

# 58:11B-3

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2004 **CHAPTER:** 111

**NJSA:** 58:11B-3 (Makes certain changes to procedures New Jersey Environmental Infrastructure)

**BILL NO:** A2979 (Substituted for S1644)

**SPONSOR(S):** Weinberg and Johnson

**DATE INTRODUCED:** May 27, 2004

**COMMITTEE:** **ASSEMBLY:** Environment and Solid Waste; Appropriations  
**SENATE**

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:** **ASSEMBLY:** June 17, 2004

**SENATE:** June 24, 2004

**DATE OF APPROVAL:** July 23, 2004

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

[FINAL TEXT OF BILL](#) 1<sup>st</sup> reprint enacted

### A2979

[SPONSOR'S STATEMENT:](#) (Begins on page 9 of original bill) [Yes](#)

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes [6-3-2004 \(Env\)](#)  
[6-14-2004 \(Approp\)](#)

**SENATE:** No

**FLOOR AMENDMENT STATEMENT:** No

[LEGISLATIVE FISCAL ESTIMATE:](#) [Yes](#)

### S1644

[SPONSOR'S STATEMENT:](#) (Begins on 9 of original bill) [Yes](#)

**COMMITTEE STATEMENT:** **ASSEMBLY:** No

**SENATE:** Yes [6-14-2004 \(Env\)](#)  
[6-18-2004 \(Budget\)](#)

**FLOOR AMENDMENT STATEMENT:** No

[LEGISLATIVE FISCAL ESTIMATE:](#) [Yes](#)

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:**

No

**HEARINGS:**

No

**NEWSPAPER ARTICLES:**

No

P.L. 2004, CHAPTER 111, *approved July 23, 2004*  
Assembly, No. 2979 (*First Reprint*)

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

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

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

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

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

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

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

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

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

29 "Department" means the Department of Environmental Protection;

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

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

**<sup>1</sup> Assembly AAP committee amendments adopted June 14, 2004.**

1 for human consumption;

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

4 "Project" or "environmental infrastructure project" means the  
5 acquisition, construction, improvement, repair or reconstruction of all  
6 or part of any structure, facility or equipment, or real or personal  
7 property necessary for or ancillary to any (1) wastewater treatment  
8 system project, including any stormwater management or combined  
9 sewer overflow abatement projects; or (2) water supply project, as  
10 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or  
11 P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water resources  
12 project, as authorized pursuant to P.L.2003, c.162;

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

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

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

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

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

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

1 system;

2 "Wastewater treatment system project" means any work relating to  
3 the acquisition, construction, improvement, repair or reconstruction  
4 of all or part of any structure, facility or equipment, or real or personal  
5 property necessary for or ancillary to any wastewater treatment system  
6 that meets the requirements set forth in sections 20, 21 and 22 of  
7 P.L.1985, c.334 (C.58:11B-20, 58:11B-21 and 58:11B-22); or any  
8 work relating to any of the stormwater management or combined  
9 sewer overflow abatement projects identified in the stormwater  
10 management and combined sewer overflow abatement project priority  
11 list adopted by the commissioner pursuant to section 28 of P.L.1989,  
12 c.181; or any work relating to the purposes set forth in section 6 of  
13 P.L.2003, c.162; or any work relating to any other project eligible for  
14 financing under the Federal Water Pollution Control Act Amendments  
15 of 1972 (33 U.S.C. s.1251 et seq.), or any amendatory or  
16 supplementary acts thereto;

17 "Water resources project" means any work related to transferring  
18 water between public water systems during a state of water  
19 emergency, to avert a drought emergency in all or any part of the  
20 State, to plan, design or construct interconnections of existing water  
21 supplies, or to extend water supplies to areas with contaminated  
22 ground water supplies;

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

39 "Water supply project" means any work relating to the acquisition,  
40 construction, improvement, repair or reconstruction of all or part of  
41 any structure, facility or equipment, or real or personal property  
42 necessary for or ancillary to water supply facilities that meets the  
43 requirements set forth in sections 24, 25 and 26 of P.L.1997, c.224  
44 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1); or any work  
45 relating to the purposes set forth in section 4 of P.L.1981, c.261; or  
46 any work relating to the purposes set forth in section 6 of P.L.2003,

1 c.162; or any work relating to any other project eligible for funding  
2 pursuant to the federal "Safe Drinking Water Act Amendments of  
3 1996" Pub.L.104-182, and any amendatory and supplementary acts  
4 thereto.

5 (cf: P.L.2001, c.223, s.1)

6

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

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

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

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

1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) as the trust may  
2 determine.

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

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

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

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

1 that neither the State, nor any political subdivision thereof, is  
2 obligated to pay the principal or interest and that neither the faith and  
3 credit nor the taxing power of the State, or any political subdivision  
4 thereof, is pledged to the payment of the principal of or the interest on  
5 the bonds, notes or other obligations.

6 g. The aggregate principal amount of bonds, notes or other  
7 obligations, including subordinated indebtedness of the trust, shall not  
8 exceed [~~\$1,600,000,000~~] \$2,000,000,000. In computing the foregoing  
9 limitations there shall be excluded all the bonds, notes or other  
10 obligations, including subordinated indebtedness of the trust, which  
11 shall be issued for refunding purposes, whenever the refunding shall be  
12 determined to result in a savings.

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

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

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

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

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

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



1 following:

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

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

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

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

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

24 i. The trust shall not issue any bonds, notes or other obligations, or  
25 otherwise incur any additional indebtedness, on or after November 5,  
26 2025.

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

28 (cf: P.L.2002, c.69, s.1)

29

30 <sup>1</sup>3. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to read  
31 as follows:

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

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

46 (3) The trust may make and contract to make loans to private

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

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

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

44 c. The trust shall not make or contract to make any loans or  
45 guarantees to local government units, public water utilities or any  
46 other person, or otherwise incur any additional indebtedness, on or

1 after November 5, 2025.

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

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

21 Any short-term or temporary loans made by the trust pursuant to  
22 this subsection may only be made in advance of the anticipated loans  
23 the trust may make and contract to make under the provisions of  
24 subsection a. of this section to be financed or refinanced through the  
25 issuance of bonds, notes or other obligations of the trust authorized  
26 under section 6 of P.L.1985, c.334 (C.58:11B-6). The trust may  
27 make short-term or temporary loans pursuant to the Interim Financing  
28 Program to any one or more of the project sponsors, for the respective  
29 projects thereof, identified in the interim financing project priority list  
30 (hereinafter referred to as the "Interim Financing Program Eligibility  
31 List") in the form provided to the Legislature by the Commissioner of  
32 Environmental Protection.

33 The Interim Financing Program Eligibility List shall be submitted to  
34 the Legislature on or before June 30 of each year on a day when both  
35 Houses are meeting. The President of the Senate and the Speaker of  
36 the General Assembly shall cause the date of submission to be entered  
37 upon the Senate Journal and the Minutes of the General Assembly,  
38 respectively. Any environmental infrastructure project or the project  
39 sponsor thereof not identified in the Interim Financing Program  
40 Eligibility List shall not be eligible for a short-term or temporary loan  
41 from the Interim Financing Program Fund.<sup>1</sup>

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

43

44 <sup>1</sup>[3.] 4.<sup>1</sup> Section 27 of P.L.1997, c.224 (C.58:11B-22.2) is  
45 amended to read as follows:

46 27. As an alternative to the individual annual submissions required

1 by the provisions of sections 21 and 22 of P.L.1985, c.334  
2 (C.58:11B-21 and 58:11B-22) and sections 25 and 26 of P.L.1997,  
3 c.224 (C.58:11B-21.1 and C.58:11B-22.1), the trust may develop and  
4 submit to the Legislature a consolidated financial plan designed to  
5 implement the financing of the wastewater treatment system projects  
6 on the project priority list approved pursuant to section 20 of  
7 P.L.1985, c.334 (C.58:11B-20), the water supply projects on the  
8 project priority list approved pursuant to section 24 of P.L.1997,  
9 c.224 (C.58:11B-20.1), the water resources projects and wastewater  
10 treatment system projects on the water resources project and  
11 wastewater treatment system project priority list developed pursuant  
12 to section 31 of P.L.2003, c.162, and any other <sup>1</sup>environmental  
13 infrastructure<sup>1</sup> projects approved by the Legislature.  
14 (cf: P.L.2001, c.223, s.9)

15

16 <sup>1</sup>[4.] 5.<sup>1</sup> This act shall take effect immediately.

17

18

19

20

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

# ASSEMBLY, No. 2979

## STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED MAY 27, 2004

**Sponsored by:**

**Assemblywoman LORETTA WEINBERG**

**District 37 (Bergen)**

**Assemblyman GORDON M. JOHNSON**

**District 37 (Bergen)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As introduced.



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

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

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

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

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

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

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

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

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

29 "Department" means the Department of Environmental Protection;

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

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

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 "Project" or "environmental infrastructure project" means the  
2 acquisition, construction, improvement, repair or reconstruction of all  
3 or part of any structure, facility or equipment, or real or personal  
4 property necessary for or ancillary to any (1) wastewater treatment  
5 system project, including any stormwater management or combined  
6 sewer overflow abatement projects; or (2) water supply project, as  
7 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or  
8 P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water resources  
9 project, as authorized pursuant to P.L.2003, c.162;

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

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

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

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

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

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

45 "Wastewater treatment system project" means any work relating to  
46 the acquisition, construction, improvement, repair or reconstruction

1 of all or part of any structure, facility or equipment, or real or personal  
2 property necessary for or ancillary to any wastewater treatment system  
3 that meets the requirements set forth in sections 20, 21 and 22 of  
4 P.L.1985, c.334 (C.58:11B-20, 58:11B-21 and 58:11B-22); or any  
5 work relating to any of the stormwater management or combined  
6 sewer overflow abatement projects identified in the stormwater  
7 management and combined sewer overflow abatement project priority  
8 list adopted by the commissioner pursuant to section 28 of P.L.1989,  
9 c.181; or any work relating to the purposes set forth in section 6 of  
10 P.L.2003, c.162; or any work relating to any other project eligible for  
11 financing under the Federal Water Pollution Control Act Amendments  
12 of 1972 (33 U.S.C. s.1251 et seq.), or any amendatory or  
13 supplementary acts thereto;

14 "Water resources project" means any work related to transferring  
15 water between public water systems during a state of water  
16 emergency, to avert a drought emergency in all or any part of the  
17 State, to plan, design or construct interconnections of existing water  
18 supplies, or to extend water supplies to areas with contaminated  
19 ground water supplies;

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

36 "Water supply project" means any work relating to the acquisition,  
37 construction, improvement, repair or reconstruction of all or part of  
38 any structure, facility or equipment, or real or personal property  
39 necessary for or ancillary to water supply facilities that meets the  
40 requirements set forth in sections 24, 25 and 26 of P.L.1997, c.224  
41 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1); or any work  
42 relating to the purposes set forth in section 4 of P.L.1981, c.261; or  
43 any work relating to the purposes set forth in section 6 of P.L.2003,  
44 c.162; or any work relating to any other project eligible for funding  
45 pursuant to the federal "Safe Drinking Water Act Amendments of  
46 1996" Pub.L.104-182, and any amendatory and supplementary acts



1 thereto.

2 (cf: P.L.2001, c.223, s.1)

3

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

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

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

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

46 d. Bonds, notes or other obligations of the trust may be sold at any

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

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

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

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

1 thereof, is pledged to the payment of the principal of or the interest on  
2 the bonds, notes or other obligations.

3 g. The aggregate principal amount of bonds, notes or other  
4 obligations, including subordinated indebtedness of the trust, shall not  
5 exceed [~~\$1,600,000,000~~] \$2,000,000,000. In computing the foregoing  
6 limitations there shall be excluded all the bonds, notes or other  
7 obligations, including subordinated indebtedness of the trust, which  
8 shall be issued for refunding purposes, whenever the refunding shall be  
9 determined to result in a savings.

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

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

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

28 (4) Within 30 days after the sale of the refunding bonds, the trust  
29 shall notify the committee of the result of that sale, including the prices  
30 and terms, conditions and regulations concerning the refunding bonds,  
31 the actual amount of debt service savings to be realized as a result of  
32 the sale of refunding bonds, and the intended use of the proceeds from  
33 the sale of those bonds.

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

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

45 (1) Pledge of revenues and other receipts to be derived from the  
46 payment of the interest on and principal of notes, bonds or other

1 obligations issued to the trust by one or more local government units,  
2 and any other payment made to the trust pursuant to agreements with  
3 any local government units, or a pledge or assignment of any notes,  
4 bonds or other obligations of any local government unit and the rights  
5 and interest of the trust therein;

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

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

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

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

21 i. The trust shall not issue any bonds, notes or other obligations, or  
22 otherwise incur any additional indebtedness, on or after November 5,  
23 2025.

24 j. (Deleted by amendment, P.L.1996, c.88).  
25 (cf: P.L.2002, c.69, s.1)

26

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

29 27. As an alternative to the individual annual submissions required  
30 by the provisions of sections 21 and 22 of P.L.1985, c.334  
31 (C.58:11B-21 and 58:11B-22) and sections 25 and 26 of P.L.1997,  
32 c.224 (C.58:11B-21.1 and C.58:11B-22.1), the trust may develop and  
33 submit to the Legislature a consolidated financial plan designed to  
34 implement the financing of the wastewater treatment system projects  
35 on the project priority list approved pursuant to section 20 of  
36 P.L.1985, c.334 (C.58:11B-20), the water supply projects on the  
37 project priority list approved pursuant to section 24 of P.L.1997,  
38 c.224 (C.58:11B-20.1), the water resources projects and wastewater  
39 treatment system projects on the water resources project and  
40 wastewater treatment system project priority list developed pursuant  
41 to section 31 of P.L.2003, c.162, and any other projects approved by  
42 the Legislature.

43 (cf: P.L.2001, c.223, s.9)

44

45 4. This act shall take effect immediately.

1 STATEMENT

2

3 This bill makes certain technical changes to the procedures  
4 governing the New Jersey Environmental Infrastructure Trust  
5 Financing Program. These changes are necessary to permit the 2004  
6 Financing Program to proceed as developed by the Trust.

7 The bill increases the Trust's statutory debt ceiling of \$1.6 billion  
8 to \$2.0 billion. The statutory date after which the Trust may not incur  
9 any additional indebtedness remains at November 5, 2025.

10 The bill also integrates the expenditure of the \$50 million provided  
11 in the "Dam, Lake, Stream, Flood Control, Water Resources, and  
12 Wastewater Treatment Project Bond Act of 2003," a ballot initiative  
13 signed into law as P.L.2003, c.162, for financing wastewater treatment  
14 and water resource projects into the New Jersey Environmental  
15 Infrastructure Financing Program.

ASSEMBLY ENVIRONMENT AND SOLID WASTE  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2979**

**STATE OF NEW JERSEY**

DATED: JUNE 3, 2004

The Assembly Environment and Solid Waste Committee reports favorably Assembly Bill No. 2979.

This bill makes certain changes to the procedures governing the New Jersey Environmental Infrastructure Trust Financing Program. These changes are necessary to permit the 2004 Financing Program to proceed as developed by the Trust.

The bill increases the Trust's statutory debt ceiling of \$1.6 billion to \$2 billion. The statutory date after which the Trust may not incur any additional indebtedness remains at November 5, 2025.

The bill also integrates the expenditure of the \$50 million provided in the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003," a ballot initiative signed into law as P.L.2003, c.162, for financing wastewater treatment and water resource projects into the New Jersey Environmental Infrastructure Financing Program.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 2979**

with Assembly committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 14, 2004

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2979, with committee amendments.

Assembly Bill No. 2979, as amended, makes certain technical changes to the procedures governing the New Jersey Environmental Infrastructure Trust Financing Program. These changes are necessary to permit the 2004 Financing Program to proceed as developed by the Trust.

The bill increases the Trust's statutory debt ceiling of \$1.6 billion to \$2.0 billion. The statutory date after which the Trust may not incur any additional indebtedness remains at November 5, 2025.

The bill also integrates the expenditure of the \$50 million provided in the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003," a ballot initiative signed into law as P.L.2003, c.162, for financing wastewater treatment and water resource projects into the New Jersey Environmental Infrastructure Financing Program.

The committee amendments make Assembly Bill No. 2979 (1R) identical to Senate Bill No. 1644 (1R).

#### FISCAL IMPACT:

The bill increases the statutory debt ceiling to \$2.0 billion from \$1.6 billion and integrates \$50 million of expenditure from the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003 into the Trust's financing program.

#### COMMITTEE AMENDMENTS:

The committee amendments make certain technical changes to codify the procedures governing the Interim Financing Program. Under the provisions of P.L.2001, c.223, the Trust was given the statutory authority to provide a short-term or temporary loan financing option for those interested participants that receive pre-award approval for an environmental infrastructure project. All projects receiving short-term project financing will become part of the regular

annual financing program.

The committee amendments provide that the Trust may make short-term or temporary loans to any one or more of the project sponsors for the projects identified in the Interim Financing Program Eligibility List. The Interim Financing Program Eligibility List must be provided to the Legislature by the Commissioner of Environmental Protection before the Interim Financing Program may commence.

The Interim Financing Program Eligibility List must be submitted to the Legislature on or before June 30 of each year on a day when both Houses are meeting. The President of the Senate and the Speaker of the General Assembly will cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. Any environmental infrastructure project or project sponsor not identified in the Interim Financing Program Eligibility List will not be eligible for a short-term or temporary loan from the Interim Financing Program Fund.



**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 2979**  
**STATE OF NEW JERSEY**  
**211th LEGISLATURE**

DATED: JUNE 29, 2004

**SUMMARY**

**Synopsis:** Makes certain changes to procedures governing the New Jersey Environmental Infrastructure Trust Financing Program.

**Type of Impact:** None.

**Agencies Affected:** Department of Environmental Protection and New Jersey Environmental Infrastructure Trust.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<b>State Cost</b>		None	

- ! The bill makes certain technical changes in procedures governing the New Jersey Environmental Infrastructure Trust's 2004 Financing Program.
- ! The New Jersey Environmental Infrastructure Trust is an independent State agency that provides low-cost financing to local governments for water resource and wastewater treatment-related infrastructure projects. It is supported by State bonds and federal funds.
- ! The bill increases the Trust's statutory debt ceiling of \$1.6 billion to \$2.0 billion. It also makes technical changes that allows it to utilize \$50 million for wastewater treatment and water resource projects. This sum was allocated from the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003."
- ! The Office of Legislative Services (OLS) estimates that the bill will have no fiscal impact on State funds because the Trust, not the State, is solely responsible for bond debt service.

**BILL DESCRIPTION**

Assembly Bill No. 2979 of 2004 makes certain technical changes to the procedures governing the New Jersey Environmental Infrastructure Trust's Financing Program in order to permit its 2004 Financing Program to proceed as developed.

Specifically, the bill increases the Trust's statutory debt ceiling of \$1.6 billion to \$2.0 billion. It also makes technical changes which integrate the expenditure of \$50 million, an allocation provided to the Trust under the "Dam, Lake, Stream, Flood Control, Water Resources, and

Wastewater Treatment Project Bond Act of 2003" for financing wastewater treatment and water resource projects.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The Office of Legislative Services (OLS) estimates that the bill, which is essentially technical in nature, will have no fiscal impact on State funds because the State is not liable for debt service responsibilities incurred by the Trust. The increase of the Trust's debt service ceiling will facilitate future funding activities pursuant to its mandated responsibilities and available resources. In addition, the amendments concerning the \$50 million allocation from the aforementioned bond act enable the Trust to utilize these funds and will therefore have no fiscal impact on State funds.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*  
*Senior Fiscal Analyst*

Approved: *David J. Rosen*  
*Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

**SENATE, No. 1644**

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**STATE OF NEW JERSEY**  
**211th LEGISLATURE**

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INTRODUCED JUNE 7, 2004

**Sponsored by:**

**Senator BOB SMITH**

**District 17 (Middlesex and Somerset)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As introduced.



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

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

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

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

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

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

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

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

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

29 "Department" means the Department of Environmental Protection;

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

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

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 "Project" or "environmental infrastructure project" means the  
2 acquisition, construction, improvement, repair or reconstruction of all  
3 or part of any structure, facility or equipment, or real or personal  
4 property necessary for or ancillary to any (1) wastewater treatment  
5 system project, including any stormwater management or combined  
6 sewer overflow abatement projects; or (2) water supply project, as  
7 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or  
8 P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water resources  
9 project, as authorized pursuant to P.L.2003, c.162;

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

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

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

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

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

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

45 "Wastewater treatment system project" means any work relating to  
46 the acquisition, construction, improvement, repair or reconstruction

1 of all or part of any structure, facility or equipment, or real or personal  
2 property necessary for or ancillary to any wastewater treatment system  
3 that meets the requirements set forth in sections 20, 21 and 22 of  
4 P.L.1985, c.334 (C.58:11B-20, 58:11B-21 and 58:11B-22); or any  
5 work relating to any of the stormwater management or combined  
6 sewer overflow abatement projects identified in the stormwater  
7 management and combined sewer overflow abatement project priority  
8 list adopted by the commissioner pursuant to section 28 of P.L.1989,  
9 c.181; or any work relating to the purposes set forth in section 6 of  
10 P.L.2003, c.162; or any work relating to any other project eligible for  
11 financing under the Federal Water Pollution Control Act Amendments  
12 of 1972 (33 U.S.C. s.1251 et seq.), or any amendatory or  
13 supplementary acts thereto;

14 "Water resources project" means any work related to transferring  
15 water between public water systems during a state of water  
16 emergency, to avert a drought emergency in all or any part of the  
17 State, to plan, design or construct interconnections of existing water  
18 supplies, or to extend water supplies to areas with contaminated  
19 ground water supplies;

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

36 "Water supply project" means any work relating to the acquisition,  
37 construction, improvement, repair or reconstruction of all or part of  
38 any structure, facility or equipment, or real or personal property  
39 necessary for or ancillary to water supply facilities that meets the  
40 requirements set forth in sections 24, 25 and 26 of P.L.1997, c.224  
41 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1); or any work  
42 relating to the purposes set forth in section 4 of P.L.1981, c.261; or  
43 any work relating to the purposes set forth in section 6 of P.L.2003,  
44 c.162; or any work relating to any other project eligible for funding  
45 pursuant to the federal "Safe Drinking Water Act Amendments of  
46 1996" Pub.L.104-182, and any amendatory and supplementary acts

1 thereto.

2 (cf: P.L.2001, c.223, s.1)

3

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

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

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

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

46 d. Bonds, notes or other obligations of the trust may be sold at any

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

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

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

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



1 thereof, is pledged to the payment of the principal of or the interest on  
2 the bonds, notes or other obligations.

3 g. The aggregate principal amount of bonds, notes or other  
4 obligations, including subordinated indebtedness of the trust, shall not  
5 exceed [~~\$1,600,000,000~~] \$2,000,000,000. In computing the foregoing  
6 limitations there shall be excluded all the bonds, notes or other  
7 obligations, including subordinated indebtedness of the trust, which  
8 shall be issued for refunding purposes, whenever the refunding shall be  
9 determined to result in a savings.

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

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

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

28 (4) Within 30 days after the sale of the refunding bonds, the trust  
29 shall notify the committee of the result of that sale, including the prices  
30 and terms, conditions and regulations concerning the refunding bonds,  
31 the actual amount of debt service savings to be realized as a result of  
32 the sale of refunding bonds, and the intended use of the proceeds from  
33 the sale of those bonds.

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

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

45 (1) Pledge of revenues and other receipts to be derived from the  
46 payment of the interest on and principal of notes, bonds or other

1 obligations issued to the trust by one or more local government units,  
2 and any other payment made to the trust pursuant to agreements with  
3 any local government units, or a pledge or assignment of any notes,  
4 bonds or other obligations of any local government unit and the rights  
5 and interest of the trust therein;

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

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

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

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

21 i. The trust shall not issue any bonds, notes or other obligations, or  
22 otherwise incur any additional indebtedness, on or after November 5,  
23 2025.

24 j. (Deleted by amendment, P.L.1996, c.88).  
25 (cf: P.L.2002, c.69, s.1)

26

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

29 27. As an alternative to the individual annual submissions required  
30 by the provisions of sections 21 and 22 of P.L.1985, c.334  
31 (C.58:11B-21 and 58:11B-22) and sections 25 and 26 of P.L.1997,  
32 c.224 (C.58:11B-21.1 and C.58:11B-22.1), the trust may develop and  
33 submit to the Legislature a consolidated financial plan designed to  
34 implement the financing of the wastewater treatment system projects  
35 on the project priority list approved pursuant to section 20 of  
36 P.L.1985, c.334 (C.58:11B-20), the water supply projects on the  
37 project priority list approved pursuant to section 24 of P.L.1997,  
38 c.224 (C.58:11B-20.1), the water resources projects and wastewater  
39 treatment system projects on the water resources project and  
40 wastewater treatment system project priority list developed pursuant  
41 to section 31 of P.L.2003, c.162, and any other projects approved by  
42 the Legislature.

43 (cf: P.L.2001, c.223, s.9)

44

45 4. This act shall take effect immediately.

1 STATEMENT

2

3 This bill makes certain technical changes to the procedures  
4 governing the New Jersey Environmental Infrastructure Trust  
5 Financing Program. These changes are necessary to permit the 2004  
6 Financing Program to proceed as developed by the Trust.

7 The bill increases the Trust's statutory debt ceiling of \$1.6 billion  
8 to \$2.0 billion. The statutory date after which the Trust may not incur  
9 any additional indebtedness remains at November 5, 2025.

10 The bill also integrates the expenditure of the \$50 million provided  
11 in the "Dam, Lake, Stream, Flood Control, Water Resources, and  
12 Wastewater Treatment Project Bond Act of 2003," a ballot initiative  
13 signed into law as P.L.2003, c.162, for financing wastewater treatment  
14 and water resource projects into the New Jersey Environmental  
15 Infrastructure Financing Program.

# SENATE ENVIRONMENT COMMITTEE

## STATEMENT TO

### **SENATE, No. 1644**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 14, 2004

The Senate Environment Committee favorably reports Senate Bill No. 1644 with committee amendments.

Senate Bill No. 1644 makes certain technical changes to the procedures governing the New Jersey Environmental Infrastructure Trust Financing Program. These changes are necessary to permit the 2004 Financing Program to proceed as developed by the Trust.

The bill increases the Trust's statutory debt ceiling of \$1.6 billion to \$2.0 billion. The statutory date after which the Trust may not incur any additional indebtedness remains at November 5, 2025.

The bill also integrates the expenditure of the \$50 million provided in the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003," a ballot initiative signed into law as P.L.2003, c.162, for financing wastewater treatment and water resource projects into the New Jersey Environmental Infrastructure Financing Program.

#### COMMITTEE AMENDMENTS:

The committee amendments make certain technical changes to codify the procedures governing the Interim Financing Program. Under the provisions of P.L.2001, c.223, the Trust was given the statutory authority to provide a short-term or temporary loan financing option for those interested participants that receive pre-award approval for an environmental infrastructure project. All projects receiving short-term project financing will become part of the regular annual financing program.

The committee amendments provide that the Trust may make short-term or temporary loans to any one or more of the project sponsors for the projects identified in the Interim Financing Program Eligibility List. The Interim Financing Program Eligibility List must be provided to the Legislature by the Commissioner of Environmental Protection before the Interim Financing Program may commence.

The Interim Financing Program Eligibility List must be submitted to the Legislature on or before June 30 of each year on a day when both Houses are meeting. The President of the Senate and the

Speaker of the General Assembly will cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. Any environmental infrastructure project or project sponsor not identified in the Interim Financing Program Eligibility List will not be eligible for a short-term or temporary loan from the Interim Financing Program Fund.

These amendments make Senate Bill No. 1644(1R) identical to Assembly Bill No. 2979(1R).

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 1644**

# **STATE OF NEW JERSEY**

DATED: JUNE 18, 2004

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1644 (1R).

This bill makes certain technical changes to the procedures governing the New Jersey Environmental Infrastructure Trust Financing Program so as to permit the 2004 Financing Program to proceed as developed by the Trust. Under the provisions of P.L.2001, c.223, the Trust was given the statutory authority to provide a short-term or temporary loan financing option for those interested participants that receive pre-award approval for an environmental infrastructure project. All projects receiving short-term project financing will become part of the regular annual financing program.

The bill provides that the Trust may make short-term or temporary loans to any one or more of the project sponsors for the projects identified in the Interim Financing Program Eligibility List. The Interim Financing Program Eligibility List must be provided to the Legislature by the Commissioner of Environmental Protection before the Interim Financing Program may commence. The Interim Financing Program Eligibility List must be submitted to the Legislature on or before June 30 of each year on a day when both Houses are meeting. The President of the Senate and the Speaker of the General Assembly will cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. Any environmental infrastructure project or project sponsor not identified in the Interim Financing Program Eligibility List will not be eligible for a short-term or temporary loan from the Interim Financing Program Fund.

The bill increases the Trust's statutory debt ceiling of \$1.6 billion to \$2.0 billion. The statutory date after which the Trust may not incur any additional indebtedness remains at November 5, 2025.

This bill also integrates the expenditure of the \$50 million provided in the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003," a ballot initiative signed into law as P.L.2003, c.162, for financing wastewater treatment and water resource projects into the New Jersey Environmental Infrastructure Financing Program.

The provisions of this bill are identical to those of Assembly Bill No. 2979 (1R).

**FISCAL IMPACT**

This bill increases the statutory debt ceiling of the Environmental Infrastructure Trust from \$1.6 billion to \$2.0 billion and integrates into the Trust's financing program \$50 million of expenditures to be funded through bonds issued under the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003".

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

**SENATE, No. 1644**

**STATE OF NEW JERSEY**

**211th LEGISLATURE**

DATED: JUNE 23, 2004

## SUMMARY

**Synopsis:** Makes certain changes to procedures governing the New Jersey Environmental Infrastructure Trust Financing Program.

**Type of Impact:** None

**Agencies Affected:** Department of Environmental Protection and New Jersey Environmental Infrastructure Trust.

### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>State Cost</b>		None	

- ! The bill makes certain technical changes in procedures governing the New Jersey Environmental Infrastructure Trust's 2004 Financing Program.
- ! The New Jersey Environmental Infrastructure Trust is an independent public agency that provides, in conjunction with the Department of Environmental Protection, low-cost financing to local governments for water resource and wastewater treatment-related infrastructure projects. It is largely supported by State bonds and federal funds.
- ! The bill increases the Trust's statutory debt ceiling of \$1.6 billion to \$2.0 billion. It also makes technical changes that allows it to utilize \$50 million for wastewater treatment and water resource projects. This sum was allocated from the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003."
- ! The Office of Legislative Services (OLS) estimates that the bill will have no fiscal impact on State funds because the Trust, not the State, is solely responsible for bond debt service.

## BILL DESCRIPTION

Senate Bill No. 1644 (1R) of 2004 makes certain technical changes to the procedures governing the New Jersey Environmental Infrastructure Trust's Financing Program in order to permit its 2004 Financing Program to proceed as developed.

Specifically, the bill increases the Trust's statutory debt ceiling of \$1.6 billion to \$2.0 billion.



It also makes technical changes which integrate the expenditure of \$50 million, an allocation provided to the Trust under the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003" for financing wastewater treatment and water resource projects. Last, the bill makes technical changes concerning the Trust's Interim Financing Program.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The Office of Legislative Services (OLS) estimates that the bill, which is essentially technical in nature, will have no fiscal impact on State debt service funding because the State is not liable for debt service responsibilities incurred by the Trust. The increase of the Trust's debt service ceiling will facilitate future funding activities pursuant to its mandated responsibilities and available resources. In addition, the amendments concerning the \$50 million allocation from the aforementioned bond act will enable the Trust to utilize these funds for their stated purposes. Any potential increase in administrative costs associated with either of these funding opportunities will be covered by loan surcharges and fees charged by the Trust or the Department of Environmental Protection.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*  
*Senior Fiscal Analyst*

Approved: *David J. Rosen*  
*Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.