

58:11B-10.2

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2005 **CHAPTER:** 202

NJSA: 58:11B-10.2 (Makes certain changes to New Jersey Environmental Infrastructure Trust Financing Program)

BILL NO: A4155 (Substituted for S2587)

SPONSOR(S): McKeon and others

DATE INTRODUCED: June 13, 2005

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

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** June 27, 2005

SENATE: June 30, 2005

DATE OF APPROVAL: August 18, 2005

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (2nd reprint enacted)

A4155

[SPONSOR'S STATEMENT:](#) (Begins on page 6 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** Yes [6-13-2005 \(Env & SW\)](#)
[6-22-2005 \(Budget\)](#)

SENATE: No

[FLOOR AMENDMENT STATEMENT:](#) [Yes](#)

LEGISLATIVE FISCAL ESTIMATE: No

S2587

[SPONSOR'S STATEMENT:](#) (Begins on page 6 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes [5-26-2005 \(Env\)](#)
[6-16-2005 \(Bud & App\)](#)

[FLOOR AMENDMENT STATEMENT:](#) [Yes](#)

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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IS 9/17/07

P.L. 2005, CHAPTER 202, *approved August 18, 2005*
Assembly, No. 4155 (*Second Reprint*)

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

3

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

6

7 1. (New section) a. There is established in the New Jersey
8 Environmental Infrastructure Trust a special fund to be known as the
9 Loan Origination Fee Fund.

10 The Loan Origination Fee Fund shall be credited with:

11 (1) moneys deposited into the fund as loan origination fees received
12 by the Department of Environmental Protection and paid by project
13 sponsors of wastewater treatment system projects or water supply
14 projects financed under the New Jersey Environmental Infrastructure
15 Financing Program; and

16 (2) any interest accumulated on the amounts of the loan origination
17 fees.

18 ²[¹The total moneys received by the Department of Environmental
19 Protection as loan origination fees in any fiscal year shall not exceed
20 \$5,000,000.¹]²

21 b. Moneys in the Loan Origination Fee Fund shall be used
22 exclusively by the Department of Environmental Protection solely for
23 administrative and operating expenses incurred by the department in
24 administering the New Jersey Environmental Infrastructure Financing
25 Program ², except that the total amount utilized by the department for
26 administrative and operating expenses in any fiscal year shall not
27 exceed \$5,000,000² . Moneys in the fund shall be disbursed to the
28 Department of the Treasury on an annual basis to meet the
29 department's State revenue anticipation established within the annual
30 appropriations act. Amounts in excess of revenue anticipation shall be
31 carried forward into the following year.

32 c. As used in this section, "loan origination fee" means the fee
33 charged by the Department of Environmental Protection and financed
34 under the trust loan to pay a portion of the costs incurred by the
35 department in the implementation of the New Jersey Environmental
36 Infrastructure Financing Program.

37

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

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:

¹ Assembly ABU committee amendments adopted June 23, 2005.

² Assembly floor amendments adopted June 23, 2005.

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

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

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

41 d. Bonds, notes or other obligations of the trust may be sold at any
42 price or prices and in any manner as the trust may determine. Each
43 bond, note or other obligation shall mature and be paid not later than
44 20 years from the effective date thereof, or the certified useful life of
45 the project or projects to be financed by the bonds, whichever is less.

46 All bonds of the trust shall be sold at such price or prices and in

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

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

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

44 g. The aggregate principal amount of bonds, notes or other
45 obligations, including subordinated indebtedness of the trust, shall not
46 exceed ~~[\$2,000,000,000]~~ \$2,200,000,000. In computing the foregoing

1 limitations there shall be excluded all the bonds, notes or other
2 obligations, including subordinated indebtedness of the trust, which
3 shall be issued for refunding purposes, whenever the refunding shall be
4 determined to result in a savings.

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

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

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

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

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

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

40 (1) Pledge of revenues and other receipts to be derived from the
41 payment of the interest on and principal of notes, bonds or other
42 obligations issued to the trust by one or more local government units,
43 and any other payment made to the trust pursuant to agreements with
44 any local government units, or a pledge or assignment of any notes,
45 bonds or other obligations of any local government unit and the rights
46 and interest of the trust therein;

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

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

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

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

16 i. The trust shall not issue any bonds, notes or other obligations, or
17 otherwise incur any additional indebtedness, on or after November 5,
18 2025.

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

20 (cf: P.L.2004, c.111, s.2)

21

22 3. This act shall take effect immediately.

23

24

25

26

27 _____
28 Makes certain changes to the New Jersey Environmental Infrastructure
Trust Financing Program.

ASSEMBLY, No. 4155

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED JUNE 13, 2005

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex)

Assemblyman UPENDRA J. CHIVUKULA

District 17 (Middlesex and Somerset)

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



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

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

6
7 1. (New section) a. There is established in the New Jersey
8 Environmental Infrastructure Trust a special fund to be known as the
9 Loan Origination Fee Fund.

10 The Loan Origination Fee Fund shall be credited with:

11 (1) moneys deposited into the fund as loan origination fees
12 received by the Department of Environmental Protection and paid by
13 project sponsors of wastewater treatment system projects or water
14 supply projects financed under the New Jersey Environmental
15 Infrastructure Financing Program; and

16 (2) any interest accumulated on the amounts of the loan origination
17 fees.

18 b. Moneys in the Loan Origination Fee Fund shall be used
19 exclusively by the Department of Environmental Protection solely for
20 administrative and operating expenses incurred by the department in
21 administering the New Jersey Environmental Infrastructure Financing
22 Program. Moneys in the fund shall be disbursed to the Department of
23 the Treasury on an annual basis to meet the department's State revenue
24 anticipation established within the annual appropriations act. Amounts
25 in excess of revenue anticipation shall be carried forward into the
26 following year.

27 c. As used in this section, "loan origination fee" means the fee
28 charged by the Department of Environmental Protection and financed
29 under the trust loan to pay a portion of the costs incurred by the
30 department in the implementation of the New Jersey Environmental
31 Infrastructure Financing Program.

32
33 2. Section 6 of P.L.1985, c.334 (C.58:11B-6) is amended to read
34 as follows:

35 6. a. Except as may be otherwise expressly provided in the
36 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224
37 (C.58:11B-10.1 et al.), the trust may from time to time issue its bonds,
38 notes or other obligations in any principal amounts as in the judgment
39 of the trust shall be necessary to provide sufficient funds for any of its
40 corporate purposes, including the payment, funding or refunding of the
41 principal of, or interest or redemption premiums on, any bonds, notes
42 or other obligations issued by it, whether the bonds, notes or other
43 obligations or the interest or redemption premiums thereon to be

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 funded or refunded have or have not become due, the establishment or
2 increase of reserves or other funds to secure or to pay the bonds, notes
3 or other obligations or interest thereon and all other costs or expenses
4 of the trust incident to and necessary to carry out its corporate
5 purposes and powers.

6 b. Whether or not the bonds, notes or other obligations of the trust
7 are of a form and character as to be negotiable instruments under the
8 terms of Title 12A of the New Jersey Statutes, the bonds, notes and
9 other obligations are made negotiable instruments within the meaning
10 of and for the purposes of Title 12A of the New Jersey Statutes,
11 subject only to the provisions of the bonds, notes and other obligations
12 for registration.

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

32 d. Bonds, notes or other obligations of the trust may be sold at any
33 price or prices and in any manner as the trust may determine. Each
34 bond, note or other obligation shall mature and be paid not later than
35 20 years from the effective date thereof, or the certified useful life of
36 the project or projects to be financed by the bonds, whichever is less.

37 All bonds of the trust shall be sold at such price or prices and in
38 such manner as the trust shall determine, after notice of sale, a
39 summary of which shall be published at least once in at least three
40 newspapers published in the State of New Jersey and at least once in
41 a publication carrying municipal bond notices and devoted primarily to
42 financial news published in New Jersey or the city of New York, the
43 first summary notice to be at least five days prior to the day of
44 bidding. The notice of sale may contain a provision to the effect that
45 any or all bids made in pursuance thereof may be rejected. In the event
46 of such rejection or of failure to receive any acceptable bid, the trust,

1 at any time within 60 days from the date of such advertised sale, may
2 sell such bonds at private sale upon terms not less favorable to the
3 State than the terms offered by any rejected bid. The trust may sell all
4 or part of the bonds of any series as issued to any State fund or to the
5 federal government or any agency thereof, at private sale, without
6 advertisement.

7 e. Bonds, notes or other obligations of the trust may be issued
8 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or
9 P.L.1997, c.224 (C.58:11B-10.1 et al.) without obtaining the consent
10 of any department, division, board, bureau or agency of the State, and
11 without any other proceedings or the happening of any other
12 conditions or things, other than those consents, proceedings,
13 conditions or things which are specifically required by P.L.1985, c.334
14 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.).

15 f. Bonds, notes or other obligations of the trust issued under the
16 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224
17 (C.58:11B-10.1 et al.) shall not be a debt or liability of the State or of
18 any political subdivision thereof other than the trust and shall not
19 create or constitute any indebtedness, liability or obligation of the
20 State or any political subdivision, but all these bonds, notes and other
21 obligations, unless funded or refunded by bonds, notes or other
22 obligations, shall be payable solely from revenues or funds pledged or
23 available for their payment as authorized in P.L.1985, c.334
24 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each
25 bond, note and obligation shall contain on its face a statement to the
26 effect that the trust is obligated to pay the principal thereof or the
27 interest thereon only from its revenues, receipts or funds pledged or
28 available for their payment as authorized in P.L.1985, c.334
29 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and
30 that neither the State, nor any political subdivision thereof, is
31 obligated to pay the principal or interest and that neither the faith and
32 credit nor the taxing power of the State, or any political subdivision
33 thereof, is pledged to the payment of the principal of or the interest on
34 the bonds, notes or other obligations.

35 g. The aggregate principal amount of bonds, notes or other
36 obligations, including subordinated indebtedness of the trust, shall not
37 exceed [~~\$2,000,000,000~~] \$2,200,000,000. In computing the foregoing
38 limitations there shall be excluded all the bonds, notes or other
39 obligations, including subordinated indebtedness of the trust, which
40 shall be issued for refunding purposes, whenever the refunding shall be
41 determined to result in a savings.

42 (1) Upon the decision by the trust to issue refunding bonds, except
43 for current refunding, and prior to the sale of those bonds, the trust
44 shall transmit to the Joint Budget Oversight Committee, or its
45 successor, a report that a decision has been made, reciting the basis on
46 which the decision was made, including an estimate of the debt service

1 savings to be achieved and the calculations upon which the trust relied
2 when making the decision to issue refunding bonds. The report shall
3 also disclose the intent of the trust to issue and sell the refunding
4 bonds at public or private sale and the reasons therefor.

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

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

14 (4) Within 30 days after the sale of the refunding bonds, the trust
15 shall notify the committee of the result of that sale, including the prices
16 and terms, conditions and regulations concerning the refunding bonds,
17 the actual amount of debt service savings to be realized as a result of
18 the sale of refunding bonds, and the intended use of the proceeds from
19 the sale of those bonds.

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

24 h. Each issue of bonds, notes or other obligations of the trust may,
25 if it is determined by the trust, be general obligations thereof payable
26 out of any revenues, receipts or funds of the trust, or special
27 obligations thereof payable out of particular revenues, receipts or
28 funds, subject only to any agreements with the holders of bonds, notes
29 or other obligations, and may be secured by one or more of the
30 following:

31 (1) Pledge of revenues and other receipts to be derived from the
32 payment of the interest on and principal of notes, bonds or other
33 obligations issued to the trust by one or more local government units,
34 and any other payment made to the trust pursuant to agreements with
35 any local government units, or a pledge or assignment of any notes,
36 bonds or other obligations of any local government unit and the rights
37 and interest of the trust therein;

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

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

45 (4) Pledge of the receipts to be derived from the payments of State
46 aid, payable to the trust pursuant to section 12 of P.L.1985, c.334

1 (C.58:11B-12);

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

7 i. The trust shall not issue any bonds, notes or other obligations, or
8 otherwise incur any additional indebtedness, on or after November 5,
9 2025.

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

11 (cf: P.L.2004, c.111, s.2)

12

13 3. This act shall take effect immediately.

14

15

16

STATEMENT

17

18 This bill makes certain technical changes to the procedures
19 governing the New Jersey Environmental Infrastructure Trust
20 Financing Program. These changes are necessary to permit the 2005
21 Financing Program to proceed as developed by the Trust.

22 The bill increases the Trust's statutory debt ceiling of \$2.0 billion
23 to \$2.2 billion. The statutory date after which the Trust may not incur
24 any additional indebtedness remains at November 5, 2025.

25 The bill also establishes a "Loan Origination Fee Fund" for the
26 deposit of all fees received by the Department of Environmental
27 Protection under the New Jersey Environmental Infrastructure Trust
28 Financing Program for use by the Department for administrative and
29 operating expenses. Under its annual legislative authorization act the
30 Trust is authorized to increase the amount of each loan made to a
31 project sponsor for an environmental infrastructure project by the loan
32 origination fee.

ASSEMBLY ENVIRONMENT AND SOLID WASTE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4155

STATE OF NEW JERSEY

DATED: JUNE 13, 2005

The Assembly Environment and Solid Waste Committee reports favorably Assembly Bill No. 4155.

This bill makes certain technical changes to the procedures governing the New Jersey Environmental Infrastructure Trust Financing Program. These changes are necessary to permit the 2005 Financing Program to proceed as developed by the Trust.

The bill increases the Trust's statutory debt ceiling of \$2.0 billion to \$2.2 billion. The statutory date after which the Trust may not incur any additional indebtedness remains at November 5, 2025.

The bill also establishes a "Loan Origination Fee Fund" for the deposit of all fees received by the Department of Environmental Protection under the New Jersey Environmental Infrastructure Trust Financing Program for use by the Department for administrative and operating expenses. Under its annual legislative authorization act the Trust is authorized to increase the amount of each loan made to a project sponsor for an environmental infrastructure project by the loan origination fee.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4155

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 22, 2005

The Assembly Budget Committee reports favorably Assembly Bill No. 4155, with committee amendments.

Assembly Bill No. 4155, 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 2005 Financing Program to proceed as developed by the Trust.

The bill increases the Trust's statutory debt ceiling of \$2.0 billion to \$2.2 billion. The statutory date after which the Trust may not incur any additional indebtedness remains at November 5, 2025.

The bill also establishes a "Loan Origination Fee Fund" for the deposit of all fees received by the Department of Environmental Protection (DEP) under the New Jersey Environmental Infrastructure Trust Financing Program for use by the DEP for administrative and operating expenses. Under its annual legislative authorization act the Trust is authorized to increase the amount of each loan made to a project sponsor for an environmental infrastructure project by the loan origination fee.

FISCAL IMPACT:

The bill increases the Trust's statutory debt ceiling of \$2.0 billion to \$2.2 billion. The statutory date after which the Trust may not incur any additional indebtedness remains at November 5, 2025. The bill also establishes a "Loan Origination Fee Fund" for the deposit of all fees received by the DEP under the New Jersey Environmental Infrastructure Trust Financing Program. The Trust is authorized to increase the amount of each loan made to a project sponsor for an environmental infrastructure project by the loan origination fee.

COMMITTEE AMENDMENTS:

The amendments cap the amount that the DEP may receive as loan origination fees in any fiscal year at \$5,000,000.

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4155

with Assembly Floor Amendments
(Proposed By Assemblyman MCKEON)

ADOPTED: JUNE 23, 2005

These floor amendments would delete the language that would have limited the total moneys received by the Department of Environmental Protection (DEP) as loan origination fees in any fiscal year, and instead provide that the total amount utilized by the DEP for administrative and operating expenses incurred by the DEP in administering the New Jersey Environmental Infrastructure Financing Program in any fiscal year shall not exceed \$5,000,000. These floor amendments make this bill identical to Senate Bill No. 2587, as amended by the Senate on June 23, 2005.

SENATE, No. 2587

STATE OF NEW JERSEY
211th LEGISLATURE

INTRODUCED MAY 19, 2005

Sponsored by:
Senator BOB SMITH
District 17 (Middlesex and Somerset)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



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

3

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

6

7 1. (New section) a. There is established in the New Jersey
8 Environmental Infrastructure Trust a special fund to be known as the
9 Loan Origination Fee Fund.

10 The Loan Origination Fee Fund shall be credited with:

11 (1) moneys deposited into the fund as loan origination fees received
12 by the Department of Environmental Protection and paid by project
13 sponsors of wastewater treatment system projects or water supply
14 projects financed under the New Jersey Environmental Infrastructure
15 Financing Program; and

16 (2) any interest accumulated on the amounts of the loan origination
17 fees.

18 b. Moneys in the Loan Origination Fee Fund shall be used
19 exclusively by the Department of Environmental Protection solely for
20 administrative and operating expenses incurred by the department in
21 administering the New Jersey Environmental Infrastructure Financing
22 Program. Moneys in the fund shall be disbursed to the Department of
23 the Treasury on an annual basis to meet the department's State revenue
24 anticipation established within the annual appropriations act. Amounts
25 in excess of revenue anticipation shall be carried forward into the
26 following year.

27 c. As used in this section, "loan origination fee" means the fee
28 charged by the Department of Environmental Protection and financed
29 under the trust loan to pay a portion of the costs incurred by the
30 department in the implementation of the New Jersey Environmental
31 Infrastructure Financing Program.

32

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

35 6. a. Except as may be otherwise expressly provided in the
36 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224
37 (C.58:11B-10.1 et al.), the trust may from time to time issue its bonds,
38 notes or other obligations in any principal amounts as in the judgment
39 of the trust shall be necessary to provide sufficient funds for any of its
40 corporate purposes, including the payment, funding or refunding of the
41 principal of, or interest or redemption premiums on, any bonds, notes
42 or other obligations issued by it, whether the bonds, notes or other
43 obligations or the interest or redemption premiums thereon to be

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 funded or refunded have or have not become due, the establishment or
2 increase of reserves or other funds to secure or to pay the bonds, notes
3 or other obligations or interest thereon and all other costs or expenses
4 of the trust incident to and necessary to carry out its corporate
5 purposes and powers.

6 b. Whether or not the bonds, notes or other obligations of the trust
7 are of a form and character as to be negotiable instruments under the
8 terms of Title 12A of the New Jersey Statutes, the bonds, notes and
9 other obligations are made negotiable instruments within the meaning
10 of and for the purposes of Title 12A of the New Jersey Statutes,
11 subject only to the provisions of the bonds, notes and other obligations
12 for registration.

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

32 d. Bonds, notes or other obligations of the trust may be sold at any
33 price or prices and in any manner as the trust may determine. Each
34 bond, note or other obligation shall mature and be paid not later than
35 20 years from the effective date thereof, or the certified useful life of
36 the project or projects to be financed by the bonds, whichever is less.

37 All bonds of the trust shall be sold at such price or prices and in
38 such manner as the trust shall determine, after notice of sale, a
39 summary of which shall be published at least once in at least three
40 newspapers published in the State of New Jersey and at least once in
41 a publication carrying municipal bond notices and devoted primarily to
42 financial news published in New Jersey or the city of New York, the
43 first summary notice to be at least five days prior to the day of
44 bidding. The notice of sale may contain a provision to the effect that
45 any or all bids made in pursuance thereof may be rejected. In the event
46 of such rejection or of failure to receive any acceptable bid, the trust,

1 at any time within 60 days from the date of such advertised sale, may
2 sell such bonds at private sale upon terms not less favorable to the
3 State than the terms offered by any rejected bid. The trust may sell all
4 or part of the bonds of any series as issued to any State fund or to the
5 federal government or any agency thereof, at private sale, without
6 advertisement.

7 e. Bonds, notes or other obligations of the trust may be issued
8 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or
9 P.L.1997, c.224 (C.58:11B-10.1 et al.) without obtaining the consent
10 of any department, division, board, bureau or agency of the State, and
11 without any other proceedings or the happening of any other
12 conditions or things, other than those consents, proceedings,
13 conditions or things which are specifically required by P.L.1985, c.334
14 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.).

15 f. Bonds, notes or other obligations of the trust issued under the
16 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224
17 (C.58:11B-10.1 et al.) shall not be a debt or liability of the State or of
18 any political subdivision thereof other than the trust and shall not
19 create or constitute any indebtedness, liability or obligation of the
20 State or any political subdivision, but all these bonds, notes and other
21 obligations, unless funded or refunded by bonds, notes or other
22 obligations, shall be payable solely from revenues or funds pledged or
23 available for their payment as authorized in P.L.1985, c.334
24 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each
25 bond, note and obligation shall contain on its face a statement to the
26 effect that the trust is obligated to pay the principal thereof or the
27 interest thereon only from its revenues, receipts or funds pledged or
28 available for their payment as authorized in P.L.1985, c.334
29 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and
30 that neither the State, nor any political subdivision thereof, is
31 obligated to pay the principal or interest and that neither the faith and
32 credit nor the taxing power of the State, or any political subdivision
33 thereof, is pledged to the payment of the principal of or the interest on
34 the bonds, notes or other obligations.

35 g. The aggregate principal amount of bonds, notes or other
36 obligations, including subordinated indebtedness of the trust, shall not
37 exceed [~~\$2,000,000,000~~] \$2,200,000,000. In computing the foregoing
38 limitations there shall be excluded all the bonds, notes or other
39 obligations, including subordinated indebtedness of the trust, which
40 shall be issued for refunding purposes, whenever the refunding shall be
41 determined to result in a savings.

42 (1) Upon the decision by the trust to issue refunding bonds, except
43 for current refunding, and prior to the sale of those bonds, the trust
44 shall transmit to the Joint Budget Oversight Committee, or its
45 successor, a report that a decision has been made, reciting the basis on
46 which the decision was made, including an estimate of the debt service

1 savings to be achieved and the calculations upon which the trust relied
2 when making the decision to issue refunding bonds. The report shall
3 also disclose the intent of the trust to issue and sell the refunding
4 bonds at public or private sale and the reasons therefor.

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

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

14 (4) Within 30 days after the sale of the refunding bonds, the trust
15 shall notify the committee of the result of that sale, including the prices
16 and terms, conditions and regulations concerning the refunding bonds,
17 the actual amount of debt service savings to be realized as a result of
18 the sale of refunding bonds, and the intended use of the proceeds from
19 the sale of those bonds.

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

24 h. Each issue of bonds, notes or other obligations of the trust may,
25 if it is determined by the trust, be general obligations thereof payable
26 out of any revenues, receipts or funds of the trust, or special
27 obligations thereof payable out of particular revenues, receipts or
28 funds, subject only to any agreements with the holders of bonds, notes
29 or other obligations, and may be secured by one or more of the
30 following:

31 (1) Pledge of revenues and other receipts to be derived from the
32 payment of the interest on and principal of notes, bonds or other
33 obligations issued to the trust by one or more local government units,
34 and any other payment made to the trust pursuant to agreements with
35 any local government units, or a pledge or assignment of any notes,
36 bonds or other obligations of any local government unit and the rights
37 and interest of the trust therein;

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

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

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

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

6 i. The trust shall not issue any bonds, notes or other obligations, or
7 otherwise incur any additional indebtedness, on or after November 5,
8 2025.

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

10 (cf: P.L.2004, c.111, s.2)

11
12 3. This act shall take effect immediately.

13
14
15 STATEMENT

16
17 This bill makes certain technical changes to the procedures
18 governing the New Jersey Environmental Infrastructure Trust
19 Financing Program. These changes are necessary to permit the 2005
20 Financing Program to proceed as developed by the Trust.

21 The bill increases the Trust's statutory debt ceiling of \$2.0 billion
22 to \$2.2 billion. The statutory date after which the Trust may not incur
23 any additional indebtedness remains at November 5, 2025.

24 The bill also establishes a "Loan Origination Fee Fund" for the
25 deposit of all fees received by the Department of Environmental
26 Protection under the New Jersey Environmental Infrastructure Trust
27 Financing Program for use by the Department for administrative and
28 operating expenses. Under its annual legislative authorization act the
29 Trust is authorized to increase the amount of each loan made to a
30 project sponsor for an environmental infrastructure project by the loan
31 origination fee.

SENATE ENVIRONMENT COMMITTEE

STATEMENT TO

SENATE, No. 2587

STATE OF NEW JERSEY

DATED: MAY 26, 2005

The Senate Environment Committee reports favorably Senate Bill No. 2587.

Senate Bill No. 2587 makes certain technical changes to the procedures governing the New Jersey Environmental Infrastructure Trust Financing Program. These changes are necessary to permit the 2005 Financing Program to proceed as developed by the Trust.

The bill increases the Trust's statutory debt ceiling of \$2.0 billion to \$2.2 billion. The statutory date after which the Trust may not incur any additional indebtedness remains at November 5, 2025.

The bill also establishes a "Loan Origination Fee Fund" for the deposit of all fees received by the Department of Environmental Protection under the New Jersey Environmental Infrastructure Trust Financing Program for use by the Department for administrative and operating expenses. Under its annual legislative authorization act the Trust is authorized to increase the amount of each loan made to a project sponsor for an environmental infrastructure project by the loan origination fee.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2587

STATE OF NEW JERSEY

DATED: JUNE 16, 2005

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2587.

This bill makes certain technical changes to the procedures governing the New Jersey Environmental Infrastructure Trust Financing Program. These changes are necessary to permit the 2005 Financing Program to proceed as developed by the Trust.

The bill increases the Trust's statutory debt ceiling of \$2.0 billion to \$2.2 billion. The statutory date after which the Trust may not incur any additional indebtedness remains at November 5, 2025.

The bill also establishes a "Loan Origination Fee Fund" for the deposit of all fees received by the Department of Environmental Protection under the New Jersey Environmental Infrastructure Trust Financing Program for use by the Department for administrative and operating expenses. Under its annual legislative authorization act the Trust is authorized to increase the amount of each loan made to a project sponsor for an environmental infrastructure project by the loan origination fee.

As reported, this bill is identical to Assembly Bill No. 4155.

FISCAL IMPACT:

The bill increases the Trust's statutory debt ceiling of \$2.0 billion to \$2.2 billion. The statutory date after which the Trust may not incur any additional indebtedness remains at November 5, 2025. The bill also establishes a "Loan Origination Fee Fund" for the deposit of all fees received by the Department of Environmental Protection under the New Jersey Environmental Infrastructure Trust Financing Program for use by the Department for administrative and operating expenses. Under its annual legislative authorization act the Trust is authorized to increase the amount of each loan made to a project sponsor for an environmental infrastructure project by the loan origination fee.

STATEMENT TO
SENATE, No. 2587

with Senate Floor Amendments
(Proposed By Senator SMITH)

ADOPTED: JUNE 23, 2005

This floor amendment would provide that the total amount utilized by the Department of Environmental Protection for administrative and operating expenses incurred by the department in administering the New Jersey Environmental Infrastructure Financing Program in any fiscal year shall not exceed \$5,000,000.