Water State  
26 Revolving Fund accounts contained within the 2003 Water  
27 Resources and Wastewater Treatment Fund for the purposes of  
28 providing clean water project loans and providing the State match  
29 as may be required for the award of the capitalization grants made  
30 available to the State for clean water projects pursuant to the  
31 Federal Clean Water Act.

32 (20) There is appropriated to the department the sums deposited  
33 by the New Jersey Infrastructure Bank into the Clean Water State  
34 Revolving Fund, the "Wastewater Treatment Fund," the "1992  
35 Wastewater Treatment Fund," the "Water Supply Fund," the  
36 "Stormwater Management and Combined Sewer Overflow  
37 Abatement Fund," established pursuant to the "Stormwater  
38 Management and Combined Sewer Overflow Abatement Bond Act  
39 of 1989," P.L.1989, c.181, the "2003 Water Resources and  
40 Wastewater Treatment Fund," and the Drinking Water State  
41 Revolving Fund, as appropriate, pursuant to paragraph (6) of  
42 subsection c. of section 1 of P.L. , c. (pending before the  
43 Legislature as Senate Bill No. 2735 of 2022 and Assembly Bill No.  
44 4067 of 2022), as may be available on or before June 30, 2023, for  
45 the purposes of providing clean water project loans and drinking  
46 water project loans and providing the State match as may be  
47 required for the award of the capitalization grants made available to  
48 the State for clean water projects pursuant to the Federal Clean

1 Water Act and for drinking water projects pursuant to the Federal  
2 Safe Drinking Water Act.

3 Any such amounts shall be for the purpose of making zero  
4 interest and principal forgiveness financing loans, to the extent  
5 sufficient funds are available, to or on behalf of local government  
6 units or public water utilities (hereinafter referred to as "project  
7 sponsors") to finance a portion of the cost of the construction of  
8 clean water projects and drinking water projects listed in sections 2  
9 and 3 of this act, and for the purpose of implementing and  
10 administering the provisions of this act, to the extent permitted by  
11 the Federal Disaster Relief Appropriations Act, the Federal Clean  
12 Water Act, the Federal Safe Drinking Water Act, P.L.2009, c.77,  
13 the "Wastewater Treatment Bond Act of 1985." P.L.1985, c.329, the  
14 "Water Supply Bond Act of 1981," P.L.1981, c.261, the  
15 "Stormwater Management and Combined Sewer Overflow  
16 Abatement Bond Act of 1989," P.L.1989, c.181, the "Green Acres,  
17 Clean Water, Farmland and Historic Preservation Bond Act of  
18 1992," P.L.1992, c.88, the "Dam, Lake, Stream, Flood Control,  
19 Water Resources, and the Wastewater Treatment Project Bond Act  
20 of 2003," P.L.2003, c.162, and any amendatory and supplementary  
21 acts thereto.

22 (21) Of the \$60 million appropriated to the department for the  
23 capital construction of drinking water infrastructure by the State  
24 fiscal year 2021 appropriations act, P.L.2020 c.97, up to \$25  
25 million may be transferred to the New Jersey Infrastructure Bank to  
26 invest, provide debt service reserve or guarantee, or pay interest on  
27 behalf of a sponsor of a drinking water environmental infrastructure  
28 project.

29 (22) There is appropriated to the department for the purposes of  
30 eligible clean water project grants such amounts as may be received  
31 by the department under the Sewer Overflow and Stormwater Reuse  
32 Grants Program, as the grantee from the United States  
33 Environmental Protection Agency and as may be available on or  
34 before June 30, 2023.

35 b. The department is authorized to make zero interest and  
36 principal forgiveness financing loans to or on behalf of the project  
37 sponsors for the environmental infrastructure projects listed in  
38 subsection a. of section 2 and subsection a. of section 3 of this act  
39 for clean water projects, up to the individual amounts indicated and  
40 in the priority stated, to the extent there are sufficient eligible  
41 project applications, except that any such amounts may be reduced  
42 if a project fails to meet the requirements of sections 4 or 5 of this  
43 act, or by the Commissioner of Environmental Protection pursuant  
44 to section 7 of this act.

45 (1) A maximum of \$30 million in principal forgiveness loans,  
46 plus any appropriated but unallocated funds designated in State  
47 fiscal year 2022 for combined sewer overflow projects, shall be  
48 issued as provided in subsection a. of section 3 of this act to

1 communities in combined sewer overflow sewersheds for  
2 construction projects that reduce or eliminate discharges from  
3 combined sewer overflow outfalls. The amount of a principal  
4 forgiveness loan issued pursuant to this paragraph shall not exceed  
5 \$5 million per borrower whenever practicable. For project costs up  
6 to and including \$10 million, 50 percent of the principal of the loan  
7 shall be forgiven and the remaining 50 percent of the loan shall  
8 have a blended interest rate of 50 percent of the trust's market rate.  
9 For project costs greater than \$10 million, the loan shall have a  
10 blended interest rate of 50 percent of the trust's market rate. For  
11 projects in communities that meet "Clean Water State Revolving  
12 Fund" affordability criteria, for project costs up to and including \$5  
13 million, 100 percent of the principal of the loan shall be forgiven.  
14 For project costs greater than \$5 million and up to and including  
15 \$10 million, the loan shall have a blended interest rate of 50 percent  
16 of the trust's market rate. For project costs greater than \$10 million  
17 up to and including \$12 million, 100 percent of the principal of this  
18 portion of the loan shall be forgiven. For project costs greater than  
19 \$12 million and up to and including \$14 million, the loan shall have  
20 a blended interest rate of 50 percent of the trust's market rate. For  
21 project costs greater than \$14 million and up to and including \$20  
22 million, the loan shall have a blended interest rate of 25 percent of  
23 the trust's market rate, and, for the remaining project costs over \$20  
24 million, the loan shall have a blended interest rate of 50 percent of  
25 the trust's market rate.

26 (2) A maximum of \$6 million in principal forgiveness loans, plus  
27 any appropriated but unallocated funds designated in State fiscal  
28 year 2022 for water quality restoration projects, shall be issued as  
29 provided in subsection a. of section 3 of this act for water quality  
30 restoration projects. The amount of a principal forgiveness loan  
31 issued pursuant to this paragraph shall not exceed \$2.5 million per  
32 borrower whenever practicable. For project costs up to and  
33 including \$4 million, 50 percent of the principal of the loan shall be  
34 forgiven, and the remaining 50 percent of the loan shall have a  
35 blended interest rate of 50 percent of the trust's market rate. For  
36 project costs greater than \$4 million and up to and including \$10  
37 million, the loan shall have a blended interest rate of 25 percent of  
38 the trust's market rate. For project costs greater than \$10 million,  
39 the loan shall have a blended interest rate of 50 percent of the trust's  
40 market rate.

41 (3) A maximum of \$36 million in principal forgiveness loans for  
42 projects sponsored by applicants that meet the "Clean Water State  
43 Revolving Fund" affordability criteria as set forth by the department  
44 shall be issued as provided in subsection a. of section 3 of this act  
45 for water quality restoration projects. The amount of a principal  
46 forgiveness loan issued pursuant to this paragraph shall not exceed  
47 \$2 million per borrower whenever practicable. For project costs up  
48 to and including \$2 million, 100 percent of the principal of the loan

1 shall be forgiven. For project costs greater than \$2 million and up  
2 to and including \$4 million, the loan shall have a blended interest  
3 rate of 50 percent of the trust's market rate. For project costs greater  
4 than \$4 million and up to and including \$10 million, the loan shall  
5 have a blended interest rate of 25 percent of the trust's market rate.  
6 For project costs greater than \$10 million, the loan shall have a  
7 blended interest rate of 50 percent of the trust's market rate.

8 (4) A maximum of \$10 million in principal forgiveness loans for  
9 water and energy efficiency projects shall be issued as provided in  
10 subsection a. of section 3 of this act to projects that address water  
11 and energy efficiency goals that meet the eligibility requirements  
12 for water and energy efficiency as defined in the United States  
13 Environmental Protection Agency's "Green Project Reserve  
14 Guidance." The amount of a principal forgiveness loan issued  
15 pursuant to this paragraph shall not exceed \$2 million per borrower  
16 whenever practicable. For project costs up to and including \$4  
17 million, 50 percent of the principal of the loan shall be forgiven and  
18 the remaining 50 percent of the loan shall have a blended interest  
19 rate of 50 percent of the trust's market rate. For project costs  
20 greater than \$4 million and up to and including \$10 million, the  
21 loan shall have a blended interest rate of 25 percent of the trust's  
22 market rate. For project costs greater than \$10 million, the loan  
23 shall have a blended interest rate of 50 percent of the trust's market  
24 rate.

25 (5) A maximum of \$4 million in principal forgiveness loans for  
26 emerging contaminant projects shall be issued as provided in  
27 subsection a. of section 3 of this act to projects that primarily  
28 address substances and microorganisms, which are known or  
29 anticipated in the environment, and which may pose newly  
30 identified or re-emerging risks to human health, aquatic life, or the  
31 environment. The amount of a principal forgiveness loan issued  
32 pursuant to this paragraph shall not exceed \$2 million per borrower  
33 whenever practicable. For project costs up to and including \$2  
34 million, 100 percent of the principal of the loan shall be forgiven.  
35 For project costs greater than \$2 million and up to and including \$4  
36 million, the loan shall have a blended interest rate of 50 percent of  
37 the trust's market rate. For project costs greater than \$4 million and  
38 up to and including \$10 million, the loan shall have a blended  
39 interest rate of 25 percent of the trust's market rate. For project  
40 costs greater than \$10 million, the loan shall have a blended interest  
41 rate of 50 percent of the trust's market rate.

42 (6) A maximum of \$1 million in principal forgiveness loans for  
43 combined sewer overflow or stormwater management projects shall  
44 be issued to finance up to 20 percent of project costs for projects  
45 that qualify for a Sewer Overflow and Stormwater Reuse grant. 100  
46 percent of the principal of the loan shall be forgiven, and the  
47 remaining project costs shall be financed through a Sewer Overflow  
48 and Stormwater Reuse grant from the department.

1 (7) The projects listed in subsection a. of section 2 of this act and  
2 subsection a. of section 3 of this act that were previously identified  
3 in P.L.2021, c.203, as amended by P.L.2021, c.328, are granted  
4 continued priority status and shall be subject to the provisions of  
5 P.L.2021, c.203, as amended by P.L.2021, c.328, provided such  
6 projects received short-term funding prior to June 30, 2022.

7 c. The department is authorized to make zero interest and  
8 principal forgiveness financing loans to or on behalf of the project  
9 sponsors for the environmental infrastructure projects listed in  
10 subsection b. of section 3 of this act for drinking water projects, up  
11 to the individual amounts indicated and in the priority stated,  
12 provided:

13 (1) up to \$8 million of Drinking Water State Revolving Fund  
14 loans, plus any appropriated but unallocated funds designated in  
15 State fiscal year 2022 for drinking water systems serving  
16 populations of up to 10,000 residents, shall be available for drinking  
17 water systems serving populations of up to 10,000 residents  
18 wherein principal forgiveness shall not exceed \$500,000 in the  
19 aggregate and shall not exceed 50 percent of the total loan amount  
20 per project sponsor in an amount not to exceed \$1 million per  
21 project sponsor;

22 (2) up to \$3 million in principal forgiveness loans shall be  
23 available for drinking water systems that serve fewer than 1,000  
24 persons, have been assisted by the Community Engineering Corps,  
25 and do not meet credit eligibility requirements of the Water Bank  
26 Financing Program credit policy. A loan issued pursuant to this  
27 paragraph shall have 100 percent principal forgiveness for a loan  
28 amount of up to \$750,000 per applicant;

29 (3) a maximum of \$13 million of principal forgiveness loans  
30 shall be available for drinking water projects that primarily address  
31 emerging contaminants, for which principal forgiveness may be  
32 authorized for up to 100 percent of the total fund loan amount of up  
33 to \$1 million per applicant;

34 (4) a maximum of \$5 million of principal forgiveness loans shall  
35 be available for drinking water projects other than those to address  
36 emerging contaminants or lead that meet the affordability criteria of  
37 the department, for which principal forgiveness may be authorized  
38 for up to 100 percent of the total fund loan amount of up to \$1  
39 million per applicant. For project costs greater than \$1 million and  
40 up to and including \$11 million, the loan shall have a blended  
41 interest rate of 25 percent of the trust's market rate. For project  
42 costs greater than \$11 million and up to and including \$25 million,  
43 the loan shall have a blended interest rate of 50 percent of the  
44 trust's market rate. Project costs over \$25 million may be financed  
45 at an interest rate of 100 percent of the trust's market rate as  
46 capacity allows; and

47 (5) up to \$25 million plus any appropriated but unallocated funds  
48 designated in State fiscal year 2022, may be issued for principal

1 forgiveness loans for drinking water systems serving 10,000 or  
2 fewer customers to finance lead service line replacements, for  
3 which principal forgiveness shall not exceed 50 percent of the total  
4 loan amount of up to \$5 million per water system.

5 Loans may be made pursuant to this subsection to the extent  
6 there are sufficient eligible project applications and as may be  
7 required for the award of the capitalization grants made available to  
8 the State for drinking water projects pursuant to the Federal Safe  
9 Drinking Water Act. Any such amounts may be reduced by the  
10 Commissioner of Environmental Protection pursuant to section 7 of  
11 this act, or if a project fails to meet the requirements of section 4 or  
12 5 of this act.

13 d. The department is authorized to make zero interest and  
14 principal forgiveness financing loans to or on behalf of the project  
15 sponsors for the environmental infrastructure projects listed in  
16 sections 2 and 3 of this act under the same terms, conditions and  
17 requirements set forth in this section from any unexpended balances  
18 of the amounts appropriated pursuant to section 1 of P.L.1987,  
19 c.200, section 2 of P.L.1988, c.133, section 1 of P.L.1989, c.189,  
20 section 1 of P.L.1990, c.99, section 1 of P.L.1991, c.325, section 1  
21 of P.L.1992, c.38, section 1 of P.L.1993, c.193, section 1 of  
22 P.L.1994, c.106, section 1 of P.L.1995, c.219, section 1 of  
23 P.L.1996, c.85, section 1 of P.L.1997, c.221, section 2 of P.L.1998,  
24 c.84, section 2 of P.L.1999, c.174, section 2 of P.L.2000, c.92,  
25 sections 1 and 2 of P.L.2001, c.222, sections 1 and 2 of P.L.2002,  
26 c.70, sections 1 and 2 of P.L.2003, c.158, sections 1 and 2 of  
27 P.L.2004, c.109, sections 1 and 2 of P.L.2005, c.196, sections 1 and  
28 2 of P.L.2006, c.68, sections 1 and 2 of P.L.2007, c.139, sections 1  
29 and 2 of P.L.2008, c.68, sections 1 and 2 of P.L.2009, c.102,  
30 sections 1 and 2 of P.L.2010, c.63, sections 1 and 2 of P.L.2011,  
31 c.93, sections 1 and 2 of P.L.2012, c.43, sections 1 and 2 of  
32 P.L.2013, c.95, sections 1 and 2 of P.L.2014, c.25, sections 1 and 2  
33 of P.L.2015, c.108, sections 1 and 2 of P.L.2016, c.32, as amended  
34 by P.L.2017, c.14, sections 1 and 2 of P.L.2017, c.143, as amended  
35 by P.L.2017, c.326, sections 1 and 2 of P.L.2018, c.85, as amended  
36 by P.L.2018, c.137 and P.L.2019, c.12, sections 1 and 2 of  
37 P.L.2019, c.193, as amended by P.L.2019, c.514, P.L.2020, c.49, as  
38 amended by P.L.2021, c.21, and P.L.2021, c.203, as amended by  
39 P.L.2021, c.328, including amounts resulting from the low bid and  
40 final building cost reductions authorized pursuant to section 6 of  
41 P.L.1987, c.200, section 7 of P.L.1988, c.133, section 6 of  
42 P.L.1989, c.189, section 6 of P.L.1990, c.99, section 6 of P.L.1991,  
43 c.325, section 6 of P.L.1992, c.38, section 6 of P.L.1993, c.193,  
44 section 6 of P.L.1994, c.106, section 6 of P.L.1995, c.219, section 6  
45 of P.L. 1996, c.85, section 6 of P.L.1997, c.221, section 7 of  
46 P.L.1998, c.84, section 6 of P.L.1999, c.174, section 6 of P.L.2000,  
47 c.92, section 6 of P.L.2001, c.222, section 6 of P.L.2002, c.70,  
48 section 6 of P.L.2003, c.158, section 6 of P.L.2004, c.109, section 6



1 of P.L.2005, c.196, section 6 of P.L.2006, c.68, section 6 of  
2 P.L.2007, c.139, section 6 of P.L.2008, c.68, section 7 of P.L.2009,  
3 c.102, section 6 of P.L.2010, c.63, section 6 of P.L.2011, c.93,  
4 section 6 of P.L.2012, c.43, section 6 of P.L.2013, c.95, section 7 of  
5 P.L.2014, c.25, section 7 of P.L.2015, c.108, section 7 of P.L.2016,  
6 c.32, as amended by P.L.2017, c.14, section 7 of P.L.2017, c.143 as  
7 amended by P.L.2017, c.326, section 7 of P.L.2018, c.85, as  
8 amended by P.L.2018, c.137 and P.L.2019, c.12, section 7 of  
9 P.L.2019, c.193, as amended by P.L.2019, c.514, section 7 of  
10 P.L.2020, c.49, as amended by P.L.2021, c.21, and P.L.2021, c.203,  
11 as amended by P.L.2021, c.328, and from any repayments of loans  
12 and interest from the Clean Water State Revolving Fund, the  
13 "Wastewater Treatment Fund," the "Water Supply Fund," the "1992  
14 Wastewater Treatment Fund," the "2003 Water Resources and  
15 Wastewater Treatment Fund," and amounts deposited therein during  
16 State fiscal year 2022 and State fiscal year 2023 pursuant to the  
17 provisions of section 16 of P.L.1985, c.329, and section 2 of  
18 P.L.2009, c.77 and any amendatory and supplementary acts thereto,  
19 including any Clean Water State Revolving Fund Accounts  
20 contained within the "Wastewater Treatment Fund," and from any  
21 repayment of loans and interest from the Drinking Water State  
22 Revolving Fund.

23 e. The department is authorized to make zero interest and  
24 principal forgiveness Sandy financing loans to or on behalf of the  
25 project sponsors for the Sandy environmental infrastructure projects  
26 listed in subsection a. of section 3 of this act for clean water  
27 projects, in a manner consistent with the Federal Disaster Relief  
28 Appropriations Act, up to the individual amounts indicated, except  
29 that any such amount may be reduced by the Commissioner of  
30 Environmental Protection pursuant to section 7 of this act, or if a  
31 project fails to meet the requirements of section 4, 5, or 7 of this  
32 act, provided a maximum of \$300 million shall be provided for  
33 Sandy financing loans for clean water projects to provide financial  
34 assistance to communities affected by the Storm Sandy, and for  
35 projects whose purpose is to reduce flood damage risk and  
36 vulnerability or to enhance resiliency to rapid hydrologic change or  
37 a natural disaster.

38 f. For the purposes of this act:

39 "Department" means the Department of Environmental  
40 Protection.

41 "Federal Disaster Relief Appropriations Act" means the  
42 "Disaster Relief Appropriations Act, 2013," Pub.L.113-2, and any  
43 amendatory and supplementary acts thereto.

44 "Sandy financing" means grants, zero interest loans or principal  
45 forgiveness loans provided by the Department of Environmental  
46 Protection from funds made available to the State for clean water or  
47 drinking water projects, or clean water or drinking water project  
48 match, pursuant to the Federal Disaster Relief Appropriations Act.

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

3  
 4 2. a. (1) The department is authorized to expend funds for the  
 5 purpose of making supplemental zero interest loans to or on behalf  
 6 of the project sponsors listed below for the following clean water  
 7 environmental infrastructure projects:

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Loan Amount
Camden County MUA	S340640-18R	\$7,500,000	\$10,000,000
Clinton Town	S340924-07R	\$600,000	\$800,000
Hoboken City	S340635-06R	\$24,750,000	\$33,000,000
Jersey City MUA	S340928-15R	\$2,625,000	\$3,500,000
Newark City	S340815-24R	\$15,750,000	\$21,000,000
North Bergen MUA	S340652-14R	\$6,150,000	\$8,200,000
Ocean Township. SA	S340750-14R	\$750,000	\$1,000,000
Passaic Valley SC	S340689-40R	\$1,125,000	\$1,500,000
Plumsted Township	S340607-03R	\$7,500,000	\$10,000,000
Rockaway Valley RSA	S340821-07R	\$2,250,000	\$3,000,000
Paterson City	S340850-03-1	\$1,912,500	\$2,550,000
Somerville Borough	S342013-01-1	\$1,387,500	\$1,850,000
<b>Total Projects: 12</b>		<b>\$72,300,000</b>	<b>\$96,400,000</b>

9  
 10 (2) The loans authorized in this subsection shall be made for the  
 11 difference between the allowable loan amounts required by these  
 12 projects based upon final building costs pursuant to section 7 of this  
 13 act and the loan amounts certified by the Commissioner of  
 14 Environmental Protection in State fiscal years 2017, 2018, 2019,  
 15 2020, and 2021 and for increased allowable costs as defined and  
 16 determined in accordance with the rules and regulations adopted by  
 17 the department pursuant to section 4 of P.L.1985, c.329. The loans  
 18 authorized in this subsection shall be made to or on behalf of the  
 19 project sponsors listed, up to the individual amounts indicated and  
 20 in the priority stated, to the extent sufficient funds are available,  
 21 except as a project fails to meet the requirements of section 4, 5, or  
 22 7 of this act.

23 (3) The zero interest loans for the projects authorized in this  
 24 subsection shall have priority over projects listed in subsection a. of  
 25 section 3 of this act.

26 b. (1) The department is authorized to expend funds for the  
 27 purpose of making supplemental loans to or on behalf of the project  
 28 sponsors listed below for the following drinking water  
 29 environmental infrastructure projects:

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable DEP Loan Amount</b>	<b>Estimated Total Loan Amount</b>
National Park Borough	0812001-004R	\$750,000	\$1,000,000
Newark City	0714001-016R	\$2,250,000	\$3,000,000
North Jersey District Water Supply Comm.	1613001-025R	\$19,125,000	\$25,500,000
<b>Total Projects: 3</b>		<b>\$22,125,000</b>	<b>\$29,500,000</b>

1  
 2 (2) The loans authorized in this subsection shall be made for the  
 3 difference between the allowable loan amount required by these  
 4 projects based upon final building costs pursuant to section 7 of this  
 5 act and the loan amounts certified by the Commissioner of  
 6 Environmental Protection in State fiscal years 2018, 2019 and 2020  
 7 and for increased allowable costs as defined and determined in  
 8 accordance with the rules and regulations adopted by the  
 9 department pursuant to section 5 of P.L.1981, c.261. The loans  
 10 authorized in this subsection shall be made to or on behalf of the  
 11 project sponsors listed, up to the individual amounts indicated and  
 12 in the priority stated, to the extent sufficient funds are available,  
 13 except as a project fails to meet the requirements of section 4, 5, or  
 14 7 of this act.

15 (3) The zero interest loans for the projects authorized in this  
 16 subsection shall have priority over projects listed in subsection b. of  
 17 section 3 of this act.

18 c. The department is authorized to adjust the allowable  
 19 department loan amount for projects authorized in this section to  
 20 between zero percent and 100 percent of the total allowable loan  
 21 amount, and, if the department loan amount is adjusted to 100  
 22 percent of the total allowable loan amount, the loan shall be  
 23 provided pursuant to the terms and conditions of the financing  
 24 program year in which the construction loan component of the  
 25 project was certified by the department, and for which the trust  
 26 issued an interim financing program loan for the project, or, in the  
 27 absence of an interim financing program loan, the terms and  
 28 conditions of the State fiscal year 2023 financing program.  
 29

30 3. a. (1) The following environmental infrastructure projects  
 31 shall be known and may be cited as the "Storm Sandy and State  
 32 Fiscal Year 2023 Clean Water Project Eligibility List":  
 33

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable DEP Loan Amount</b>	<b>Estimated Total Loan Amount</b>
Musconetcong SA	S340384-09	\$4,650,000	\$6,200,000
Camden County	S340640-20	\$2,250,000	\$3,000,000

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MUA			
Camden County MUA	S345040-01	\$1,035,000	\$1,380,000
Camden City	S340366-15	\$9,997,500	\$13,330,000
Jersey City MUA	S340928-21	\$9,750,000	\$13,000,000
Jersey City MUA	S340928-24	\$81,000,000	\$108,000,000
Elizabeth City	S345070-01	\$3,000,001	\$4,000,001
Bayonne City	S340399-31	\$3,750,000	\$5,000,000
Long Branch SA	S340336-08	\$1,305,525	\$1,740,700
Ocean County UA	S340372-63	\$1,650,000	\$2,200,000
Hoboken City	S340635-09	\$375,000	\$500,000
Mount Laurel Township MUA	S340943-06	\$6,000,000	\$8,000,000
North Hudson SA	S340952-34	\$900,000	\$1,200,000
North Hudson SA	S340952-33	\$20,250,000	\$27,000,000
North Hudson SA	S340952-31	\$675,000	\$900,000
North Hudson SA	S345190-01	\$4,500,000	\$6,000,000
North Hudson SA	S340952-38	\$1,013,400	\$1,351,200
Perth Amboy City	S345220-01	\$750,000	\$1,000,000
Hackensack City	S340923-13	\$11,400,000	\$15,200,000
Hackensack City	S340923-14	\$6,000,000	\$8,000,000
Passaic Valley SC	S340689-37	\$91,125,000	\$121,500,000
Passaic Valley SC	S345200-01	\$7,125,000	\$9,500,000
Pennsville SA	S340870-05	\$3,000,000	\$4,000,000
Bergen County UA	S340386-23	\$14,025,000	\$18,700,000
Logan Township MUA	S340123-02	\$9,000,000	\$12,000,000
Bergen County UA	S340386-21	\$5,700,000	\$7,600,000
Linden Roselle SA	S340299-08	\$20,250,000	\$27,000,000
Passaic Valley SC	S340689-50	\$6,600,000	\$8,800,000
Gloucester County UA	S340902-15	\$8,625,000	\$11,500,000
Allentown Borough	S340567-05	\$3,825,000	\$5,100,000
Stony Brook RSA	S340400-11	\$16,500,000	\$22,000,000
Evesham MUA	S340838-09	\$375,000	\$500,000
Rutgers, The State University of New Jersey	S340500-01	\$28,125,000	\$37,500,000
Willingboro MUA	S340132-09	\$6,750,000	\$9,000,000
Rockaway Valley RSA	S340821-08	\$11,625,000	\$15,500,000

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Wildwood City	S340664-06	\$11,784,758	\$15,713,010
New Jersey Water Supply Authority	S340421-02	\$71,250,000	\$95,000,000
Long Branch SA	S340336-09	\$4,200,000	\$5,600,000
Stafford Township	S340946-08	\$2,625,000	\$3,500,000
Stafford Township	S340946-07	\$3,750,000	\$5,000,000
Vernon Township	S340745-03	\$1,875,000	\$2,500,000
Delran Township	S340794-10	\$1,575,000	\$2,100,000
Hopatcong Borough	S340488-07	\$60,000	\$80,000
Tuckerton Borough	S340034-05	\$2,475,000	\$3,300,000
Atlantic County UA	S340809-30	\$7,575,000	\$10,100,000
Toms River MUA	S340145-08	\$1,018,800	\$1,358,400
Two Rivers Water Reclamation Authority	S340117-09	\$3,150,000	\$4,200,000
Northwest Bergen County UA	S340700-19	\$6,099,338	\$8,132,450
Two Rivers Reclamation Authority	S340117-10	\$2,475,000	\$3,300,000
Franklin Township SA	S340839-09	\$5,625,000	\$7,500,000
Parsippany Troy Hills Township	S340886-05	\$8,800,125	\$11,733,500
Berkeley Township SA	S340969-14	\$2,625,000	\$3,500,000
Scotch Plains Township	S340512-01	\$2,025,000	\$2,700,000
Burlington Township	S340712-17	\$750,000	\$1,000,000
Hopewell Township	S340282-03	\$1,230,000	\$1,640,000
Mantua Township MUA	S340514-03	\$1,012,500	\$1,350,000
Middlesex Borough	S340698-03	\$900,000	\$1,200,000
Pennsville SA	S340870-04	\$1,200,000	\$1,600,000
Red Bank Borough	S340528-01	\$3,375,000	\$4,500,000
North Haledon Borough	S340229-02	\$75,000	\$100,000
North Haledon Borough	S340229-01	\$765,771	\$1,021,028
Haddon Heights Borough	S340877-02	\$82,500	\$110,000
Emerson Borough	S340497-01	\$75,000	\$100,000
Emerson Borough	S340497-02	\$337,500	\$450,000
Mount Arlington	S340451-05	\$159,589	\$212,785

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Borough			
Medford Lakes Borough	S340319-03	\$8,250,000	\$11,000,000
Mendham Borough	S340159-03	\$2,400,000	\$3,200,000
Hamburg Borough	S340149-03	\$75,000	\$100,000
Long Beach Township	S340023-07	\$3,450,000	\$4,600,000
Borough of Wenonah	S340531-01	\$997,500	\$1,330,000
Seaside Park Borough	S340083-04	\$3,000,000	\$4,000,000
Ship Bottom Borough	S340311-05	\$3,750,000	\$5,000,000
Passaic Valley SC	S340689-45	\$7,657,577	\$10,210,102
Montville Township	S340931-04	\$2,625,000	\$3,500,000
Camden County MUA	S340640-26	\$21,150,000	\$28,200,000
Lower Township MUA	S340810-05	\$22,500,000	\$30,000,000
Mantua Township MUA	S340514-02	\$1,687,500	\$2,250,000
Little Egg Harbor Township	S340579-04	\$1,530,000	\$2,040,000
Gloucester Township	S340364-11	\$712,500	\$950,000
Gloucester Township	S340364-15	\$1,087,500	\$1,450,000
Northfield City	S340508-02	\$112,500	\$150,000
Spotswood Borough	S340510-01	\$4,070,250	\$5,427,000
North Hudson SA	S340952-36	\$675,000	\$900,000
Sussex County MUA	S342008-04	\$8,250,000	\$11,000,000
Atlantic City MUA	S340439-04	\$2,300,000	\$3,066,667
Sussex County MUA	S342008-06	\$32,250,000	\$43,000,000
Burlington City	S340140-02	\$1,950,000	\$2,600,000
Willingboro MUA	S340132-11	\$7,500,000	\$10,000,000
Bloomfield Township	S340516-01	\$5,423,228	\$7,230,970
Brick Township MUA	S340448-14	\$1,500,000	\$2,000,000
University Hospital	S340500-03	\$5,850,000	\$7,800,000
Ship Bottom Borough	S340311-04	\$2,062,500	\$2,750,000
<b>Total Projects: 92</b>		<b>\$704,668,362</b>	<b>\$939,557,813</b>

1

2 (2) The department is authorized to make clean water project  
 3 loans to the following municipalities receiving funding from the  
 4 "Pinelands Infrastructure Trust Fund," established pursuant to

1 section 14 of the "Pinelands Infrastructure Trust Bond Act of 1985,"  
 2 P.L.1985, c.302:  
 3

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Total Loan Amount</b>
Pemberton Twp.	Pinelands 1	\$2,929,000
Manchester Twp./ Jackson MUA	Pinelands 2	\$7,192,035
Galloway Twp.	Pinelands 4	\$3,493,440
Winslow Twp.	Pinelands 5	\$1,728,940
<b>Total Pinelands Projects: 4</b>		<b>\$15,343,415</b>

4  
 5 b. The following environmental infrastructure projects shall be  
 6 known and may be cited as the "Storm Sandy and State Fiscal Year  
 7 2023 Drinking Water Project Eligibility List":  
 8

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable DEP Loan Amount</b>	<b>Estimated Total Loan Amount</b>
Newark City	0714001-020	\$13,125,000	\$17,500,000
Trenton City	1111001-011	\$15,255,000	\$20,340,000
Newark City	0714001-019	\$9,375,000	\$12,500,000
Newark City	0714001-021	\$67,500,000	\$90,000,000
Orange City	0717001-013	\$525,000	\$700,000
Bloomfield Township	0702001-003	\$823,796	\$1,098,395
NJ American Water Company, Incorporated	1345001-017	\$7,575,000	\$10,100,000
Trenton City	1111001-005	\$179,250,000	\$239,000,000
National Park Borough	0812001-005	\$1,350,000	\$1,800,000
Moorestown Township	0322001-001	\$18,468,750	\$24,625,000
Brick Township MUA	1506001-011	\$15,667,500	\$20,890,000
East Orange City	0705001-014	\$24,750,000	\$33,000,000
Highbridge Borough	1014001-004	\$1,108,404	\$1,477,872
East Greenwich	0803001-004	\$1,950,000	\$2,600,000
Lakeshore Company	1413001-001	\$375,000	\$500,000
Jersey City MUA	0906001-017	\$1,305,180	\$1,740,240
NJ American Water Company, Incorporated	2004002-012	\$15,000,000	\$20,000,000
Woodbine Borough	0516001-001	\$3,750,000	\$5,000,000

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Newark City	0714001-018	\$3,862,500	\$5,150,000
Jersey City MUA	0906001-019	\$5,025,000	\$6,700,000
Wildwood City	0514001-006	\$4,637,403	\$6,183,204
Seaside Park Borough	1527001-004	\$1,125,000	\$1,500,000
NJ American Water Company, Incorporated	1345001-021	\$19,758,750	\$26,345,000
Brick Township MUA	1506001-014	\$2,700,000	\$3,600,000
Hightstown Borough	1104001-009	\$712,500	\$950,000
Jersey City MUA	0906001-025	\$24,000,000	\$32,000,000
Perth Amboy City	1216001-010	\$1,238,649	\$1,651,532
Jersey City MUA	0906001-009	\$3,750,000	\$5,000,000
Middlesex Water Company	1225001-028	\$8,400,000	\$11,200,000
Old Bridge MUA	1209002-005	\$2,025,000	\$2,700,000
Hoboken City	0905001-002	\$6,000,000	\$8,000,000
Clinton Town	1005001-010	\$1,320,000	\$2,640,000
Spotswood Borough	1224001-001	\$2,582,936	\$3,443,914
Point Pleasant Borough	1525001-002	\$2,100,000	\$2,800,000
Glen Ridge Borough	0708001-008	\$2,025,000	\$2,700,000
Tuckerton Borough	1532002-007	\$1,275,000	\$1,700,000
Jersey City MUA	0906001-020	\$4,965,000	\$6,620,000
Jersey City MUA	0906001-021	\$8,250,000	\$11,000,000
Ship Bottom Borough	1528001-003	\$7,500,000	\$10,000,000
Allentown Borough	1302001-004	\$1,746,720	\$2,328,960
Jersey City MUA	0906001-015	\$2,691,950	\$3,589,266
Brick Township MUA	1506001-008	\$4,912,500	\$6,550,000
Middlesex Water Company	1225001-025	\$42,750,000	\$57,000,000
Brick Township MUA	1506001-009	\$4,446,570	\$5,928,760
Ship Bottom Borough	1528001-004	\$3,150,000	\$4,200,000
Clinton Town	1005001-012	\$2,625,000	\$3,500,000
Farmingdale Borough	1314001-002	\$680,250	\$907,000
Roosevelt Borough	1341001-007	\$750,000	\$1,000,000
NJ American Water Company, Incorporated	2004002-013	\$12,000,000	\$16,000,000



Clinton Town	1005001-013	\$2,250,000	\$3,000,000
Winslow Township	0436007-010	\$2,868,750	\$3,825,000
Mount Arlington Borough	1426005-001	\$165,836	\$250,285
Highbridge Borough	1014001-001	\$75,000	\$100,000
<b>Total Projects: 53</b>		<b>\$571,518,944</b>	<b>\$762,934,428</b>

1  
 2 c. The department is authorized to adjust the allowable  
 3 department loan amount for projects authorized in this section to  
 4 between zero percent and 100 percent of the total allowable loan  
 5 amount, and, if the department loan amount is adjusted to 100  
 6 percent of the total allowable loan amount, the loan shall be  
 7 provided pursuant to the terms and conditions of the financing  
 8 program year in which the construction loan component of the  
 9 project was certified by the department, and for which the trust  
 10 issued an interim financing program loan, or, in the absence of an  
 11 interim financing program loan, the terms and conditions of the  
 12 State fiscal year 2023 financing program.

13  
 14 4. Any financing loan made by the department pursuant to this  
 15 act shall be subject to the following requirements:

16 a. The Commissioner Environmental Protection has certified  
 17 that the project is in compliance with the provisions of P.L.1977,  
 18 c.224, P.L.1985, c.329, P.L.1992, c.88, P.L.1997, c.223, P.L.1997,  
 19 c.225, or P.L.2003, c.162, and any rules and regulations adopted  
 20 pursuant thereto;

21 b. Except as otherwise provided in this subsection, a loan for an  
 22 environmental infrastructure project listed in section 2 or 3 of this  
 23 act shall be subject to the terms and conditions of the financing  
 24 program year in which the construction loan component of the  
 25 project was certified by the department, and for which the trust  
 26 issued an interim financing program loan, or, in the absence of an  
 27 interim financing program loan, the terms and conditions of the  
 28 State fiscal year 2023 financing program. Notwithstanding any  
 29 provision of this act or a financial plan of the trust for State fiscal  
 30 years 2018 through 2022 developed pursuant to section 21 of  
 31 P.L.1985, c.334 (C.58:11B-21) or section 25 of P.L.1997, c.224  
 32 (C.58:11B-21.1) to the contrary, a loan for an environmental  
 33 infrastructure project listed in section 2 or 3 of this act that is  
 34 partially funded from the proceeds of bonds issued by the trust to  
 35 the United States Environmental Protection Agency pursuant to the  
 36 federal "Water Infrastructure Finance and Innovation Act of 2014,"  
 37 33 U.S.C. s.3901 et seq., shall be subject to terms and conditions  
 38 regulating the blending of federal and other funds that are consistent  
 39 with those provisions of the financial plan of the trust for State

1 fiscal year 2023 that reference the federal "Water Infrastructure  
2 Finance and Innovation Act of 2014;"

3 c. Notwithstanding the provisions of sections 2 and 3 of this act,  
4 the department allowable loan amount may be 100 percent of the  
5 total allowable loan amount for:

6 (1) clean water project and drinking water project loans to (a)  
7 municipalities that do not satisfy the New Jersey Infrastructure  
8 Bank credit policy but are subject to State financial supervision and  
9 oversight pursuant to the "Local Government Supervision Act  
10 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), or (b) municipal,  
11 county, or regional sewerage authorities, or utilities authorities, that  
12 do not satisfy the New Jersey Infrastructure Bank credit policy but  
13 where the municipal participant through its service agreement with  
14 the authority or utility is under State financial supervision and  
15 oversight pursuant to the "Local Government Supervision Act  
16 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), and the repayment  
17 obligation of the authority or utility is secured by the full faith and  
18 credit of the participating municipality pursuant to the service  
19 agreement;

20 (2) clean water and drinking water loans to municipalities  
21 receiving funding under the United States Department of Housing  
22 and Urban Development Community Development Block Grant –  
23 Disaster Recovery Program (CDBG-DR); and

24 (3) clean water loans to municipal, county, or regional sewerage  
25 authorities that qualify for Sewer Overflow and Stormwater Reuse  
26 grants for combined sewer overflows or stormwater management  
27 projects;

28 d. With the exception of a loan for which the department issues  
29 100 percent of the loan amount pursuant to subsection b. of section  
30 2, subsection c. of section 3, and subsection c. of this section, the  
31 loan shall be conditioned upon approval of a loan from the New  
32 Jersey Infrastructure Bank pursuant to P.L. , c. (pending before  
33 the Legislature as Senate Bill No. 2735 of 2022 and Assembly Bill  
34 No. 4067 of 2022), prior to June 30, 2022;

35 e. The loan shall be repaid within a period not to exceed 30  
36 years, or 35 years for loans funded pursuant to the federal "Water  
37 Infrastructure Finance and Innovation Act of 2014," 33 U.S.C.  
38 s.3901 et seq. as amended and supplemented, or 45 years for  
39 combined sewer overflow abatement projects, of the making of the  
40 loan; and

41 f. The loan shall be subject to any other terms and conditions  
42 as may be established by the commissioner and approved by the  
43 State Treasurer, which may include, notwithstanding any other  
44 provision of law to the contrary, subordination of a loan authorized  
45 in this act to loans made by the New Jersey Infrastructure Bank  
46 pursuant to P.L. , c. (pending before the Legislature as Senate  
47 Bill No. 2735 of 2022 and Assembly Bill No. 4067 of 2022), or to

1 administrative fees payable to the trust pursuant to subsection o. of  
2 section 5 of P.L.1985, c.334 (C.58:11B 5).

3

4 5. Any Sandy financing loan made by the department pursuant  
5 to this act shall be subject to the following requirements:

6 a. The commissioner has certified that the project is in  
7 compliance with the provisions of Title X, Chapter 7 of the Federal  
8 Disaster Relief Appropriations Act;

9 b. The commissioner has certified that the project is in  
10 compliance with the provisions of P.L.1977, c.224, P.L.1985, c.329,  
11 P.L.1992, c.88, P.L.1997, c.223, P.L.1997, c.225 or P.L.2003,  
12 c.162, and any rules and regulations adopted pursuant thereto; and

13 c. The loan shall be subject to any other terms and conditions as  
14 may be established by the commissioner and approved by the State  
15 Treasurer, which may include, notwithstanding any other provision  
16 of law to the contrary, subordination of a loan authorized in this act  
17 to loans made by the trust pursuant to P.L. , c. (pending before  
18 the Legislature as Senate Bill No. 2735 of 2022 and Assembly Bill  
19 No. 4067 of 2022) prior to June 30, 2023, or to administrative fees  
20 payable to the trust pursuant to subsection o. of section 5 of  
21 P.L.1985, c.334 (C.58:11B-5).

22

23 6. The eligibility lists and authorization for the making of loans  
24 pursuant to sections 2 and 3 of this act shall expire on July 1, 2023,  
25 and any project sponsor which has not executed and delivered a  
26 loan agreement with the department for a loan authorized in this act  
27 shall no longer be entitled to that loan.

28

29 7. The Commissioner of Environmental Protection is authorized  
30 to reduce or increase the individual amount of loan funds made  
31 available to or on behalf of project sponsors pursuant to sections 2  
32 and 3 of this act based upon final or low bid building costs defined  
33 in and determined in accordance with rules and regulations adopted  
34 by the commissioner pursuant to section 4 of P.L.1985, c.329,  
35 section 2 of P.L.1999, c.362 (C.58:12A-12.2), or section 5 of  
36 P.L.1981, c.261, provided that the total loan amount does not  
37 exceed the estimated total allowable loan amount. The  
38 commissioner is authorized to reduce or increase the individual  
39 amount of loan funds made available to or on behalf of project  
40 sponsors pursuant to sections 2 and 3 of this act in an amount not to  
41 exceed 10 percent of the total allowable loan amount based upon  
42 additional project costs to comply with the department's guidance  
43 for asset management, emergency response, flood protection, and  
44 auxiliary power.

45

46 8. The expenditure of the funds appropriated by this act is  
47 subject to the provisions and conditions of P.L.1977, c.224,  
48 P.L.1085, c.302, P.L.1985, c.329, P.L.1989, c.181, P.L.1992, c.88,

1 P.L.1997, c.223, P.L.1997, c.225 or P.L.2003, c.162, and the rules  
2 and regulations adopted by the Commissioner of Environmental  
3 Protection pursuant thereto, and the provisions of the Federal  
4 Disaster Relief Appropriations Act, the Federal Clean Water Act,  
5 and the Federal Safe Drinking Water Act, and any amendatory and  
6 supplementary acts thereto.

7  
8 9. The department shall provide general technical assistance to  
9 any project sponsor requesting assistance regarding environmental  
10 infrastructure project development or applications for funds for a  
11 project.

12  
13 10. a. Prior to repayment to the Clean Water State Revolving  
14 Fund pursuant to sections 1 and 2 of P.L.2009, c.77 and any  
15 amendatory and supplementary acts thereto, prior to repayment to  
16 the "Wastewater Treatment Fund" pursuant to the provisions of  
17 section 16 of P.L.1985, c.329, prior to repayment to the "1992  
18 Wastewater Treatment Fund" pursuant to the provisions of section  
19 28 of P.L.1992, c.88, prior to repayment to the Drinking Water  
20 State Revolving Fund, prior to repayment to the "Stormwater  
21 Management and Combined Sewer Overflow Abatement Fund"  
22 pursuant to the provisions of section 15 of P.L.1989, c.181, prior to  
23 repayment to the "2003 Water Resources and Wastewater  
24 Treatment Fund" pursuant to the provisions of section 20 of  
25 P.L.2003, c.162, prior to repayment to the "Water Supply Fund"  
26 pursuant to the provisions of section 15 of P.L.1981, c.261, or prior  
27 to the repayment to the "Pinelands Infrastructure Trust Fund"  
28 pursuant to the provisions of section 5 of P.L.1985, c.302,  
29 repayments of loans made pursuant to these acts may be utilized by  
30 the New Jersey Infrastructure Bank established pursuant to  
31 P.L.1985, c.334 (C.58:11B 1 et seq.), as amended and supplemented  
32 by P.L.1997, c.224, under terms and conditions established by the  
33 commissioner and trust, approved by the State Treasurer, and  
34 consistent with the provisions of P.L.1985, c.334 (C.58:11B 1 et  
35 seq.) and federal tax, environmental or securities law, to the extent  
36 necessary to secure repayment of trust bonds issued to finance loans  
37 approved pursuant to P.L. , c. (pending before the Legislature as  
38 Senate Bill No. 2735 of 2022 and Assembly Bill No. 4067 of 2022),  
39 and to secure the administrative fees payable to the trust pursuant to  
40 subsection o. of section 5 of P.L.1985, c.334 (C.58:11B 5) by the  
41 project sponsors receiving trust loans.

42 b. Prior to repayment to the Clean Water State Revolving Fund  
43 pursuant to section 1 and 2 of P.L.2009, c.77 and any amendatory  
44 and supplementary acts thereto, prior to repayment to the  
45 "Wastewater Treatment Fund" pursuant to the provisions of section  
46 16 of P.L.1985, c.329, prior to repayment to the "1992 Wastewater  
47 Treatment Fund" pursuant to the provisions of section 28 of  
48 P.L.1992, c.88, prior to repayment to the "Water Supply Fund"

1 pursuant to the provisions of section 15 of P.L.1981, c.261, prior to  
2 repayment to the Drinking Water State Revolving Fund, prior to  
3 repayment to the "2003 Water Resources and Wastewater  
4 Treatment Fund" pursuant to the provisions of section 20 of  
5 P.L.2003, c.162, prior to repayment to the "Stormwater  
6 Management and Combined Sewer Overflow Abatement Fund"  
7 pursuant to the provisions of section 15 of P.L.1989, c.181, or prior  
8 to repayment to the "Pinelands Infrastructure Trust Fund" pursuant  
9 to the provisions of section 5 of P.L.1985, c.302, the trust is further  
10 authorized to utilize repayments of loans made pursuant to  
11 P.L.1989, c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38,  
12 P.L.1993, c.193, P.L.1994, c.106, P.L.1995, c.219, P.L.1996, c.85,  
13 P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92,  
14 P.L.2001, c.222, P.L.2002, c.70, P.L.2003, c.158, P.L.2004, c.109,  
15 P.L.2005, c.196, P.L.2006, c.68, P.L.2007, c.139, P.L.2008, c.68,  
16 P.L.2009, c.102, P.L.2010, c.63, P.L.2011, c.93, P.L.2012, c.43,  
17 P.L.2013, c.95, P.L.2014, c.25, P.L.2015, c.108, P.L.2016, c.32,  
18 P.L.2017, c.143, as amended by P.L.2017, c.326, P.L.2018, c.85, as  
19 amended by P.L.2018, c.137, P.L.2019, c.12, P.L.2019, c.193, as  
20 amended by P.L.2019, c.514, P.L.2020, c.49, as amended by  
21 P.L.2021, c.21, P.L.2021, c.203, as amended by P.L.2021, c.328, or  
22 P.L. , c. (pending before the Legislature as this bill) to secure  
23 repayment of trust bonds issued to finance loans approved pursuant  
24 to P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85,  
25 P.L.1999, c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71,  
26 P.L.2003, c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67,  
27 P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62,  
28 P.L.2011, c.95, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26,  
29 P.L.2015, c.107, P.L.2016, c.31, P.L.2017, c.142, as amended by  
30 P.L.2017, c.327, P.L.2018, c.84, as amended by P.L.2019, c.30,  
31 P.L.2019, c.192, as amended by P.L.2019, c.515, P.L.2020, c.48, as  
32 amended by P.L.2021, c.22, P.L.2021, c.204, as amended by  
33 P.L.2021, c.316, or P.L. , c. (pending before the Legislature as  
34 Senate Bill No. 2735 of 2022 and Assembly Bill No. 4067 of 2022),  
35 and to secure the administrative fees payable to the trust under these  
36 loans pursuant to subsection o. of section 5 of P.L.1985, c.334  
37 (C.58:11B-5).

38 c. To the extent that any loan repayment sums are used to satisfy  
39 any trust bond repayment or administrative fee payment  
40 deficiencies, the trust shall repay such sums to the department for  
41 deposit into the Clean Water State Revolving Fund, the  
42 "Wastewater Treatment Fund," the "1992 Wastewater Treatment  
43 Fund," the "Water Supply Fund," the Drinking Water State  
44 Revolving Fund, the "2003 Water Resources and Wastewater  
45 Treatment Fund," the "Stormwater Management and Combined  
46 Sewer Overflow Abatement Fund," or the "Pinelands Infrastructure  
47 Trust Fund," as appropriate, from amounts received by or on behalf  
48 of the trust from project sponsors causing any such deficiency.

1 11. The Commissioner of Environmental Protection is  
2 authorized to enter into capitalization grant agreements as may be  
3 required pursuant to the Federal Disaster Relief Appropriations Act,  
4 the Federal Clean Water Act, or the Federal Safe Drinking Water  
5 Act.

6  
7 12. There is appropriated to the New Jersey Infrastructure Bank  
8 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) from  
9 repayments of loans and interest deposited in any account, on or  
10 before June 30, 2023, including the "Clean Water State Revolving  
11 Fund," the "1992 Wastewater Treatment Fund," the "Water Supply  
12 Fund," the "Stormwater Management and Combined Sewer  
13 Overflow Abatement Fund," the "2003 Water Resources and  
14 Wastewater Treatment Fund," or the Drinking Water State  
15 Revolving Fund, as appropriate, and from any net earnings received  
16 from the investment and reinvestment of such deposits, such sums  
17 as the chairperson or secretary of the trust shall certify to the  
18 Commissioner of Environmental Protection to be necessary and  
19 appropriate for deposit into one or more reserve funds or accounts  
20 established by the trust pursuant to section 11 of P.L.1985, c.334  
21 (C.58:11B-11).

22  
23 13. There is appropriated to the New Jersey Infrastructure Bank  
24 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), funds  
25 from the Federal Disaster Relief Appropriations Act deposited in  
26 any account including the Clean Water State Revolving Fund, the  
27 "Water Supply Fund," or the Drinking Water State Revolving Fund,  
28 as appropriate, funds transferred by the department to the New  
29 Jersey Infrastructure Bank pursuant to paragraph (21) of subsection  
30 a. of section 1 of P.L. , c. (pending before the Legislature as  
31 this bill), and funds from any net earnings received from the  
32 investment and reinvestment of such deposits, such sums as the  
33 chairperson of the trust certifies to the Commissioner of  
34 Environmental Protection to be necessary and appropriate for  
35 deposit into one or more reserve funds or accounts established by  
36 the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11).

37  
38 14. This act shall take effect immediately.

39  
40  
41 STATEMENT

42  
43 This bill appropriates certain federal and State moneys to the  
44 Department of Environmental Protection (DEP) for the purpose of  
45 implementing the State Fiscal Year 2023 New Jersey  
46 Environmental Infrastructure Financing Program (NJEIFP), which  
47 is expected to finance up to \$2.07 billion in water infrastructure  
48 projects for State Fiscal Year 2023. The bill would appropriate

1 these funds for the purpose of making loans to local governments  
2 and privately-owned water companies (project sponsors) for a  
3 portion of the costs of water infrastructure projects. A companion  
4 bill, Assembly Bill No. 4067 of this session, would authorize the  
5 New Jersey Infrastructure Bank (NJIB) to execute loans using the  
6 funds appropriated to the DEP by this bill to finance a portion of the  
7 costs of the clean water and drinking water projects enumerated by  
8 the bill.

9 The bill would authorize the DEP to use the moneys appropriated  
10 by the bill to fund the following projects:

11 (1) in subsection a. of section 2 of the bill, a list of 12 projects to  
12 improve water discharge and treatment systems that had previously  
13 received a loan and require supplemental loans, representing \$96.4  
14 million in estimated total loan amounts;

15 (2) in subsection b. of section 2 of the bill, a list of three projects  
16 to improve drinking water systems that had previously received a  
17 loan and require supplemental loans, representing \$28.5 million in  
18 estimated total loan amounts;

19 (3) in paragraph (1) of subsection a. of section 3 of the bill, the  
20 "Storm Sandy and State Fiscal Year 2023 Clean Water Project  
21 Eligibility List," a list of 92 projects to improve water discharge and  
22 treatment systems, representing \$939.6 million in estimated total  
23 loan amounts;

24 (4) in paragraph (2) of subsection a. of section 3 of the bill, a list  
25 of four projects in the Pinelands area that are receiving funding  
26 under the "Pinelands Infrastructure Trust Bond Act of 1985,"  
27 P.L.1985, c.302, to improve water discharge and treatment systems,  
28 representing \$15.3 million in estimated total loan amounts; and

29 (5) in subsection b. of section 3 of the bill, the "Storm Sandy and  
30 State Fiscal Year 2023 Drinking Water Project Eligibility List," a  
31 list of 53 projects to improve drinking water systems, representing  
32 \$762.9 million in estimated total loan amounts.

33 Several projects in the "Storm Sandy and State Fiscal Year 2023  
34 Clean Water Project Eligibility List" and the "Storm Sandy and  
35 State Fiscal Year 2023 Drinking Water Project Eligibility List,"  
36 representing \$222.1 million in estimated total loan amounts, are  
37 eligible to receive long-term funding from the NJIB by the end of  
38 FY2022, and thus would not receive loans under the 2023 NJEIFP  
39 if they receive funding during FY2022. They are included in these  
40 lists in the event that long-term financing cannot be secured by the  
41 end of FY2022.

42 The bill would also appropriate the unexpended balances from  
43 various funds to the DEP, and allow the DEP to transfer moneys  
44 between various State funds, for the purpose of funding the NJEIFP  
45 and providing the State match for federal funding provided under  
46 the federal laws, including the Clean Water Act and Safe Drinking  
47 Water Act, as detailed in subsection a. of section 1 of the bill. In  
48 addition, the bill appropriate to the DEP funds deposited in the

1 "Clean Water State Revolving Fund" and the "Drinking Water State  
2 Revolving Fund" pursuant to the federal "Infrastructure Investment  
3 and Jobs Act," Pub. L. 117-58.

4 The bill would authorize loans to certain project sponsors to  
5 include zero interest or principal forgiveness, subject to certain  
6 funding limits and restrictions detailed in subsections b. through e.  
7 of section 1 of the bill. Projects designated for zero interest or  
8 principal forgiveness loans include projects that reduce or eliminate  
9 discharges from combined sewer overflow outfalls, water quality  
10 restoration projects, water and energy efficiency projects, and  
11 emerging contaminant projects.

12 The bill would establish certain requirements on loans to project  
13 sponsors made by the DEP pursuant to the bill, as enumerated in  
14 section 4 of the bill. The bill would also establish additional  
15 restrictions, described in section 5 of the bill, for "Sandy financing  
16 loans," which are those loans that utilize federal funding provided  
17 pursuant to the federal "Disaster Relief Appropriations Act, 2013,"  
18 Pub.L.113-2. Under the bill, the project lists and the DEP's  
19 authorization to utilize the funds appropriated by the bill would  
20 expire on July 1, 2023.

21 The bill would also authorize the NJIB to utilize repayments of  
22 loans made using moneys from various State funds, enumerated in  
23 subsections a. and b. of section 10 of the bill, to recoup trust bond  
24 repayments and administrative fees that have not been paid by  
25 project sponsors instead of redepositing the money into the funds.  
26 However, the bill would also require the NJIB to make a  
27 compensatory deposit into certain State funds, enumerated in  
28 subsection c. of section 10 of the bill, when the NJIB receives the  
29 deficient payments or fees from the project sponsor. Finally, the  
30 bill would appropriate to the NJIB, from repayments of loans,  
31 interest payments, certain federal funds, and any earnings received  
32 from the investment of those funds, as enumerated in sections 12  
33 and 13 of the bill, such amounts as the chairperson or secretary of  
34 the NJIB certifies are necessary and appropriate for deposit into one  
35 or more reserve funds established by the NJIB.



# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 4066

# STATE OF NEW JERSEY

DATED: JUNE 14, 2022

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4066.

This bill appropriates certain federal and State moneys to the Department of Environmental Protection (DEP) for the purpose of implementing the State Fiscal Year 2023 New Jersey Environmental Infrastructure Financing Program (NJEIFP), which is expected to finance up to \$2.07 billion in water infrastructure projects for State Fiscal Year 2023. The bill would appropriate these funds for the purpose of making loans to local governments and privately-owned water companies (project sponsors) for a portion of the costs of water infrastructure projects. A companion bill, Assembly Bill No. 4067 of this session, would authorize the New Jersey Infrastructure Bank (NJIB) to execute loans using the funds appropriated to the DEP by this bill to finance a portion of the costs of the clean water and drinking water projects enumerated by the bill.

The bill would authorize the DEP to use the moneys appropriated by the bill to fund the following projects:

(1) in subsection a. of section 2 of the bill, a list of 12 projects to improve water discharge and treatment systems that had previously received a loan and require supplemental loans, representing \$96.4 million in estimated total loan amounts;

(2) in subsection b. of section 2 of the bill, a list of three projects to improve drinking water systems that had previously received a loan and require supplemental loans, representing \$28.5 million in estimated total loan amounts;

(3) in paragraph (1) of subsection a. of section 3 of the bill, the "Storm Sandy and State Fiscal Year 2023 Clean Water Project Eligibility List," a list of 92 projects to improve water discharge and treatment systems, representing \$939.6 million in estimated total loan amounts;

(4) in paragraph (2) of subsection a. of section 3 of the bill, a list of four projects in the Pinelands area that are receiving funding under the "Pinelands Infrastructure Trust Bond Act of 1985," P.L.1985, c.302, to improve water discharge and treatment systems, representing \$15.3 million in estimated total loan amounts; and

(5) in subsection b. of section 3 of the bill, the "Storm Sandy and State Fiscal Year 2023 Drinking Water Project Eligibility List," a list

of 53 projects to improve drinking water systems, representing \$762.9 million in estimated total loan amounts.

Several projects in the "Storm Sandy and State Fiscal Year 2023 Clean Water Project Eligibility List" and the "Storm Sandy and State Fiscal Year 2023 Drinking Water Project Eligibility List," representing \$222.1 million in estimated total loan amounts, are eligible to receive long-term funding from the NJIB by the end of FY2022, and thus would not receive loans under the 2023 NJEIFP if they receive funding during FY2022. They are included in these lists in the event that long-term financing cannot be secured by the end of FY2022.

The bill would also appropriate the unexpended balances from various funds to the DEP, and allow the DEP to transfer moneys between various State funds, for the purpose of funding the NJEIFP and providing the State match for federal funding provided under the federal laws, including the Clean Water Act and Safe Drinking Water Act, as detailed in subsection a. of section 1 of the bill. In addition, the bill appropriate to the DEP funds deposited in the "Clean Water State Revolving Fund" and the "Drinking Water State Revolving Fund" pursuant to the federal "Infrastructure Investment and Jobs Act," Pub. L. 117-58.

The bill would authorize loans to certain project sponsors to include zero interest or principal forgiveness, subject to certain funding limits and restrictions detailed in subsections b. through e. of section 1 of the bill. Projects designated for zero interest or principal forgiveness loans include projects that reduce or eliminate discharges from combined sewer overflow outfalls, water quality restoration projects, water and energy efficiency projects, and emerging contaminant projects.

The bill would establish certain requirements on loans to project sponsors made by the DEP pursuant to the bill, as enumerated in section 4 of the bill. The bill would also establish additional restrictions, described in section 5 of the bill, for "Sandy financing loans," which are those loans that utilize federal funding provided pursuant to the federal "Disaster Relief Appropriations Act, 2013," Pub.L.113-2. Under the bill, the project lists and the DEP's authorization to utilize the funds appropriated by the bill would expire on July 1, 2023.

The bill would also authorize the NJIB to utilize repayments of loans made using moneys from various State funds, enumerated in subsections a. and b. of section 10 of the bill, to recoup trust bond repayments and administrative fees that have not been paid by project sponsors instead of redepositing the money into the funds. However, the bill would also require the NJIB to make a compensatory deposit into certain State funds, enumerated in subsection c. of section 10 of the bill, when the NJIB receives the deficient payments or fees from the project sponsor. Finally, the bill would appropriate to the NJIB, from repayments of loans, interest payments, certain federal funds, and

any earnings received from the investment of those funds, as enumerated in sections 12 and 13 of the bill, such amounts as the chairperson or secretary of the NJIB certifies are necessary and appropriate for deposit into one or more reserve funds established by the NJIB.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

**SENATE, No. 2734**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED MAY 26, 2022

**Sponsored by:**

**Senator RICHARD J. CODEY**

**District 27 (Essex and Morris)**

**Senator JEAN STANFIELD**

**District 8 (Atlantic, Burlington and Camden)**

**SYNOPSIS**

Appropriates funds to DEP for environmental infrastructure projects for FY2023.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT appropriating moneys to the Department of Environmental  
2 Protection for the purpose of making zero interest loans or  
3 principal forgiveness loans to project sponsors to finance a  
4 portion of the costs of environmental infrastructure projects.

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

8  
9 1. a. (1) There is appropriated to the department from the  
10 "Clean Water State Revolving Fund," established pursuant to  
11 section 1 of P.L.2009, c.77, an amount equal to the federal fiscal  
12 year 2022 capitalization grant made available to the State for clean  
13 water project loans pursuant to the "Water Quality Act of 1987," 33  
14 U.S.C. s.1251 et seq., and any amendatory and supplementary acts  
15 thereto (hereinafter referred to as the "Federal Clean Water Act")  
16 and such sums as are made available to the department from the  
17 "Clean Water State Revolving Fund" from funds made available  
18 pursuant to the federal "Infrastructure Investment and Jobs Act,"  
19 Pub. L. 117-58.

20 (2) There is appropriated to the department from the "Interim  
21 Environmental Financing Program Fund," established by the New  
22 Jersey Infrastructure Bank pursuant to subsection d. of section 9 of  
23 P.L.1985, c.334 (C.58:11B-9), such amounts as may be necessary to  
24 supplement the sums appropriated from the Clean Water State  
25 Revolving Fund for the purposes of clean water project loans and  
26 providing the State match as may be required for the award of the  
27 capitalization grants made available to the State for clean water  
28 projects pursuant to the Federal Clean Water Act.

29 (3) There is appropriated to the department from the "Disaster  
30 Relief Emergency Financing Program Fund," established by the  
31 New Jersey Infrastructure Bank pursuant to section 1 of P.L.2013,  
32 c.93 (C.58:11B-9.5), such amounts as may be necessary to  
33 supplement the sums appropriated from the Clean Water State  
34 Revolving Fund for the purposes of clean water project loans and  
35 providing the State match as may be required for the award of the  
36 capitalization grants made available to the State for clean water  
37 projects pursuant to the Federal Clean Water Act.

38 (4) There is appropriated to the department from the "Drinking  
39 Water State Revolving Fund," established pursuant to section 1 of  
40 P.L.1998, c.84, an amount equal to the federal fiscal year 2022  
41 capitalization grant made available to the State for drinking water  
42 projects pursuant to the "Safe Drinking Water Act Amendments of  
43 1996," Pub.L.104-182, and any amendatory and supplementary acts  
44 thereto (hereinafter referred to as the "Federal Safe Drinking Water  
45 Act") and such sums as are made available to the department from  
46 the "Drinking Water State Revolving Fund" from funds made  
47 available pursuant to the federal "Infrastructure Investment and Jobs  
48 Act," Pub. L. 117-58.

1 The department is authorized to transfer from the Clean Water  
2 State Revolving Fund to the Drinking Water State Revolving Fund,  
3 pursuant to the "Water Infrastructure Funding Transfer Act,"  
4 Pub.L.116-63, additional amounts as may be necessary to address a  
5 threat to public health, and an amount equal to the maximum  
6 amount authorized to be transferred is appropriated to the  
7 department for those purposes.

8 The department is authorized to transfer from the Clean Water  
9 State Revolving Fund to the Drinking Water State Revolving Fund  
10 an amount up to the maximum amount authorized to be transferred  
11 pursuant to the Federal Safe Drinking Water Act to meet present  
12 and future needs for the financing of eligible drinking water  
13 projects, and an amount equal to that maximum amount is  
14 appropriated to the department for those purposes.

15 The department is authorized to transfer from the Drinking  
16 Water State Revolving Fund to the Clean Water State Revolving  
17 Fund an amount up to the maximum amount authorized to be  
18 transferred pursuant to the Federal Clean Water Act to meet present  
19 and future needs for the financing of eligible clean water projects,  
20 and an amount equal to that maximum amount is appropriated to the  
21 department for those purposes.

22 Notwithstanding any provision of this act to the contrary, the  
23 department is authorized to utilize funds from the Clean Water State  
24 Revolving Fund for the purposes of the Drinking Water State  
25 Revolving Fund, and may charge interest on loans made with such  
26 invested funds to the extent permitted by the Federal Clean Water  
27 Act and the Federal Safe Drinking Water Act.

28 (5) There is appropriated to the department the unappropriated  
29 balances from the Clean Water State Revolving Fund, including the  
30 balances from the Federal Disaster Relief Appropriations Act, and  
31 any repayments of loans and interest therefrom, as may be available  
32 on or before June 30, 2023, for the purposes of clean water project  
33 loans and providing the State match as may be required for the  
34 award of the capitalization grants made available to the State for  
35 clean water projects pursuant to the Federal Clean Water Act.

36 (6) There is appropriated to the department the unappropriated  
37 balances from the "Wastewater Treatment Fund," established  
38 pursuant to section 15 of the "Wastewater Treatment Bond Act of  
39 1985," P.L.1985, c.329, and any repayments of loans and interest  
40 therefrom, as may be available on or before June 30, 2023, for the  
41 purposes of clean water project loans and providing the State match  
42 as may be required for the award of the capitalization grants made  
43 available to the State for clean water projects pursuant to the  
44 Federal Clean Water Act.

45 (7) There is appropriated to the department the unappropriated  
46 balances from the "1992 Wastewater Treatment Fund," established  
47 pursuant to section 27 of the "Green Acres, Clean Water, Farmland  
48 and Historic Preservation Bond Act of 1992," P.L.1992, c.88, and  
49 any repayments of loans and interest therefrom, as may be available  
50 on or before June 30, 2023, for the purposes of clean water project

1 loans and providing the State match as may be required for the  
2 award of the capitalization grants made available to the State for  
3 clean water projects pursuant to the Federal Clean Water Act.

4 (8) There is appropriated to the department the unappropriated  
5 balances from the "2003 Water Resources and Wastewater  
6 Treatment Fund," established pursuant to subsection a. of section 19  
7 of the "Dam, Lake, Stream, Flood Control, Water Resources, and  
8 Wastewater Treatment Project Bond Act of 2003," P.L.2003, c.162,  
9 and any repayments of loans and interest therefrom, as may be  
10 available on or before June 30, 2023, for the purposes of clean  
11 water project loans and providing the State match as may be  
12 required for the award of the capitalization grants made available to  
13 the State for clean water projects pursuant to the Federal Clean  
14 Water Act.

15 (9) There is appropriated to the department the unappropriated  
16 balances from the "Pinelands Infrastructure Trust Fund," established  
17 pursuant to section 14 of the "Pinelands Infrastructure Trust Bond  
18 Act of 1985," P.L.1985, c.302, and any repayments of loans and  
19 interest therefrom, as may be available on or before June 30, 2023,  
20 for the purposes of clean water project loans and drinking water  
21 project loans and providing the State match as may be required for  
22 the award of the capitalization grants made available to the State for  
23 clean water projects pursuant to the Federal Clean Water Act and  
24 for drinking water projects pursuant to the Federal Safe Drinking  
25 Water Act.

26 (10) There is appropriated to the department the unappropriated  
27 balances from the "Stormwater Management and Combined Sewer  
28 Overflow Abatement Fund," established pursuant to the  
29 "Stormwater Management and Combined Sewer Overflow  
30 Abatement Bond Act of 1989," P.L.1989, c.181, and any  
31 repayments of loans and interest therefrom, as may be available on  
32 or before June 30, 2023, for the purposes of clean water project  
33 loans and providing the State match as may be required for the  
34 award of the capitalization grants made available to the State for  
35 clean water projects pursuant to the Federal Clean Water Act.

36 (11) There is appropriated to the department the unappropriated  
37 balances from the Drinking Water State Revolving Fund and any  
38 repayments of loans and interest therefrom, including the balances  
39 from the Federal Disaster Relief Appropriations Act as may be  
40 available on or before June 30, 2023, for the purposes of drinking  
41 water project loans.

42 (12) There is appropriated to the department such sums as may  
43 be needed from loan repayments and interest earnings from the  
44 "Water Supply Fund," established pursuant to section 14 of the  
45 "Water Supply Bond Act of 1981," P.L.1981, c.261, for the  
46 "Drinking Water State Revolving Fund Match Accounts" contained  
47 within that fund, for the purpose of providing the State match as  
48 may be required for the award of the capitalization grants made  
49 available to the State for drinking water projects pursuant to the  
50 Federal Safe Drinking Water Act.

1 (13) There is appropriated to the department from the "Interim  
2 Environmental Financing Program Fund," established by the New  
3 Jersey Infrastructure Bank pursuant to subsection d. of section 9 of  
4 P.L.1985, c.334 (C.58:11B-9), such amounts as may be available on  
5 or before June 30, 2023, and any repayments of loans and interest  
6 therefrom, as may be necessary to supplement the sums  
7 appropriated from the Drinking Water State Revolving Fund for the  
8 purposes of drinking water project loans and providing the State  
9 match as may be required for the award of the capitalization grants  
10 made available to the State for drinking water projects pursuant to  
11 the Federal Safe Drinking Water Act.

12 (14) There is appropriated to the department from the "Disaster  
13 Relief Emergency Financing Program Fund," established by the  
14 New Jersey Infrastructure Bank pursuant to section 1 of P.L.2013,  
15 c.93 (C.58:11B-9.5), such amounts as may be necessary to  
16 supplement the sums appropriated from the Drinking Water State  
17 Revolving Fund for the purposes of drinking water project loans  
18 and providing the State match as may be required for the award of  
19 the capitalization grants made available to the State for drinking  
20 water projects pursuant to the Federal Safe Drinking Water Act.

21 (15) There is appropriated to the department such amounts as  
22 may be received by the Department of Community Affairs, as the  
23 grantee from the United States Department of Housing and Urban  
24 Development Community Development Block Grant - Disaster  
25 Recovery Program (CDBG-DR), as may be available on or before  
26 June 30, 2023, for the purposes of CDBG-DR eligible clean water  
27 and drinking water project loans and providing the State match as  
28 may be required for the award of the capitalization grants made  
29 available to the State for clean water projects pursuant to the  
30 Federal Clean Water Act and drinking water projects pursuant to the  
31 Federal Safe Drinking Water Act.

32 (16) There is appropriated to the department such sums as may  
33 be available on or before June 30, 2023, as repayments of drinking  
34 water project loans and any interest therefrom from the "Water  
35 Supply Fund," established pursuant to section 14 of the "Water  
36 Supply Bond Act of 1981," P.L.1981, c.261, for the purposes of  
37 drinking water project loans and providing the State match as may  
38 be required for the award of the capitalization grants made available  
39 to the State for drinking water projects pursuant to the Federal Safe  
40 Drinking Water Act.

41 (17) Of the sums appropriated to the department from the  
42 "Water Supply Fund" pursuant to P.L.1999, c.174, P.L.2001, c.222,  
43 P.L.2002, c.70, and P.L.2003, c.158, the department is authorized to  
44 transfer any unexpended balances and any repayments of loans and  
45 interest therefrom as may be available on or before June 30, 2023,  
46 in such amounts as needed to the Drinking Water State Revolving  
47 Fund accounts contained within the Water Supply Fund established  
48 for the purposes of providing drinking water project loans and  
49 providing the State match as may be required for the award of the



1 capitalization grants made available to the State for drinking water  
2 projects pursuant to the Federal Safe Drinking Water Act.

3 (18) Of the sums appropriated to the department from the "1992  
4 Wastewater Treatment Fund" pursuant to P.L.1996, c.85, P.L.1997,  
5 c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92, P.L.2001,  
6 c.222, and P.L.2002, c.70, the department is authorized to transfer  
7 any unexpended balances and any repayments of loans and interest  
8 therefrom as may be available on or before June 30, 2023, in such  
9 amounts as needed to the Clean Water State Revolving Fund  
10 accounts contained within the 1992 Wastewater Treatment Fund for  
11 the purposes of providing clean water project loans and providing  
12 the State match as may be required for the award of the  
13 capitalization grants made available to the State for clean water  
14 projects pursuant to the Federal Clean Water Act.

15 (19) Of the sums appropriated to the department from the "2003  
16 Water Resources and Wastewater Treatment Fund" pursuant to  
17 P.L.2004, c.109 and P.L.2007, c.139, the department is authorized  
18 to transfer any unexpended balances and any repayments of loans  
19 and interest therefrom as may be available on or before June 30,  
20 2023, in such amounts as needed to the Clean Water State  
21 Revolving Fund accounts contained within the 2003 Water  
22 Resources and Wastewater Treatment Fund for the purposes of  
23 providing clean water project loans and providing the State match  
24 as may be required for the award of the capitalization grants made  
25 available to the State for clean water projects pursuant to the  
26 Federal Clean Water Act.

27 (20) There is appropriated to the department the sums deposited  
28 by the New Jersey Infrastructure Bank into the Clean Water State  
29 Revolving Fund, the "Wastewater Treatment Fund," the "1992  
30 Wastewater Treatment Fund," the "Water Supply Fund," the  
31 "Stormwater Management and Combined Sewer Overflow  
32 Abatement Fund," established pursuant to the "Stormwater  
33 Management and Combined Sewer Overflow Abatement Bond Act  
34 of 1989," P.L.1989, c.181, the "2003 Water Resources and  
35 Wastewater Treatment Fund," and the Drinking Water State  
36 Revolving Fund, as appropriate, pursuant to paragraph (6) of  
37 subsection c. of section 1 of P.L. , c. (pending before the  
38 Legislature as Senate Bill No. 2735 of 2022 and Assembly Bill No.  
39 4067 of 2022), as may be available on or before June 30, 2023, for  
40 the purposes of providing clean water project loans and drinking  
41 water project loans and providing the State match as may be  
42 required for the award of the capitalization grants made available to  
43 the State for clean water projects pursuant to the Federal Clean  
44 Water Act and for drinking water projects pursuant to the Federal  
45 Safe Drinking Water Act.

46 Any such amounts shall be for the purpose of making zero  
47 interest and principal forgiveness financing loans, to the extent  
48 sufficient funds are available, to or on behalf of local government  
49 units or public water utilities (hereinafter referred to as "project  
50 sponsors") to finance a portion of the cost of the construction of

1 clean water projects and drinking water projects listed in sections 2  
2 and 3 of this act, and for the purpose of implementing and  
3 administering the provisions of this act, to the extent permitted by  
4 the Federal Disaster Relief Appropriations Act, the Federal Clean  
5 Water Act, the Federal Safe Drinking Water Act, P.L.2009, c.77,  
6 the "Wastewater Treatment Bond Act of 1985." P.L.1985, c.329, the  
7 "Water Supply Bond Act of 1981," P.L.1981, c.261, the  
8 "Stormwater Management and Combined Sewer Overflow  
9 Abatement Bond Act of 1989," P.L.1989, c.181, the "Green Acres,  
10 Clean Water, Farmland and Historic Preservation Bond Act of  
11 1992," P.L.1992, c.88, the "Dam, Lake, Stream, Flood Control,  
12 Water Resources, and the Wastewater Treatment Project Bond Act  
13 of 2003," P.L.2003, c.162, and any amendatory and supplementary  
14 acts thereto.

15 (21) Of the \$60 million appropriated to the department for the  
16 capital construction of drinking water infrastructure by the State  
17 fiscal year 2021 appropriations act, P.L.2020 c.97, up to \$25  
18 million may be transferred to the New Jersey Infrastructure Bank to  
19 invest, provide debt service reserve or guarantee, or pay interest on  
20 behalf of a sponsor of a drinking water environmental infrastructure  
21 project.

22 (22) There is appropriated to the department for the purposes of  
23 eligible clean water project grants such amounts as may be received  
24 by the department under the Sewer Overflow and Stormwater Reuse  
25 Grants Program, as the grantee from the United States  
26 Environmental Protection Agency and as may be available on or  
27 before June 30, 2023.

28 b. The department is authorized to make zero interest and  
29 principal forgiveness financing loans to or on behalf of the project  
30 sponsors for the environmental infrastructure projects listed in  
31 subsection a. of section 2 and subsection a. of section 3 of this act  
32 for clean water projects, up to the individual amounts indicated and  
33 in the priority stated, to the extent there are sufficient eligible  
34 project applications, except that any such amounts may be reduced  
35 if a project fails to meet the requirements of sections 4 or 5 of this  
36 act, or by the Commissioner of Environmental Protection pursuant  
37 to section 7 of this act.

38 (1) A maximum of \$30 million in principal forgiveness loans,  
39 plus any appropriated but unallocated funds designated in State  
40 fiscal year 2022 for combined sewer overflow projects, shall be  
41 issued as provided in subsection a. of section 3 of this act to  
42 communities in combined sewer overflow sewersheds for  
43 construction projects that reduce or eliminate discharges from  
44 combined sewer overflow outfalls. The amount of a principal  
45 forgiveness loan issued pursuant to this paragraph shall not exceed  
46 \$5 million per borrower whenever practicable. For project costs up  
47 to and including \$10 million, 50 percent of the principal of the loan  
48 shall be forgiven and the remaining 50 percent of the loan shall  
49 have a blended interest rate of 50 percent of the trust's market rate.  
50 For project costs greater than \$10 million, the loan shall have a

1 blended interest rate of 50 percent of the trust's market rate. For  
2 projects in communities that meet "Clean Water State Revolving  
3 Fund" affordability criteria, for project costs up to and including \$5  
4 million, 100 percent of the principal of the loan shall be forgiven.  
5 For project costs greater than \$5 million and up to and including  
6 \$10 million, the loan shall have a blended interest rate of 50 percent  
7 of the trust's market rate. For project costs greater than \$10 million  
8 up to and including \$12 million, 100 percent of the principal of this  
9 portion of the loan shall be forgiven. For project costs greater than  
10 \$12 million and up to and including \$14 million, the loan shall have  
11 a blended interest rate of 50 percent of the trust's market rate. For  
12 project costs greater than \$14 million and up to and including \$20  
13 million, the loan shall have a blended interest rate of 25 percent of  
14 the trust's market rate, and, for the remaining project costs over \$20  
15 million, the loan shall have a blended interest rate of 50 percent of  
16 the trust's market rate.

17 (2) A maximum of \$6 million in principal forgiveness loans,  
18 plus any appropriated but unallocated funds designated in State  
19 fiscal year 2022 for water quality restoration projects, shall be  
20 issued as provided in subsection a. of section 3 of this act for water  
21 quality restoration projects. The amount of a principal forgiveness  
22 loan issued pursuant to this paragraph shall not exceed \$2.5 million  
23 per borrower whenever practicable. For project costs up to and  
24 including \$4 million, 50 percent of the principal of the loan shall be  
25 forgiven, and the remaining 50 percent of the loan shall have a  
26 blended interest rate of 50 percent of the trust's market rate. For  
27 project costs greater than \$4 million and up to and including \$10  
28 million, the loan shall have a blended interest rate of 25 percent of  
29 the trust's market rate. For project costs greater than \$10 million,  
30 the loan shall have a blended interest rate of 50 percent of the trust's  
31 market rate.

32 (3) A maximum of \$36 million in principal forgiveness loans for  
33 projects sponsored by applicants that meet the "Clean Water State  
34 Revolving Fund" affordability criteria as set forth by the department  
35 shall be issued as provided in subsection a. of section 3 of this act  
36 for water quality restoration projects. The amount of a principal  
37 forgiveness loan issued pursuant to this paragraph shall not exceed  
38 \$2 million per borrower whenever practicable. For project costs up  
39 to and including \$2 million, 100 percent of the principal of the loan  
40 shall be forgiven. For project costs greater than \$2 million and up  
41 to and including \$4 million, the loan shall have a blended interest  
42 rate of 50 percent of the trust's market rate. For project costs greater  
43 than \$4 million and up to and including \$10 million, the loan shall  
44 have a blended interest rate of 25 percent of the trust's market rate.  
45 For project costs greater than \$10 million, the loan shall have a  
46 blended interest rate of 50 percent of the trust's market rate.

47 (4) A maximum of \$10 million in principal forgiveness loans for  
48 water and energy efficiency projects shall be issued as provided in  
49 subsection a. of section 3 of this act to projects that address water  
50 and energy efficiency goals that meet the eligibility requirements

1 for water and energy efficiency as defined in the United States  
2 Environmental Protection Agency's "Green Project Reserve  
3 Guidance." The amount of a principal forgiveness loan issued  
4 pursuant to this paragraph shall not exceed \$2 million per borrower  
5 whenever practicable. For project costs up to and including \$4  
6 million, 50 percent of the principal of the loan shall be forgiven and  
7 the remaining 50 percent of the loan shall have a blended interest  
8 rate of 50 percent of the trust's market rate. For project costs  
9 greater than \$4 million and up to and including \$10 million, the  
10 loan shall have a blended interest rate of 25 percent of the trust's  
11 market rate. For project costs greater than \$10 million, the loan  
12 shall have a blended interest rate of 50 percent of the trust's market  
13 rate.

14 (5) A maximum of \$4 million in principal forgiveness loans for  
15 emerging contaminant projects shall be issued as provided in  
16 subsection a. of section 3 of this act to projects that primarily  
17 address substances and microorganisms, which are known or  
18 anticipated in the environment, and which may pose newly  
19 identified or re-emerging risks to human health, aquatic life, or the  
20 environment. The amount of a principal forgiveness loan issued  
21 pursuant to this paragraph shall not exceed \$2 million per borrower  
22 whenever practicable. For project costs up to and including \$2  
23 million, 100 percent of the principal of the loan shall be forgiven.  
24 For project costs greater than \$2 million and up to and including \$4  
25 million, the loan shall have a blended interest rate of 50 percent of  
26 the trust's market rate. For project costs greater than \$4 million and  
27 up to and including \$10 million, the loan shall have a blended  
28 interest rate of 25 percent of the trust's market rate. For project  
29 costs greater than \$10 million, the loan shall have a blended interest  
30 rate of 50 percent of the trust's market rate.

31 (6) A maximum of \$1 million in principal forgiveness loans for  
32 combined sewer overflow or stormwater management projects shall  
33 be issued to finance up to 20 percent of project costs for projects  
34 that qualify for a Sewer Overflow and Stormwater Reuse grant. 100  
35 percent of the principal of the loan shall be forgiven, and the  
36 remaining project costs shall be financed through a Sewer Overflow  
37 and Stormwater Reuse grant from the department.

38 (7) The projects listed in subsection a. of section 2 of this act  
39 and subsection a. of section 3 of this act that were previously  
40 identified in P.L.2021, c.203, as amended by P.L.2021, c.328, are  
41 granted continued priority status and shall be subject to the  
42 provisions of P.L.2021, c.203, as amended by P.L.2021, c.328,  
43 provided such projects received short-term funding prior to June 30,  
44 2022.

45 c. The department is authorized to make zero interest and  
46 principal forgiveness financing loans to or on behalf of the project  
47 sponsors for the environmental infrastructure projects listed in  
48 subsection b. of section 3 of this act for drinking water projects, up  
49 to the individual amounts indicated and in the priority stated,  
50 provided:

1 (1) up to \$8 million of Drinking Water State Revolving Fund  
2 loans, plus any appropriated but unallocated funds designated in  
3 State fiscal year 2022 for drinking water systems serving  
4 populations of up to 10,000 residents, shall be available for drinking  
5 water systems serving populations of up to 10,000 residents  
6 wherein principal forgiveness shall not exceed \$500,000 in the  
7 aggregate and shall not exceed 50 percent of the total loan amount  
8 per project sponsor in an amount not to exceed \$1 million per  
9 project sponsor;

10 (2) up to \$3 million in principal forgiveness loans shall be  
11 available for drinking water systems that serve fewer than 1,000  
12 persons, have been assisted by the Community Engineering Corps,  
13 and do not meet credit eligibility requirements of the Water Bank  
14 Financing Program credit policy. A loan issued pursuant to this  
15 paragraph shall have 100 percent principal forgiveness for a loan  
16 amount of up to \$750,000 per applicant;

17 (3) a maximum of \$13 million of principal forgiveness loans  
18 shall be available for drinking water projects that primarily address  
19 emerging contaminants, for which principal forgiveness may be  
20 authorized for up to 100 percent of the total fund loan amount of up  
21 to \$1 million per applicant;

22 (4) a maximum of \$5 million of principal forgiveness loans shall  
23 be available for drinking water projects other than those to address  
24 emerging contaminants or lead that meet the affordability criteria of  
25 the department, for which principal forgiveness may be authorized  
26 for up to 100 percent of the total fund loan amount of up to \$1  
27 million per applicant. For project costs greater than \$1 million and  
28 up to and including \$11 million, the loan shall have a blended  
29 interest rate of 25 percent of the trust's market rate. For project  
30 costs greater than \$11 million and up to and including \$25 million,  
31 the loan shall have a blended interest rate of 50 percent of the  
32 trust's market rate. Project costs over \$25 million may be financed  
33 at an interest rate of 100 percent of the trust's market rate as  
34 capacity allows; and

35 (5) up to \$25 million plus any appropriated but unallocated  
36 funds designated in State fiscal year 2022, may be issued for  
37 principal forgiveness loans for drinking water systems serving  
38 10,000 or fewer customers to finance lead service line  
39 replacements, for which principal forgiveness shall not exceed 50  
40 percent of the total loan amount of up to \$5 million per water  
41 system.

42 Loans may be made pursuant to this subsection to the extent  
43 there are sufficient eligible project applications and as may be  
44 required for the award of the capitalization grants made available to  
45 the State for drinking water projects pursuant to the Federal Safe  
46 Drinking Water Act. Any such amounts may be reduced by the  
47 Commissioner of Environmental Protection pursuant to section 7 of  
48 this act, or if a project fails to meet the requirements of section 4 or  
49 5 of this act.

1 d. The department is authorized to make zero interest and  
2 principal forgiveness financing loans to or on behalf of the project  
3 sponsors for the environmental infrastructure projects listed in  
4 sections 2 and 3 of this act under the same terms, conditions and  
5 requirements set forth in this section from any unexpended balances  
6 of the amounts appropriated pursuant to section 1 of P.L.1987,  
7 c.200, section 2 of P.L.1988, c.133, section 1 of P.L.1989, c.189,  
8 section 1 of P.L.1990, c.99, section 1 of P.L.1991, c.325, section 1  
9 of P.L.1992, c.38, section 1 of P.L.1993, c.193, section 1 of  
10 P.L.1994, c.106, section 1 of P.L.1995, c.219, section 1 of  
11 P.L.1996, c.85, section 1 of P.L.1997, c.221, section 2 of P.L.1998,  
12 c.84, section 2 of P.L.1999, c.174, section 2 of P.L.2000, c.92,  
13 sections 1 and 2 of P.L.2001, c.222, sections 1 and 2 of P.L.2002,  
14 c.70, sections 1 and 2 of P.L.2003, c.158, sections 1 and 2 of  
15 P.L.2004, c.109, sections 1 and 2 of P.L.2005, c.196, sections 1 and  
16 2 of P.L.2006, c.68, sections 1 and 2 of P.L.2007, c.139, sections 1  
17 and 2 of P.L.2008, c.68, sections 1 and 2 of P.L.2009, c.102,  
18 sections 1 and 2 of P.L.2010, c.63, sections 1 and 2 of P.L.2011,  
19 c.93, sections 1 and 2 of P.L.2012, c.43, sections 1 and 2 of  
20 P.L.2013, c.95, sections 1 and 2 of P.L.2014, c.25, sections 1 and 2  
21 of P.L.2015, c.108, sections 1 and 2 of P.L.2016, c.32, as amended  
22 by P.L.2017, c.14, sections 1 and 2 of P.L.2017, c.143, as amended  
23 by P.L.2017, c.326, sections 1 and 2 of P.L.2018, c.85, as amended  
24 by P.L.2018, c.137 and P.L.2019, c.12, sections 1 and 2 of  
25 P.L.2019, c.193, as amended by P.L.2019, c.514, P.L.2020, c.49, as  
26 amended by P.L.2021, c.21, and P.L.2021, c.203, as amended by  
27 P.L.2021, c.328, including amounts resulting from the low bid and  
28 final building cost reductions authorized pursuant to section 6 of  
29 P.L.1987, c.200, section 7 of P.L.1988, c.133, section 6 of  
30 P.L.1989, c.189, section 6 of P.L.1990, c.99, section 6 of P.L.1991,  
31 c.325, section 6 of P.L.1992, c.38, section 6 of P.L.1993, c.193,  
32 section 6 of P.L.1994, c.106, section 6 of P.L.1995, c.219, section 6  
33 of P.L. 1996, c.85, section 6 of P.L.1997, c.221, section 7 of  
34 P.L.1998, c.84, section 6 of P.L.1999, c.174, section 6 of P.L.2000,  
35 c.92, section 6 of P.L.2001, c.222, section 6 of P.L.2002, c.70,  
36 section 6 of P.L.2003, c.158, section 6 of P.L.2004, c.109, section 6  
37 of P.L.2005, c.196, section 6 of P.L.2006, c.68, section 6 of  
38 P.L.2007, c.139, section 6 of P.L.2008, c.68, section 7 of P.L.2009,  
39 c.102, section 6 of P.L.2010, c.63, section 6 of P.L.2011, c.93,  
40 section 6 of P.L.2012, c.43, section 6 of P.L.2013, c.95, section 7 of  
41 P.L.2014, c.25, section 7 of P.L.2015, c.108, section 7 of P.L.2016,  
42 c.32, as amended by P.L.2017, c.14, section 7 of P.L.2017, c.143 as  
43 amended by P.L.2017, c.326, section 7 of P.L.2018, c.85, as  
44 amended by P.L.2018, c.137 and P.L.2019, c.12, section 7 of  
45 P.L.2019, c.193, as amended by P.L.2019, c.514, section 7 of  
46 P.L.2020, c.49, as amended by P.L.2021, c.21, and P.L.2021, c.203,  
47 as amended by P.L.2021, c.328, and from any repayments of loans  
48 and interest from the Clean Water State Revolving Fund, the  
49 "Wastewater Treatment Fund," the "Water Supply Fund," the "1992  
50 Wastewater Treatment Fund," the "2003 Water Resources and

1 Wastewater Treatment Fund," and amounts deposited therein during  
 2 State fiscal year 2022 and State fiscal year 2023 pursuant to the  
 3 provisions of section 16 of P.L.1985, c.329, and section 2 of  
 4 P.L.2009, c.77 and any amendatory and supplementary acts thereto,  
 5 including any Clean Water State Revolving Fund Accounts  
 6 contained within the "Wastewater Treatment Fund," and from any  
 7 repayment of loans and interest from the Drinking Water State  
 8 Revolving Fund.

9 e. The department is authorized to make zero interest and  
 10 principal forgiveness Sandy financing loans to or on behalf of the  
 11 project sponsors for the Sandy environmental infrastructure projects  
 12 listed in subsection a. of section 3 of this act for clean water  
 13 projects, in a manner consistent with the Federal Disaster Relief  
 14 Appropriations Act, up to the individual amounts indicated, except  
 15 that any such amount may be reduced by the Commissioner of  
 16 Environmental Protection pursuant to section 7 of this act, or if a  
 17 project fails to meet the requirements of section 4, 5, or 7 of this  
 18 act, provided a maximum of \$300 million shall be provided for  
 19 Sandy financing loans for clean water projects to provide financial  
 20 assistance to communities affected by the Storm Sandy, and for  
 21 projects whose purpose is to reduce flood damage risk and  
 22 vulnerability or to enhance resiliency to rapid hydrologic change or  
 23 a natural disaster.

24 f. For the purposes of this act:

25 "Department" means the Department of Environmental  
 26 Protection.

27 "Federal Disaster Relief Appropriations Act" means the  
 28 "Disaster Relief Appropriations Act, 2013," Pub.L.113-2, and any  
 29 amendatory and supplementary acts thereto.

30 "Sandy financing" means grants, zero interest loans or principal  
 31 forgiveness loans provided by the Department of Environmental  
 32 Protection from funds made available to the State for clean water or  
 33 drinking water projects, or clean water or drinking water project  
 34 match, pursuant to the Federal Disaster Relief Appropriations Act.

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

37

38 2. a. (1) The department is authorized to expend funds for the  
 39 purpose of making supplemental zero interest loans to or on behalf  
 40 of the project sponsors listed below for the following clean water  
 41 environmental infrastructure projects:

42

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable DEP Loan Amount</b>	<b>Estimated Total Loan Amount</b>
Camden County MUA	S340640-18R	\$7,500,000	\$10,000,000
Clinton Town	S340924-07R	\$600,000	\$800,000
Hoboken City	S340635-06R	\$24,750,000	\$33,000,000
Jersey City MUA	S340928-15R	\$2,625,000	\$3,500,000
Newark City	S340815-24R	\$15,750,000	\$21,000,000

North Bergen MUA	S340652-14R	\$6,150,000	\$8,200,000
Ocean Township. SA	S340750-14R	\$750,000	\$1,000,000
Passaic Valley SC	S340689-40R	\$1,125,000	\$1,500,000
Plumsted Township	S340607-03R	\$7,500,000	\$10,000,000
Rockaway Valley RSA	S340821-07R	\$2,250,000	\$3,000,000
Paterson City	S340850-03-1	\$1,912,500	\$2,550,000
Somerville Borough	S342013-01-1	\$1,387,500	\$1,850,000
<b>Total Projects: 12</b>		<b>\$72,300,000</b>	<b>\$96,400,000</b>

1  
2 (2) The loans authorized in this subsection shall be made for the  
3 difference between the allowable loan amounts required by these  
4 projects based upon final building costs pursuant to section 7 of this  
5 act and the loan amounts certified by the Commissioner of  
6 Environmental Protection in State fiscal years 2017, 2018, 2019,  
7 2020, and 2021 and for increased allowable costs as defined and  
8 determined in accordance with the rules and regulations adopted by  
9 the department pursuant to section 4 of P.L.1985, c.329. The loans  
10 authorized in this subsection shall be made to or on behalf of the  
11 project sponsors listed, up to the individual amounts indicated and  
12 in the priority stated, to the extent sufficient funds are available,  
13 except as a project fails to meet the requirements of section 4, 5, or  
14 7 of this act.

15 (3) The zero interest loans for the projects authorized in this  
16 subsection shall have priority over projects listed in subsection a. of  
17 section 3 of this act.

18 b. (1) The department is authorized to expend funds for the  
19 purpose of making supplemental loans to or on behalf of the project  
20 sponsors listed below for the following drinking water  
21 environmental infrastructure projects:  
22

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable DEP Loan Amount</b>	<b>Estimated Total Loan Amount</b>
National Park Borough	0812001-004R	\$750,000	\$1,000,000
Newark City	0714001-016R	\$2,250,000	\$3,000,000
North Jersey District Water Supply Comm.	1613001-025R	\$19,125,000	\$25,500,000
<b>Total Projects: 3</b>		<b>\$22,125,000</b>	<b>\$29,500,000</b>

23  
24 (2) The loans authorized in this subsection shall be made for the  
25 difference between the allowable loan amount required by these  
26 projects based upon final building costs pursuant to section 7 of this  
27 act and the loan amounts certified by the Commissioner of  
28 Environmental Protection in State fiscal years 2018, 2019 and 2020



1 and for increased allowable costs as defined and determined in  
2 accordance with the rules and regulations adopted by the  
3 department pursuant to section 5 of P.L.1981, c.261. The loans  
4 authorized in this subsection shall be made to or on behalf of the  
5 project sponsors listed, up to the individual amounts indicated and  
6 in the priority stated, to the extent sufficient funds are available,  
7 except as a project fails to meet the requirements of section 4, 5, or  
8 7 of this act.

9 (3) The zero interest loans for the projects authorized in this  
10 subsection shall have priority over projects listed in subsection b. of  
11 section 3 of this act.

12 c. The department is authorized to adjust the allowable  
13 department loan amount for projects authorized in this section to  
14 between zero percent and 100 percent of the total allowable loan  
15 amount, and, if the department loan amount is adjusted to 100  
16 percent of the total allowable loan amount, the loan shall be  
17 provided pursuant to the terms and conditions of the financing  
18 program year in which the construction loan component of the  
19 project was certified by the department, and for which the trust  
20 issued an interim financing program loan for the project, or, in the  
21 absence of an interim financing program loan, the terms and  
22 conditions of the State fiscal year 2023 financing program.

23

24 3. a. (1) The following environmental infrastructure projects  
25 shall be known and may be cited as the "Storm Sandy and State  
26 Fiscal Year 2023 Clean Water Project Eligibility List":

**S2734 CODEY, STANFIELD**

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable DEP Loan Amount</b>	<b>Estimated Total Loan Amount</b>
Musconetcong SA	S340384-09	\$4,650,000	\$6,200,000
Camden County MUA	S340640-20	\$2,250,000	\$3,000,000
Camden County MUA	S345040-01	\$1,035,000	\$1,380,000
Camden City	S340366-15	\$9,997,500	\$13,330,000
Jersey City MUA	S340928-21	\$9,750,000	\$13,000,000
Jersey City MUA	S340928-24	\$81,000,000	\$108,000,000
Elizabeth City	S345070-01	\$3,000,001	\$4,000,001
Bayonne City	S340399-31	\$3,750,000	\$5,000,000
Long Branch SA	S340336-08	\$1,305,525	\$1,740,700
Ocean County UA	S340372-63	\$1,650,000	\$2,200,000
Hoboken City	S340635-09	\$375,000	\$500,000
Mount Laurel Township MUA	S340943-06	\$6,000,000	\$8,000,000
North Hudson SA	S340952-34	\$900,000	\$1,200,000
North Hudson SA	S340952-33	\$20,250,000	\$27,000,000
North Hudson SA	S340952-31	\$675,000	\$900,000
North Hudson SA	S345190-01	\$4,500,000	\$6,000,000
North Hudson SA	S340952-38	\$1,013,400	\$1,351,200
Perth Amboy City	S345220-01	\$750,000	\$1,000,000
Hackensack City	S340923-13	\$11,400,000	\$15,200,000
Hackensack City	S340923-14	\$6,000,000	\$8,000,000
Passaic Valley SC	S340689-37	\$91,125,000	\$121,500,000
Passaic Valley SC	S345200-01	\$7,125,000	\$9,500,000
Pennsville SA	S340870-05	\$3,000,000	\$4,000,000
Bergen County UA	S340386-23	\$14,025,000	\$18,700,000
Logan Township MUA	S340123-02	\$9,000,000	\$12,000,000
Bergen County UA	S340386-21	\$5,700,000	\$7,600,000
Linden Roselle SA	S340299-08	\$20,250,000	\$27,000,000
Passaic Valley SC	S340689-50	\$6,600,000	\$8,800,000
Gloucester County UA	S340902-15	\$8,625,000	\$11,500,000
Allentown Borough	S340567-05	\$3,825,000	\$5,100,000
Stony Brook RSA	S340400-11	\$16,500,000	\$22,000,000
Evesham MUA	S340838-09	\$375,000	\$500,000
Rutgers, The State University	S340500-01	\$28,125,000	\$37,500,000

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of New Jersey			
Willingboro MUA	S340132-09	\$6,750,000	\$9,000,000
Rockaway Valley RSA	S340821-08	\$11,625,000	\$15,500,000
Wildwood City	S340664-06	\$11,784,758	\$15,713,010
New Jersey Water Supply Authority	S340421-02	\$71,250,000	\$95,000,000
Long Branch SA	S340336-09	\$4,200,000	\$5,600,000
Stafford Township	S340946-08	\$2,625,000	\$3,500,000
Stafford Township	S340946-07	\$3,750,000	\$5,000,000
Vernon Township	S340745-03	\$1,875,000	\$2,500,000
Delran Township	S340794-10	\$1,575,000	\$2,100,000
Hopatcong Borough	S340488-07	\$60,000	\$80,000
Tuckerton Borough	S340034-05	\$2,475,000	\$3,300,000
Atlantic County UA	S340809-30	\$7,575,000	\$10,100,000
Toms River MUA	S340145-08	\$1,018,800	\$1,358,400
Two Rivers Water Reclamation Authority	S340117-09	\$3,150,000	\$4,200,000
Northwest Bergen County UA	S340700-19	\$6,099,338	\$8,132,450
Two Rivers Reclamation Authority	S340117-10	\$2,475,000	\$3,300,000
Franklin Township SA	S340839-09	\$5,625,000	\$7,500,000
Parsippany Troy Hills Township	S340886-05	\$8,800,125	\$11,733,500
Berkeley Township SA	S340969-14	\$2,625,000	\$3,500,000
Scotch Plains Township	S340512-01	\$2,025,000	\$2,700,000
Burlington Township	S340712-17	\$750,000	\$1,000,000
Hopewell Township	S340282-03	\$1,230,000	\$1,640,000
Mantua Township MUA	S340514-03	\$1,012,500	\$1,350,000
Middlesex Borough	S340698-03	\$900,000	\$1,200,000
Pennsville SA	S340870-04	\$1,200,000	\$1,600,000
Red Bank Borough	S340528-01	\$3,375,000	\$4,500,000
North Haledon Borough	S340229-02	\$75,000	\$100,000
North Haledon Borough	S340229-01	\$765,771	\$1,021,028
Haddon Heights Borough	S340877-02	\$82,500	\$110,000
Emerson Borough	S340497-01	\$75,000	\$100,000

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Emerson Borough	S340497-02	\$337,500	\$450,000
Mount Arlington Borough	S340451-05	\$159,589	\$212,785
Medford Lakes Borough	S340319-03	\$8,250,000	\$11,000,000
Mendham Borough	S340159-03	\$2,400,000	\$3,200,000
Hamburg Borough	S340149-03	\$75,000	\$100,000
Long Beach Township	S340023-07	\$3,450,000	\$4,600,000
Borough of Wenonah	S340531-01	\$997,500	\$1,330,000
Seaside Park Borough	S340083-04	\$3,000,000	\$4,000,000
Ship Bottom Borough	S340311-05	\$3,750,000	\$5,000,000
Passaic Valley SC	S340689-45	\$7,657,577	\$10,210,102
Montville Township	S340931-04	\$2,625,000	\$3,500,000
Camden County MUA	S340640-26	\$21,150,000	\$28,200,000
Lower Township MUA	S340810-05	\$22,500,000	\$30,000,000
Mantua Township MUA	S340514-02	\$1,687,500	\$2,250,000
Little Egg Harbor Township	S340579-04	\$1,530,000	\$2,040,000
Gloucester Township	S340364-11	\$712,500	\$950,000
Gloucester Township	S340364-15	\$1,087,500	\$1,450,000
Northfield City	S340508-02	\$112,500	\$150,000
Spotswood Borough	S340510-01	\$4,070,250	\$5,427,000
North Hudson SA	S340952-36	\$675,000	\$900,000
Sussex County MUA	S342008-04	\$8,250,000	\$11,000,000
Atlantic City MUA	S340439-04	\$2,300,000	\$3,066,667
Sussex County MUA	S342008-06	\$32,250,000	\$43,000,000
Burlington City	S340140-02	\$1,950,000	\$2,600,000
Willingboro MUA	S340132-11	\$7,500,000	\$10,000,000
Bloomfield Township	S340516-01	\$5,423,228	\$7,230,970
Brick Township MUA	S340448-14	\$1,500,000	\$2,000,000
University Hospital	S340500-03	\$5,850,000	\$7,800,000
Ship Bottom Borough	S340311-04	\$2,062,500	\$2,750,000
<b>Total Projects: 92</b>		<b>\$704,668,362</b>	<b>\$939,557,813</b>

1 (2) The department is authorized to make clean water project  
2 loans to the following municipalities receiving funding from the

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1 "Pinelands Infrastructure Trust Fund," established pursuant to  
 2 section 14 of the "Pinelands Infrastructure Trust Bond Act of 1985,"  
 3 P.L.1985, c.302:  
 4

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Total Loan Amount</b>
Pemberton Twp.	Pinelands 1	\$2,929,000
Manchester Twp./ Jackson MUA	Pinelands 2	\$7,192,035
Galloway Twp.	Pinelands 4	\$3,493,440
Winslow Twp.	Pinelands 5	\$1,728,940
<b>Total Pinelands Projects: 4</b>		<b>\$15,343,415</b>

5  
 6 b. The following environmental infrastructure projects shall be  
 7 known and may be cited as the "Storm Sandy and State Fiscal Year  
 8 2023 Drinking Water Project Eligibility List":  
 9

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable DEP Loan Amount</b>	<b>Estimated Total Loan Amount</b>
Newark City	0714001-020	\$13,125,000	\$17,500,000
Trenton City	1111001-011	\$15,255,000	\$20,340,000
Newark City	0714001-019	\$9,375,000	\$12,500,000
Newark City	0714001-021	\$67,500,000	\$90,000,000
Orange City	0717001-013	\$525,000	\$700,000
Bloomfield Township	0702001-003	\$823,796	\$1,098,395
NJ American Water Company, Incorporated	1345001-017	\$7,575,000	\$10,100,000
Trenton City	1111001-005	\$179,250,000	\$239,000,000
National Park Borough	0812001-005	\$1,350,000	\$1,800,000
Moorestown Township	0322001-001	\$18,468,750	\$24,625,000
Brick Township MUA	1506001-011	\$15,667,500	\$20,890,000
East Orange City	0705001-014	\$24,750,000	\$33,000,000
Highbridge Borough	1014001-004	\$1,108,404	\$1,477,872
East Greenwich	0803001-004	\$1,950,000	\$2,600,000
Lakeshore Company	1413001-001	\$375,000	\$500,000
Jersey City MUA	0906001-017	\$1,305,180	\$1,740,240
NJ American Water Company, Incorporated	2004002-012	\$15,000,000	\$20,000,000
Woodbine Borough	0516001-001	\$3,750,000	\$5,000,000
Newark City	0714001-018	\$3,862,500	\$5,150,000

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Jersey City MUA	0906001-019	\$5,025,000	\$6,700,000
Wildwood City	0514001-006	\$4,637,403	\$6,183,204
Seaside Park Borough	1527001-004	\$1,125,000	\$1,500,000
NJ American Water Company, Incorporated	1345001-021	\$19,758,750	\$26,345,000
Brick Township MUA	1506001-014	\$2,700,000	\$3,600,000
Hightstown Borough	1104001-009	\$712,500	\$950,000
Jersey City MUA	0906001-025	\$24,000,000	\$32,000,000
Perth Amboy City	1216001-010	\$1,238,649	\$1,651,532
Jersey City MUA	0906001-009	\$3,750,000	\$5,000,000
Middlesex Water Company	1225001-028	\$8,400,000	\$11,200,000
Old Bridge MUA	1209002-005	\$2,025,000	\$2,700,000
Hoboken City	0905001-002	\$6,000,000	\$8,000,000
Clinton Town	1005001-010	\$1,320,000	\$2,640,000
Spotswood Borough	1224001-001	\$2,582,936	\$3,443,914
Point Pleasant Borough	1525001-002	\$2,100,000	\$2,800,000
Glen Ridge Borough	0708001-008	\$2,025,000	\$2,700,000
Tuckerton Borough	1532002-007	\$1,275,000	\$1,700,000
Jersey City MUA	0906001-020	\$4,965,000	\$6,620,000
Jersey City MUA	0906001-021	\$8,250,000	\$11,000,000
Ship Bottom Borough	1528001-003	\$7,500,000	\$10,000,000
Allentown Borough	1302001-004	\$1,746,720	\$2,328,960
Jersey City MUA	0906001-015	\$2,691,950	\$3,589,266
Brick Township MUA	1506001-008	\$4,912,500	\$6,550,000
Middlesex Water Company	1225001-025	\$42,750,000	\$57,000,000
Brick Township MUA	1506001-009	\$4,446,570	\$5,928,760
Ship Bottom Borough	1528001-004	\$3,150,000	\$4,200,000
Clinton Town	1005001-012	\$2,625,000	\$3,500,000
Farmingdale Borough	1314001-002	\$680,250	\$907,000
Roosevelt Borough	1341001-007	\$750,000	\$1,000,000
NJ American Water Company, Incorporated	2004002-013	\$12,000,000	\$16,000,000
Clinton Town	1005001-013	\$2,250,000	\$3,000,000
Winslow Township	0436007-010	\$2,868,750	\$3,825,000

Mount Arlington Borough	1426005-001	\$165,836	\$250,285
Highbridge Borough	1014001-001	\$75,000	\$100,000
<b>Total Projects: 53</b>		<b>\$571,518,944</b>	<b>\$762,934,428</b>

1  
2 c. The department is authorized to adjust the allowable  
3 department loan amount for projects authorized in this section to  
4 between zero percent and 100 percent of the total allowable loan  
5 amount, and, if the department loan amount is adjusted to 100  
6 percent of the total allowable loan amount, the loan shall be  
7 provided pursuant to the terms and conditions of the financing  
8 program year in which the construction loan component of the  
9 project was certified by the department, and for which the trust  
10 issued an interim financing program loan, or, in the absence of an  
11 interim financing program loan, the terms and conditions of the  
12 State fiscal year 2023 financing program.

13  
14 4. Any financing loan made by the department pursuant to this  
15 act shall be subject to the following requirements:

16 a. The Commissioner Environmental Protection has certified  
17 that the project is in compliance with the provisions of P.L.1977,  
18 c.224, P.L.1985, c.329, P.L.1992, c.88, P.L.1997, c.223, P.L.1997,  
19 c.225, or P.L.2003, c.162, and any rules and regulations adopted  
20 pursuant thereto;

21 b. Except as otherwise provided in this subsection, a loan for an  
22 environmental infrastructure project listed in section 2 or 3 of this  
23 act shall be subject to the terms and conditions of the financing  
24 program year in which the construction loan component of the  
25 project was certified by the department, and for which the trust  
26 issued an interim financing program loan, or, in the absence of an  
27 interim financing program loan, the terms and conditions of the  
28 State fiscal year 2023 financing program. Notwithstanding any  
29 provision of this act or a financial plan of the trust for State fiscal  
30 years 2018 through 2022 developed pursuant to section 21 of  
31 P.L.1985, c.334 (C.58:11B-21) or section 25 of P.L.1997, c.224  
32 (C.58:11B-21.1) to the contrary, a loan for an environmental  
33 infrastructure project listed in section 2 or 3 of this act that is  
34 partially funded from the proceeds of bonds issued by the trust to  
35 the United States Environmental Protection Agency pursuant to the  
36 federal "Water Infrastructure Finance and Innovation Act of 2014,"  
37 33 U.S.C. s.3901 et seq., shall be subject to terms and conditions  
38 regulating the blending of federal and other funds that are consistent  
39 with those provisions of the financial plan of the trust for State  
40 fiscal year 2023 that reference the federal "Water Infrastructure  
41 Finance and Innovation Act of 2014;"

42 c. Notwithstanding the provisions of sections 2 and 3 of this act,  
43 the department allowable loan amount may be 100 percent of the  
44 total allowable loan amount for:

1 (1) clean water project and drinking water project loans to (a)  
2 municipalities that do not satisfy the New Jersey Infrastructure  
3 Bank credit policy but are subject to State financial supervision and  
4 oversight pursuant to the "Local Government Supervision Act  
5 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), or (b) municipal,  
6 county, or regional sewerage authorities, or utilities authorities, that  
7 do not satisfy the New Jersey Infrastructure Bank credit policy but  
8 where the municipal participant through its service agreement with  
9 the authority or utility is under State financial supervision and  
10 oversight pursuant to the "Local Government Supervision Act  
11 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), and the repayment  
12 obligation of the authority or utility is secured by the full faith and  
13 credit of the participating municipality pursuant to the service  
14 agreement;

15 (2) clean water and drinking water loans to municipalities  
16 receiving funding under the United States Department of Housing  
17 and Urban Development Community Development Block Grant –  
18 Disaster Recovery Program (CDBG-DR); and

19 (3) clean water loans to municipal, county, or regional sewerage  
20 authorities that qualify for Sewer Overflow and Stormwater Reuse  
21 grants for combined sewer overflows or stormwater management  
22 projects;

23 d. With the exception of a loan for which the department issues  
24 100 percent of the loan amount pursuant to subsection b. of section  
25 2, subsection c. of section 3, and subsection c. of this section, the  
26 loan shall be conditioned upon approval of a loan from the New  
27 Jersey Infrastructure Bank pursuant to P.L. , c. (pending before  
28 the Legislature as Senate Bill No. 2735 of 2022 and Assembly Bill  
29 No. 4067 of 2022), prior to June 30, 2022;

30 e. The loan shall be repaid within a period not to exceed 30  
31 years, or 35 years for loans funded pursuant to the federal "Water  
32 Infrastructure Finance and Innovation Act of 2014," 33 U.S.C.  
33 s.3901 et seq. as amended and supplemented, or 45 years for  
34 combined sewer overflow abatement projects, of the making of the  
35 loan; and

36 f. The loan shall be subject to any other terms and conditions  
37 as may be established by the commissioner and approved by the  
38 State Treasurer, which may include, notwithstanding any other  
39 provision of law to the contrary, subordination of a loan authorized  
40 in this act to loans made by the New Jersey Infrastructure Bank  
41 pursuant to P.L. , c. (pending before the Legislature as Senate  
42 Bill No. 2735 of 2022 and Assembly Bill No. 4067 of 2022), or to  
43 administrative fees payable to the trust pursuant to subsection o. of  
44 section 5 of P.L.1985, c.334 (C.58:11B 5).

45  
46 5. Any Sandy financing loan made by the department pursuant  
47 to this act shall be subject to the following requirements:

48 a. The commissioner has certified that the project is in  
49 compliance with the provisions of Title X, Chapter 7 of the Federal  
50 Disaster Relief Appropriations Act;



1       b. The commissioner has certified that the project is in  
2 compliance with the provisions of P.L.1977, c.224, P.L.1985, c.329,  
3 P.L.1992, c.88, P.L.1997, c.223, P.L.1997, c.225 or P.L.2003,  
4 c.162, and any rules and regulations adopted pursuant thereto; and

5       c. The loan shall be subject to any other terms and conditions as  
6 may be established by the commissioner and approved by the State  
7 Treasurer, which may include, notwithstanding any other provision  
8 of law to the contrary, subordination of a loan authorized in this act  
9 to loans made by the trust pursuant to P.L. , c. (pending before  
10 the Legislature as Senate Bill No. 2735 of 2022 and Assembly Bill  
11 No. 4067 of 2022) prior to June 30, 2023, or to administrative fees  
12 payable to the trust pursuant to subsection o. of section 5 of  
13 P.L.1985, c.334 (C.58:11B-5).

14

15       6. The eligibility lists and authorization for the making of loans  
16 pursuant to sections 2 and 3 of this act shall expire on July 1, 2023,  
17 and any project sponsor which has not executed and delivered a  
18 loan agreement with the department for a loan authorized in this act  
19 shall no longer be entitled to that loan.

20

21       7. The Commissioner of Environmental Protection is authorized  
22 to reduce or increase the individual amount of loan funds made  
23 available to or on behalf of project sponsors pursuant to sections 2  
24 and 3 of this act based upon final or low bid building costs defined  
25 in and determined in accordance with rules and regulations adopted  
26 by the commissioner pursuant to section 4 of P.L.1985, c.329,  
27 section 2 of P.L.1999, c.362 (C.58:12A-12.2), or section 5 of  
28 P.L.1981, c.261, provided that the total loan amount does not  
29 exceed the estimated total allowable loan amount. The  
30 commissioner is authorized to reduce or increase the individual  
31 amount of loan funds made available to or on behalf of project  
32 sponsors pursuant to sections 2 and 3 of this act in an amount not to  
33 exceed 10 percent of the total allowable loan amount based upon  
34 additional project costs to comply with the department's guidance  
35 for asset management, emergency response, flood protection, and  
36 auxiliary power.

37

38       8. The expenditure of the funds appropriated by this act is  
39 subject to the provisions and conditions of P.L.1977, c.224,  
40 P.L.1085, c.302, P.L.1985, c.329, P.L.1989, c.181, P.L.1992, c.88,  
41 P.L.1997, c.223, P.L.1997, c.225 or P.L.2003, c.162, and the rules  
42 and regulations adopted by the Commissioner of Environmental  
43 Protection pursuant thereto, and the provisions of the Federal  
44 Disaster Relief Appropriations Act, the Federal Clean Water Act,  
45 and the Federal Safe Drinking Water Act, and any amendatory and  
46 supplementary acts thereto.

47

48       9. The department shall provide general technical assistance to  
49 any project sponsor requesting assistance regarding environmental

1 infrastructure project development or applications for funds for a  
2 project.

3  
4 10. a. Prior to repayment to the Clean Water State Revolving  
5 Fund pursuant to sections 1 and 2 of P.L.2009, c.77 and any  
6 amendatory and supplementary acts thereto, prior to repayment to  
7 the "Wastewater Treatment Fund" pursuant to the provisions of  
8 section 16 of P.L.1985, c.329, prior to repayment to the "1992  
9 Wastewater Treatment Fund" pursuant to the provisions of section  
10 28 of P.L.1992, c.88, prior to repayment to the Drinking Water  
11 State Revolving Fund, prior to repayment to the "Stormwater  
12 Management and Combined Sewer Overflow Abatement Fund"  
13 pursuant to the provisions of section 15 of P.L.1989, c.181, prior to  
14 repayment to the "2003 Water Resources and Wastewater  
15 Treatment Fund" pursuant to the provisions of section 20 of  
16 P.L.2003, c.162, prior to repayment to the "Water Supply Fund"  
17 pursuant to the provisions of section 15 of P.L.1981, c.261, or prior  
18 to the repayment to the "Pinelands Infrastructure Trust Fund"  
19 pursuant to the provisions of section 5 of P.L.1985, c.302,  
20 repayments of loans made pursuant to these acts may be utilized by  
21 the New Jersey Infrastructure Bank established pursuant to  
22 P.L.1985, c.334 (C.58:11B 1 et seq.), as amended and supplemented  
23 by P.L.1997, c.224, under terms and conditions established by the  
24 commissioner and trust, approved by the State Treasurer, and  
25 consistent with the provisions of P.L.1985, c.334 (C.58:11B 1 et  
26 seq.) and federal tax, environmental or securities law, to the extent  
27 necessary to secure repayment of trust bonds issued to finance loans  
28 approved pursuant to P.L. , c. (pending before the Legislature as  
29 Senate Bill No. 2735 of 2022 and Assembly Bill No. 4067 of 2022),  
30 and to secure the administrative fees payable to the trust pursuant to  
31 subsection o. of section 5 of P.L.1985, c.334 (C.58:11B 5) by the  
32 project sponsors receiving trust loans.

33 b. Prior to repayment to the Clean Water State Revolving Fund  
34 pursuant to section 1 and 2 of P.L.2009, c.77 and any amendatory  
35 and supplementary acts thereto, prior to repayment to the  
36 "Wastewater Treatment Fund" pursuant to the provisions of section  
37 16 of P.L.1985, c.329, prior to repayment to the "1992 Wastewater  
38 Treatment Fund" pursuant to the provisions of section 28 of  
39 P.L.1992, c.88, prior to repayment to the "Water Supply Fund"  
40 pursuant to the provisions of section 15 of P.L.1981, c.261, prior to  
41 repayment to the Drinking Water State Revolving Fund, prior to  
42 repayment to the "2003 Water Resources and Wastewater  
43 Treatment Fund" pursuant to the provisions of section 20 of  
44 P.L.2003, c.162, prior to repayment to the "Stormwater  
45 Management and Combined Sewer Overflow Abatement Fund"  
46 pursuant to the provisions of section 15 of P.L.1989, c.181, or prior  
47 to repayment to the "Pinelands Infrastructure Trust Fund" pursuant  
48 to the provisions of section 5 of P.L.1985, c.302, the trust is further  
49 authorized to utilize repayments of loans made pursuant to  
50 P.L.1989, c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38,

1 P.L.1993, c.193, P.L.1994, c.106, P.L.1995, c.219, P.L.1996, c.85,  
2 P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92,  
3 P.L.2001, c.222, P.L.2002, c.70, P.L.2003, c.158, P.L.2004, c.109,  
4 P.L.2005, c.196, P.L.2006, c.68, P.L.2007, c.139, P.L.2008, c.68,  
5 P.L.2009, c.102, P.L.2010, c.63, P.L.2011, c.93, P.L.2012, c.43,  
6 P.L.2013, c.95, P.L.2014, c.25, P.L.2015, c.108, P.L.2016, c.32,  
7 P.L.2017, c.143, as amended by P.L.2017, c.326, P.L.2018, c.85, as  
8 amended by P.L.2018, c.137, P.L.2019, c.12, P.L.2019, c.193, as  
9 amended by P.L.2019, c.514, P.L.2020, c.49, as amended by  
10 P.L.2021, c.21, P.L.2021, c.203, as amended by P.L.2021, c.328, or  
11 P.L. , c. (pending before the Legislature as this bill) to secure  
12 repayment of trust bonds issued to finance loans approved pursuant  
13 to P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85,  
14 P.L.1999, c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71,  
15 P.L.2003, c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67,  
16 P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62,  
17 P.L.2011, c.95, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26,  
18 P.L.2015, c.107, P.L.2016, c.31, P.L.2017, c.142, as amended by  
19 P.L.2017, c.327, P.L.2018, c.84, as amended by P.L.2019, c.30,  
20 P.L.2019, c.192, as amended by P.L.2019, c.515, P.L.2020, c.48, as  
21 amended by P.L.2021, c.22, P.L.2021, c.204, as amended by  
22 P.L.2021, c.316, or P.L. , c. (pending before the Legislature as  
23 Senate Bill No. 2735 of 2022 and Assembly Bill No. 4067 of 2022),  
24 and to secure the administrative fees payable to the trust under these  
25 loans pursuant to subsection o. of section 5 of P.L.1985, c.334  
26 (C.58:11B-5).

27 c. To the extent that any loan repayment sums are used to satisfy  
28 any trust bond repayment or administrative fee payment  
29 deficiencies, the trust shall repay such sums to the department for  
30 deposit into the Clean Water State Revolving Fund, the  
31 "Wastewater Treatment Fund," the "1992 Wastewater Treatment  
32 Fund," the "Water Supply Fund," the Drinking Water State  
33 Revolving Fund, the "2003 Water Resources and Wastewater  
34 Treatment Fund," the "Stormwater Management and Combined  
35 Sewer Overflow Abatement Fund," or the "Pinelands Infrastructure  
36 Trust Fund," as appropriate, from amounts received by or on behalf  
37 of the trust from project sponsors causing any such deficiency.  
38

39 11. The Commissioner of Environmental Protection is  
40 authorized to enter into capitalization grant agreements as may be  
41 required pursuant to the Federal Disaster Relief Appropriations Act,  
42 the Federal Clean Water Act, or the Federal Safe Drinking Water  
43 Act.  
44

45 12. There is appropriated to the New Jersey Infrastructure Bank  
46 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) from  
47 repayments of loans and interest deposited in any account, on or  
48 before June 30, 2023, including the "Clean Water State Revolving  
49 Fund," the "1992 Wastewater Treatment Fund," the "Water Supply  
50 Fund," the "Stormwater Management and Combined Sewer

1 Overflow Abatement Fund," the "2003 Water Resources and  
2 Wastewater Treatment Fund," or the Drinking Water State  
3 Revolving Fund, as appropriate, and from any net earnings received  
4 from the investment and reinvestment of such deposits, such sums  
5 as the chairperson or secretary of the trust shall certify to the  
6 Commissioner of Environmental Protection to be necessary and  
7 appropriate for deposit into one or more reserve funds or accounts  
8 established by the trust pursuant to section 11 of P.L.1985, c.334  
9 (C.58:11B-11).

10

11 13. There is appropriated to the New Jersey Infrastructure Bank  
12 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), funds  
13 from the Federal Disaster Relief Appropriations Act deposited in  
14 any account including the Clean Water State Revolving Fund, the  
15 "Water Supply Fund," or the Drinking Water State Revolving Fund,  
16 as appropriate, funds transferred by the department to the New  
17 Jersey Infrastructure Bank pursuant to paragraph (21) of subsection  
18 a. of section 1 of P.L. , c. (pending before the Legislature as  
19 this bill), and funds from any net earnings received from the  
20 investment and reinvestment of such deposits, such sums as the  
21 chairperson of the trust certifies to the Commissioner of  
22 Environmental Protection to be necessary and appropriate for  
23 deposit into one or more reserve funds or accounts established by  
24 the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11).

25

26 14. This act shall take effect immediately.

27

28

29

#### STATEMENT

30

31 This bill appropriates certain federal and State moneys to the  
32 Department of Environmental Protection (DEP) for the purpose of  
33 implementing the State Fiscal Year 2023 New Jersey  
34 Environmental Infrastructure Financing Program (NJEIFP), which  
35 is expected to finance up to \$2.07 billion in water infrastructure  
36 projects for State Fiscal Year 2023. The bill would appropriate  
37 these funds for the purpose of making loans to local governments  
38 and privately-owned water companies (project sponsors) for a  
39 portion of the costs of water infrastructure projects. A companion  
40 bill, Senate Bill No. 2735 of this session, would authorize the New  
41 Jersey Infrastructure Bank (NJIB) to execute loans using the funds  
42 appropriated to the DEP by this bill to finance a portion of the costs  
43 of the clean water and drinking water projects enumerated by the  
44 bill.

45 The bill would authorize the DEP to use the moneys appropriated  
46 by the bill to fund the following projects:

47 (1) in subsection a. of section 2 of the bill, a list of 12 projects  
48 to improve water discharge and treatment systems that had  
49 previously received a loan and require supplemental loans,  
50 representing \$96.4 million in estimated total loan amounts;

1 (2) in subsection b. of section 2 of the bill, a list of three  
2 projects to improve drinking water systems that had previously  
3 received a loan and require supplemental loans, representing \$28.5  
4 million in estimated total loan amounts;

5 (3) in paragraph (1) of subsection a. of section 3 of the bill, the  
6 "Storm Sandy and State Fiscal Year 2023 Clean Water Project  
7 Eligibility List," a list of 92 projects to improve water discharge and  
8 treatment systems, representing \$939.6 million in estimated total  
9 loan amounts;

10 (4) in paragraph (2) of subsection a. of section 3 of the bill, a list  
11 of four projects in the Pinelands area that are receiving funding  
12 under the "Pinelands Infrastructure Trust Bond Act of 1985,"  
13 P.L.1985, c.302, to improve water discharge and treatment systems,  
14 representing \$15.3 million in estimated total loan amounts; and

15 (5) in subsection b. of section 3 of the bill, the "Storm Sandy  
16 and State Fiscal Year 2023 Drinking Water Project Eligibility List,"  
17 a list of 53 projects to improve drinking water systems, representing  
18 \$762.9 million in estimated total loan amounts.

19 Several projects in the "Storm Sandy and State Fiscal Year 2023  
20 Clean Water Project Eligibility List" and the "Storm Sandy and  
21 State Fiscal Year 2023 Drinking Water Project Eligibility List,"  
22 representing \$222.1 million in estimated total loan amounts, are  
23 eligible to receive long-term funding from the NJIB by the end of  
24 FY2022, and thus would not receive loans under the 2023 NJEIFP  
25 if they receive funding during FY2022. They are included in these  
26 lists in the event that long-term financing cannot be secured by the  
27 end of FY2022.

28 The bill would also appropriate the unexpended balances from  
29 various funds to the DEP, and allow the DEP to transfer moneys  
30 between various State funds, for the purpose of funding the NJEIFP  
31 and providing the State match for federal funding provided under  
32 the federal laws, including the Clean Water Act and Safe Drinking  
33 Water Act, as detailed in subsection a. of section 1 of the bill. In  
34 addition, the bill appropriate to the DEP funds deposited in the  
35 "Clean Water State Revolving Fund" and the "Drinking Water State  
36 Revolving Fund" pursuant to the federal "Infrastructure Investment  
37 and Jobs Act," Pub. L. 117-58.

38 The bill would authorize loans to certain project sponsors to  
39 include zero interest or principal forgiveness, subject to certain  
40 funding limits and restrictions detailed in subsections b. through e.  
41 of section 1 of the bill. Projects designated for zero interest or  
42 principal forgiveness loans include projects that reduce or eliminate  
43 discharges from combined sewer overflow outfalls, water quality  
44 restoration projects, water and energy efficiency projects, and  
45 emerging contaminant projects.

46 The bill would establish certain requirements on loans to project  
47 sponsors made by the DEP pursuant to the bill, as enumerated in  
48 section 4 of the bill. The bill would also establish additional  
49 restrictions, described in section 5 of the bill, for "Sandy financing  
50 loans," which are those loans that utilize federal funding provided

1 pursuant to the federal "Disaster Relief Appropriations Act, 2013,"  
2 Pub.L.113-2. Under the bill, the project lists and the DEP's  
3 authorization to utilize the funds appropriated by the bill would  
4 expire on July 1, 2023.

5 The bill would also authorize the NJIB to utilize repayments of  
6 loans made using moneys from various State funds, enumerated in  
7 subsections a. and b. of section 10 of the bill, to recoup trust bond  
8 repayments and administrative fees that have not been paid by  
9 project sponsors instead of redepositing the money into the funds.  
10 However, the bill would also require the NJIB to make a  
11 compensatory deposit into certain State funds, enumerated in  
12 subsection c. of section 10 of the bill, when the NJIB receives the  
13 deficient payments or fees from the project sponsor. Finally, the  
14 bill would appropriate to the NJIB, from repayments of loans,  
15 interest payments, certain federal funds, and any earnings received  
16 from the investment of those funds, as enumerated in sections 12  
17 and 13 of the bill, such amounts as the chairperson or secretary of  
18 the NJIB certifies are necessary and appropriate for deposit into one  
19 or more reserve funds established by the NJIB.

# SENATE ENVIRONMENT AND ENERGY COMMITTEE

## STATEMENT TO

### SENATE, No. 2734

# STATE OF NEW JERSEY

DATED: JUNE 13, 2022

The Senate Environment and Energy Committee favorably reports Senate Bill No. 2734.

This bill appropriates certain federal and State moneys to the Department of Environmental Protection (DEP) for the purpose of implementing the State Fiscal Year 2023 New Jersey Environmental Infrastructure Financing Program (NJEIFP), which is expected to finance up to \$2.07 billion in water infrastructure projects for State Fiscal Year 2023. The bill would appropriate these funds for the purpose of making loans to local governments and privately-owned water companies (project sponsors) for a portion of the costs of water infrastructure projects. A companion bill, Senate Bill No. 2735 of this session, would authorize the New Jersey Infrastructure Bank (NJIB) to execute loans using the funds appropriated to the DEP by this bill to finance a portion of the costs of the clean water and drinking water projects enumerated by the bill.

The bill would authorize the DEP to use the moneys appropriated by the bill to fund the following projects:

(1) in subsection a. of section 2 of the bill, a list of 12 projects to improve water discharge and treatment systems that had previously received a loan and require supplemental loans, representing \$96.4 million in estimated total loan amounts;

(2) in subsection b. of section 2 of the bill, a list of three projects to improve drinking water systems that had previously received a loan and require supplemental loans, representing \$29.5 million in estimated total loan amounts;

(3) in paragraph (1) of subsection a. of section 3 of the bill, the "Storm Sandy and State Fiscal Year 2023 Clean Water Project Eligibility List," a list of 92 projects to improve water discharge and treatment systems, representing \$939.6 million in estimated total loan amounts;

(4) in paragraph (2) of subsection a. of section 3 of the bill, a list of four projects in the Pinelands area that are receiving funding under the "Pinelands Infrastructure Trust Bond Act of 1985," P.L.1985, c.302, to improve water discharge and treatment systems, representing \$15.3 million in estimated total loan amounts; and

(5) in subsection b. of section 3 of the bill, the "Storm Sandy and State Fiscal Year 2023 Drinking Water Project Eligibility List," a list

of 53 projects to improve drinking water systems, representing \$762.9 million in estimated total loan amounts.

Several projects in the "Storm Sandy and State Fiscal Year 2023 Clean Water Project Eligibility List" and the "Storm Sandy and State Fiscal Year 2023 Drinking Water Project Eligibility List," representing \$222.1 million in estimated total loan amounts, are eligible to receive long-term funding from the NJIB by the end of FY2022, and thus would not receive loans under the 2023 NJEIFP if they receive funding during FY2022. They are included in these lists in the event that long-term financing cannot be secured by the end of FY2022.

The bill would also appropriate the unexpended balances from various funds to the DEP, and allow the DEP to transfer moneys between various State funds, for the purpose of funding the NJEIFP and providing the State match for federal funding provided under the federal laws, including the Clean Water Act and Safe Drinking Water Act, as detailed in subsection a. of section 1 of the bill. In addition, the bill appropriates to the DEP funds deposited in the "Clean Water State Revolving Fund" and the "Drinking Water State Revolving Fund" pursuant to the federal "Infrastructure Investment and Jobs Act," Pub. L. 117-58.

The bill would authorize loans to certain project sponsors to include zero interest or principal forgiveness, subject to certain funding limits and restrictions detailed in subsections b. through e. of section 1 of the bill. Projects designated for zero interest or principal forgiveness loans include projects that reduce or eliminate discharges from combined sewer overflow outfalls, water quality restoration projects, water and energy efficiency projects, and emerging contaminant projects.

The bill would establish certain requirements on loans to project sponsors made by the DEP pursuant to the bill, as enumerated in section 4 of the bill. The bill would also establish additional restrictions, described in section 5 of the bill, for "Sandy financing loans," which are those loans that utilize federal funding provided pursuant to the federal "Disaster Relief Appropriations Act, 2013," Pub.L.113-2. Under the bill, the project lists and the DEP's authorization to utilize the funds appropriated by the bill would expire on July 1, 2023.

The bill would also authorize the NJIB to utilize repayments of loans made using moneys from various State funds, enumerated in subsections a. and b. of section 10 of the bill, to recoup trust bond repayments and administrative fees that have not been paid by project sponsors instead of redepositing the money into the funds. However, the bill would also require the NJIB to make a compensatory deposit into certain State funds, enumerated in subsection c. of section 10 of the bill, when the NJIB receives the deficient payments or fees from the project sponsor. Finally, the bill would appropriate to the NJIB, from repayments of loans, interest payments, certain federal funds, and



any earnings received from the investment of those funds, as enumerated in sections 12 and 13 of the bill, such amounts as the chairperson or secretary of the NJIB certifies are necessary and appropriate for deposit into one or more reserve funds established by the NJIB.

# Governor Murphy Takes Action on Legislation

08/12/2022

**TRENTON** – Today, Governor Phil Murphy signed the following bills into law:

**S-2422/A-3899 (Pou/Wimberly, Reynolds-Jackson)** - Updates “New Jersey Life and Health Insurance Guaranty Association Act” to current standards of National Association of Insurance Commissioners

**A-4066/S-2734 (Verrelli, Moen, Speight/Codey, Stanfield)** - Appropriates funds to DEP for environmental infrastructure projects for FY2023

**A-4067/S-2735 (Sampson, Conaway, Carter/Codey, Greenstein)** - Authorizes NJ Infrastructure Bank to expend certain sums to make loans for environmental infrastructure projects for FY2023