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[First Reprint]

**ASSEMBLY, No. 3589**

**STATE OF NEW JERSEY**

**213th LEGISLATURE**

INTRODUCED JANUARY 13, 2009

**Sponsored by:**

**Assemblyman JOHN F. MCKEON**

**District 27 (Essex)**

**Assemblyman REED GUSCIORA**

**District 15 (Mercer)**

**Assemblyman JOSEPH VAS**

**District 19 (Middlesex)**

**Co-Sponsored by:**

**Assemblyman Chivukula, Senators B.Smith, Buono, Gordon, Van Drew  
and Beach**

**SYNOPSIS**

Makes several changes to the Environmental Infrastructure Financing Program.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Environment and Solid Waste Committee on January 26, 2009, with amendments.

**(Sponsorship Updated As Of: 3/17/2009)**

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

4

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

7

8 1. a. (New section) The trust shall create and establish a special  
9 fund (hereinafter referred to as the "Planning and Design Fund") for  
10 the short-term or temporary financing or refinancing of  
11 environmental planning and engineering design costs (hereinafter  
12 referred to as the "Planning and Design Financing Program").

13 The Planning and Design Fund shall be credited with:

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

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

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

20 (4) moneys deposited in the Interim Financing Program Fund  
21 established pursuant to section 9 of P.L.1985, c.334 (C.58:11B-9)  
22 subject to the provisions of subsection c. of this section; and

23 (5) such other moneys as the Legislature may appropriate to the  
24 trust for deposit into the fund at any time to finance or refinance  
25 short-term or temporary loans pursuant to the Planning and Design  
26 Financing Program.

27 b. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-  
28 1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary,  
29 the trust may make short-term or temporary loans for environmental  
30 planning and engineering design costs to (1) local government units  
31 to finance or refinance wastewater treatment system projects not  
32 included on the project priority list for the ensuing fiscal year or  
33 eligible for approval pursuant to section 20 of P.L.1985, c.334  
34 (C.58:11B-20); or (2) public water utilities or private persons to  
35 finance or refinance water supply projects not included on the  
36 project priority list for the ensuing fiscal year or eligible for  
37 approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1),  
38 as applicable, without regard to any other provisions of P.L.1985,  
39 c.334 or P.L.1997, c.224, including, without limitation, the  
40 provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section  
41 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Financing  
42 Program Eligibility List pursuant to subsection d. of section 9 of  
43 P.L.1985, c.334 (C.58:11B-9), or any administrative or legislative  
44 approvals.

**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 AEN committee amendments adopted January 26, 2009.

1 c. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-  
2 1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary,  
3 the trust may utilize moneys deposited in the Interim Financing  
4 Program Fund established pursuant to subsection d. of section 9 of  
5 P.L.1985, c.334 (C.58:11B-9) to make short-term or temporary  
6 loans for environmental planning and engineering design costs to  
7 (1) local government units to finance or refinance wastewater  
8 treatment system projects included on the project priority list  
9 pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20); or (2)  
10 public water utilities or private persons to finance or refinance  
11 water supply projects included on the project priority list pursuant  
12 to section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, in  
13 advance of the anticipated loans the trust may make and contract to  
14 make under the provisions of subsection a. of section 9 of P.L.1985,  
15 c.334 (C.58:11B-9) to be financed or refinanced through the  
16 issuance of bonds, notes or other obligations of the trust authorized  
17 under section 6 of P.L.1985, c.334 (C.58:11B-6), without regard to  
18 any other provisions of P.L.1985, c.334 or P.L.1997, c.224,  
19 including, without limitation, the provisions of section 20 of  
20 P.L.1985, c.334 (C.58:11B-20), section 24 of P.L.1997, c.224  
21 (C.58:11B-20.1), the Interim Financing Program Eligibility List  
22 pursuant to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-  
23 9), or any administrative or legislative approvals.

24  
25 2. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to read  
26 as follows:

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

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

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

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

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

41       c. The trust shall not make or contract to make any loans or  
42 guarantees to local government units, public water utilities or any  
43 other person, or otherwise incur any additional indebtedness, on or  
44 after November 5, 2028.

45       d. Notwithstanding any provision of 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.) to  
47 the contrary, the trust may receive funds from any source or issue  
48 its bonds, notes or other obligations in any principal amounts as in

1 the judgment of the trust shall be necessary to provide sufficient  
2 funds to finance or refinance short-term or temporary loans to local  
3 government units, public water utilities or private persons for any  
4 wastewater treatment system projects included on the project  
5 priority list for the ensuing fiscal year and eligible for approval  
6 pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or water  
7 supply projects included on the project priority list for the ensuing  
8 fiscal year and eligible for approval pursuant to section 24 of  
9 P.L.1997, c.224 (C.58:11B-20.1), as applicable, without regard to  
10 any other provisions of P.L.1985, c.334 or P.L.1997, c.224,  
11 including, without limitation, any administrative or legislative  
12 approvals.

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

17 Any short-term or temporary loans made by the trust pursuant to  
18 this subsection may only be made in advance of the anticipated  
19 loans the trust may make and contract to make under the provisions  
20 of subsection a. of this section <sup>1</sup>["to be financed or refinanced  
21 through the issuance of bonds, notes or other obligations of the trust  
22 authorized under section 6 of P.L.1985, c.334 (C.58:11B-6)"] from  
23 any source of funds anticipated to be received by the trust<sup>1</sup>. The  
24 trust may make short-term or temporary loans pursuant to the  
25 Interim Financing Program to any one or more of the project  
26 sponsors, for the respective projects thereof, identified in the  
27 interim financing project priority list (hereinafter referred to as the  
28 "Interim Financing Program Eligibility List") in the form provided  
29 to the Legislature by the Commissioner of Environmental  
30 Protection.

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

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

44 (cf: P.L.2008, c.69, s.2)

45

46 3. Section 20 of P.L.1985, c.334 (C.58:11B-20) is amended to  
47 read as follows:

1       20. a. The Commissioner of Environmental Protection shall for  
2 each fiscal year develop a priority system for wastewater treatment  
3 systems and shall establish the ranking criteria and funding policies  
4 for the projects therefor. The commissioner shall set forth a project  
5 priority list for funding by the trust for each fiscal year and shall  
6 include the aggregate amount of funds of the trust to be authorized  
7 for these purposes. The project priority list may include any  
8 stormwater management or combined sewer overflow abatement  
9 project identified in the stormwater management and combined  
10 sewer overflow abatement project priority list adopted by the  
11 commissioner pursuant to section 28 of P.L.1989, c.181.

12       The project priority list, which shall include for each wastewater  
13 treatment system the date each project is scheduled to be certified  
14 as ready for funding, shall be in conformance with applicable  
15 provisions of the "Federal Water Pollution Control Act  
16 Amendments of 1972," Pub.L. 92-500 (33 U.S.C. s.1251 et al.), and  
17 any amendatory or supplementary acts thereto, and State law. The  
18 project priority list shall include a description of each project and  
19 its purpose, impact, cost, and construction schedule, and an  
20 explanation of the manner in which priorities were established. The  
21 priority system and project priority list for the ensuing fiscal year  
22 shall be submitted to the Legislature on or before January 15 of  
23 each year on a day when both Houses are meeting. The President of  
24 the Senate and the Speaker of the General Assembly shall cause the  
25 date of submission to be entered upon the Senate Journal and the  
26 Minutes of the General Assembly, respectively. Incremental  
27 revisions or supplements to the project priority list may be  
28 submitted to the Legislature at any time between January 15th and  
29 May 15th of each year. On or before May 15 of each year, the trust  
30 shall submit the project priority list, including any revision thereof  
31 or supplement thereto, to be introduced in each House in the form  
32 of legislative appropriations bills, which shall be referred to the  
33 Senate Environment Committee and the General Assembly  
34 Environment and Solid Waste Committee, or their successors, for  
35 their respective consideration.

36       b. The Senate Environment Committee and the General  
37 Assembly Environment and Solid Waste Committee shall, either  
38 individually or jointly, consider the legislation containing the  
39 project priority list, and shall report the legislation, together with  
40 any modifications, out of committee for consideration by each  
41 House of the Legislature. On or before July 1 of each year, the  
42 Legislature shall approve an appropriations act containing the  
43 project priority list, including any amendatory or supplementary  
44 provisions thereto, which act shall include the authorization of an  
45 aggregate amount of funds of the trust to be expended for loans and  
46 guarantees for the specific projects, including the individual  
47 amounts therefor, on the list.



1 c. The trust shall not expend any money for a loan or guarantee  
2 during a fiscal year for any wastewater treatment system project  
3 unless the expenditure is authorized pursuant to an appropriations  
4 act as provided in the provisions of this section, or as otherwise set  
5 forth in an appropriations act.

6 (cf: P.L.2002, c.69, s.2)

7  
8 4. Section 24 of P.L.1997, c.224 (C.58:11B-20.1) is amended to  
9 read as follows:

10 24. a. The Commissioner of Environmental Protection shall for  
11 each fiscal year develop a priority system for water supply projects  
12 and shall establish the ranking criteria and funding policies therefor.  
13 The commissioner shall set forth a project priority list for funding  
14 by the trust for each fiscal year and shall include the aggregate  
15 amount of funds of the trust to be authorized for these purposes.  
16 The commissioner may include a water supply project on the  
17 project priority list if it meets the eligibility requirements for  
18 funding pursuant to the federal "Safe Drinking Water Act  
19 Amendments of 1996," Pub.L.104-182. The project priority list  
20 shall include a description of each project and an explanation of the  
21 manner in which priorities were established. The priority system  
22 and project priority list for the ensuing fiscal year shall be  
23 submitted to the Legislature on or before January 15 of each year on  
24 a day when both Houses are meeting. The President of the Senate  
25 and the Speaker of the General Assembly shall cause the date of  
26 submission to be entered upon the Senate Journal and the Minutes  
27 of the General Assembly, respectively. Incremental revisions or  
28 supplements to the project priority list may be submitted to the  
29 Legislature at any time between January 15th and May 15th of each  
30 year. On or before May 15 of each year, the trust shall submit the  
31 project priority list, including any revision thereof or supplement  
32 thereto, to be introduced in each House in the form of legislative  
33 appropriations bills, which shall be referred to the Senate  
34 Environment Committee and the General Assembly Environment  
35 and Solid Waste Committee, or their successors, for their respective  
36 consideration.

37 b. The Senate Environment Committee and the General  
38 Assembly Environment and Solid Waste Committee shall, either  
39 individually or jointly, consider the legislation containing the  
40 project priority list, and shall report the legislation, together with  
41 any modifications, out of committee for consideration by each  
42 House of the Legislature. On or before July 1 of each year, the  
43 Legislature shall approve an appropriations act containing the  
44 project priority list, including any amendatory or supplementary  
45 provisions thereto, which act shall include the authorization of an  
46 aggregate amount of funds of the trust to be expended for loans and  
47 guarantees for the specific water supply projects, including the  
48 individual amounts therefor, on the list.

1 c. The trust shall not expend any money for a loan or guarantee  
2 during a fiscal year for any water supply project unless the  
3 expenditure is authorized pursuant to an appropriations act as  
4 provided in the provisions of this section, or as otherwise set forth  
5 in an appropriations act.

6 (cf: P.L.2002, c.69, s.3)

7  
8 5. Section 27 of P.L.1997, c.224 (C.58:11B-22.2) is amended to  
9 read as follows:

10 27. As an alternative to the individual annual submissions  
11 required by the provisions of sections 21 and 22 of P.L.1985, c.334  
12 (C.58:11B-21 and 58:11B-22) ~~[and]~~, sections 25 and 26 of  
13 P.L.1997, c.224 (C.58:11B-21.1 and C.58:11B-22.1) and subsection  
14 d. of section 9 of P.L.1985, c.334 (C.58:11B-9), the trust may  
15 develop and submit to the Legislature a consolidated financial plan  
16 designed to implement the financing of the wastewater treatment  
17 system projects on the project priority list approved pursuant to  
18 section 20 of P.L.1985, c.334 (C.58:11B-20), the water supply  
19 projects on the project priority list approved pursuant to section 24  
20 of P.L.1997, c.224 (C.58:11B-20.1), the water resources projects  
21 and wastewater treatment system projects on the water resources  
22 project and wastewater treatment system project priority list  
23 developed pursuant to section 31 of P.L.2003, c.162, the  
24 environmental infrastructure projects identified in the Interim  
25 Financing Program Eligibility List developed pursuant to subsection  
26 d. of section 9 of P.L.1985, c.334 (C.58:11B-9), and any other  
27 environmental infrastructure projects approved by the Legislature.

28 (cf: P.L.2004, c.111, s.4)

29  
30 '6. (New section) Notwithstanding any provision of P.L.1985,  
31 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.)  
32 to the contrary, the trust may receive federal funds to make loans or  
33 grants in the implementation of the New Jersey Environmental  
34 Infrastructure Financing Program for 2009 to local government  
35 units, public water utilities or private persons for any wastewater  
36 treatment system projects included on the project priority list for the  
37 ensuing fiscal year and eligible for approval pursuant to section 20  
38 of P.L.1985, c.334 (C.58:11B-20) or water supply projects included  
39 on the project priority list for the ensuing fiscal year and eligible for  
40 approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1),  
41 as applicable.'

42  
43 '[6.] 7.' This act shall take effect immediately.

1 provided in the provisions of this section, or as otherwise set forth  
2 in an appropriations act.

3 (cf: P.L.2002, c.69, s.3)

4

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

7 27. As an alternative to the individual annual submissions  
8 required by the provisions of sections 21 and 22 of P.L.1985, c.334  
9 (C.58:11B-21 and 58:11B-22) **[and]**, sections 25 and 26 of  
10 P.L.1997, c.224 (C.58:11B-21.1 and C.58:11B-22.1) and subsection  
11 d. of section 9 of P.L.1985, c.334 (C.58:11B-9), the trust may  
12 develop and submit to the Legislature a consolidated financial plan  
13 designed to implement the financing of the wastewater treatment  
14 system projects on the project priority list approved pursuant to  
15 section 20 of P.L.1985, c.334 (C.58:11B-20), the water supply  
16 projects on the project priority list approved pursuant to section 24  
17 of P.L.1997, c.224 (C.58:11B-20.1), the water resources projects  
18 and wastewater treatment system projects on the water resources  
19 project and wastewater treatment system project priority list  
20 developed pursuant to section 31 of P.L.2003, c.162, the  
21 environmental infrastructure projects identified in the Interim  
22 Financing Program Eligibility List developed pursuant to subsection  
23 d. of section 9 of P.L.1985, c.334 (C.58:11B-9), and any other  
24 environmental infrastructure projects approved by the Legislature.

25 (cf: P.L.2004, c.111, s.4)

26

27 6. This act shall take effect immediately.

28

29

30 *SPONSOR'S* STATEMENT

31

32 This bill authorizes the New Jersey Environmental Infrastructure  
33 Trust (Trust) and the Department of Environmental Protection  
34 (DEP) to make incremental revisions or supplements to the  
35 environmental infrastructure project priority lists submitted to the  
36 Legislature, and authorizes the Trust to create a "Planning and  
37 Design Financing Program".

38 Under current law, the various project priority lists for the  
39 ensuing fiscal year must be submitted to the Legislature on or  
40 before January 15 of each year on a day when both Houses are  
41 meeting. On or before May 15 of each year, the Trust must submit  
42 the project priority lists, to be introduced in each House in the form  
43 of legislative appropriations bills.

44 The bill permits the Trust and DEP to make incremental  
45 revisions or supplements to the project priority lists at any time  
46 between January 15th and May 15th of each year. On or before May  
47 15 of each year, the Trust must submit the project priority lists,  
48 including any revisions or supplements, to be introduced in each

1 House in the form of legislative appropriations bills, which are  
2 referred to the Senate Environment Committee and the General  
3 Assembly Environment and Solid Waste Committee, for their  
4 respective consideration.

5 The bill also authorizes the Trust to create and establish a special  
6 "Planning and Design Fund" for the short-term or temporary  
7 financing or refinancing of environmental planning and engineering  
8 design costs under a new "Planning and Design Financing  
9 Program".

10 Under the Planning and Design Financing Program, the Trust  
11 would be authorized to make short-term or temporary loans for  
12 environmental planning and engineering design costs to (1) local  
13 government units to finance or refinance wastewater treatment  
14 system projects not included on the project priority list for the  
15 ensuing fiscal year or eligible for approval pursuant to section 20 of  
16 P.L.1985, c.334 (C.58:11B-20); or (2) public water utilities or  
17 private persons to finance or refinance water supply projects not  
18 included on the project priority list for the ensuing fiscal year or  
19 eligible for approval pursuant to section 24 of P.L.1997, c.224  
20 (C.58:11B-20.1). The Planning and Design Financing Program  
21 would function without regard to any other provision of the Trust's  
22 enabling laws, P.L.1985, c.334 and P.L.1997, c.224, or any other  
23 administrative or legislative approvals.

ASSEMBLY ENVIRONMENT AND SOLID WASTE  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3589**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JANUARY 26, 2009

The Assembly Environment and Solid Waste Committee reports favorably and with committee amendments Assembly Bill No.3589.

This bill authorizes the New Jersey Environmental Infrastructure Trust (Trust) and the Department of Environmental Protection (DEP) to make incremental revisions or supplements to the environmental infrastructure project priority lists submitted to the Legislature, and authorizes the Trust to create a "Planning and Design Financing Program."

Under current law, the various project priority lists for the ensuing fiscal year must be submitted to the Legislature on or before January 15 of each year on a day when both Houses are meeting. On or before May 15 of each year, the Trust must submit the project priority lists, to be introduced in each House in the form of legislative appropriations bills.

The bill permits the Trust and DEP to make incremental revisions or supplements to the project priority lists at any time between January 15th and May 15th of each year. On or before May 15 of each year, the Trust must submit the project priority lists, including any revisions or supplements, to be introduced in each House in the form of legislative appropriations bills, which are referred to the Senate Environment Committee and the General Assembly Environment and Solid Waste Committee, for their respective consideration.

The bill also authorizes the Trust to create and establish a special "Planning and Design Fund" for the short-term or temporary financing or refinancing of environmental planning and engineering design costs under a new "Planning and Design Financing Program."

Under the Planning and Design Financing Program, the Trust would be authorized to make short-term or temporary loans for environmental planning and engineering design costs to (1) local government units to finance or refinance wastewater treatment system projects not included on the project priority list for the ensuing fiscal year or eligible for approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20), or (2) public water utilities or private persons to

finance or refinance water supply projects not included on the project priority list for the ensuing fiscal year or eligible for approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1). The Planning and Design Financing Program would function without regard to any other provision of the Trust's enabling laws, P.L.1985, c.334 and P.L.1997, c.224, or any other administrative or legislative approvals.

As amended by the committee, this bill revises the Interim Financing Program pursuant to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9) to provide that any short-term or temporary loans made by the Trust as part of the program may be financed from any source of funds anticipated to be received by the Trust.

Lastly, as amended by the committee, this bill would allow the Trust, solely in the implementation of the Environmental Infrastructure Financing Program for 2009, to issue loans or grants using federal funds.

COMMITTEE AMENDMENTS:

The committee amendments to the bill:

- 1) provide that any short-term or temporary loans made by the Trust as part of the Interim Financing Program may be financed from any source of funds anticipated to be received by the Trust; and
- 2) allow the Trust, solely in the implementation of the Environmental Infrastructure Financing Program for 2009, to issue loans or grants using federal funds.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**ASSEMBLY, No. 3589**

# **STATE OF NEW JERSEY**

DATED: MARCH 9, 2009

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 3589 (1R).

The bill authorizes the New Jersey Environmental Infrastructure Trust (Trust) and the Department of Environmental Protection (DEP) to make incremental revisions or supplements to the environmental infrastructure project priority lists submitted to the Legislature, and authorizes the Trust to create a "Planning and Design Financing Program."

Under current law, the various project priority lists for the ensuing fiscal year must be submitted to the Legislature on or before January 15 of each year on a day when both Houses are meeting. On or before May 15 of each year, the Trust must submit the project priority lists, to be introduced in each House in the form of legislative appropriations bills.

The bill permits the Trust and DEP to make incremental revisions or supplements to the project priority lists at any time between January 15th and May 15th of each year. On or before May 15 of each year, the Trust must submit the project priority lists, including any revisions or supplements, to be introduced in each House in the form of legislative appropriations bills, which are referred to the Senate Environment Committee and the General Assembly Environment and Solid Waste Committee, for their respective consideration.

The bill also authorizes the Trust to create and establish a special "Planning and Design Fund" for the short-term or temporary financing or refinancing of environmental planning and engineering design costs under a new "Planning and Design Financing Program."

Under the Planning and Design Financing Program, the Trust would be authorized to make short-term or temporary loans for environmental planning and engineering design costs to (1) local government units to finance or refinance wastewater treatment system projects not included on the project priority list for the ensuing fiscal year or eligible for approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20), or (2) public water utilities or private persons to finance or refinance water supply projects not included on the project priority list for the ensuing fiscal year or eligible for approval pursuant

to section 24 of P.L.1997, c.224 (C.58:11B-20.1). The Planning and Design Financing Program would function without regard to any other provision of the Trust's enabling laws, P.L.1985, c.334 and P.L.1997, c.224, or any other administrative or legislative approvals.

Lastly, this bill would allow the Trust, solely in the implementation of the Environmental Infrastructure Financing Program for 2009, to issue loans or grants using federal funds.

This bill is identical to Senate Bill No. 2475, as also reported by the committee.

FISCAL IMPACT:

The State FY 2010 Environmental Infrastructure Financing Program for 2009 will be capitalized, in part, from two major sources of federal funds: traditional program funding from federal capitalization grants, and so-called federal stimulus funds under the American Recovery and Reinvestment Act of 2009.

A Federal fiscal year 2009 capitalization grant of \$85 million to the Clean Water State Revolving Fund Accounts (Clean Water SRF) will be made available to the State pursuant to the Federal Clean Water Act for clean water project grants and loans.

A Federal fiscal year 2009 capitalization grant of \$15 million to the Drinking Water State Revolving Fund (Drinking Water SRF) will be made available to the State pursuant to the Federal Safe Drinking Water Act for drinking water project grants and loans.

For Federal fiscal year 2008, the State received a clean water capitalization grant of \$24 million to the Clean Water SRF. The Drinking Water SRF grant was for \$15 million.

Under the federal stimulus program, the State is anticipating the receipt of \$160 million in Clean Water SRF capitalization grant moneys and a \$43 million capitalization grant to the Drinking Water SRF. At least 50 percent of these moneys must take the form of grants to project sponsors for clean water or drinking water projects.



1 provided in the provisions of this section, or as otherwise set forth  
2 in an appropriations act.

3 (cf: P.L.2002, c.69, s.3)

4

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

7 27. As an alternative to the individual annual submissions  
8 required by the provisions of sections 21 and 22 of P.L.1985, c.334  
9 (C.58:11B-21 and 58:11B-22) ~~and~~, sections 25 and 26 of  
10 P.L.1997, c.224 (C.58:11B-21.1 and C.58:11B-22.1) and subsection  
11 d. of section 9 of P.L.1985, c.334 (C.58:11B-9), the trust may  
12 develop and submit to the Legislature a consolidated financial plan  
13 designed to implement the financing of the wastewater treatment  
14 system projects on the project priority list approved pursuant to  
15 section 20 of P.L.1985, c.334 (C.58:11B-20), the water supply  
16 projects on the project priority list approved pursuant to section 24  
17 of P.L.1997, c.224 (C.58:11B-20.1), the water resources projects  
18 and wastewater treatment system projects on the water resources  
19 project and wastewater treatment system project priority list  
20 developed pursuant to section 31 of P.L.2003, c.162, the  
21 environmental infrastructure projects identified in the Interim  
22 Financing Program Eligibility List developed pursuant to subsection  
23 d. of section 9 of P.L.1985, c.334 (C.58:11B-9), and any other  
24 environmental infrastructure projects approved by the Legislature.  
25 (cf: P.L.2004, c.111, s.4)

26

27 6. This act shall take effect immediately.

28

29

30 SPONSOR'S STATEMENT

31

32 This bill authorizes the New Jersey Environmental Infrastructure  
33 Trust (Trust) and the Department of Environmental Protection  
34 (DEP) to make incremental revisions or supplements to the  
35 environmental infrastructure project priority lists submitted to the  
36 Legislature, and authorizes the Trust to create a "Planning and  
37 Design Financing Program".

38 Under current law, the various project priority lists for the  
39 ensuing fiscal year must be submitted to the Legislature on or  
40 before January 15 of each year on a day when both Houses are  
41 meeting. On or before May 15 of each year, the Trust must submit  
42 the project priority lists, to be introduced in each House in the form  
43 of legislative appropriations bills.

44 The bill permits the Trust and DEP to make incremental  
45 revisions or supplements to the project priority lists at any time  
46 between January 15th and May 15th of each year. On or before May  
47 15 of each year, the Trust must submit the project priority lists,  
48 including any revisions or supplements, to be introduced in each

1 House in the form of legislative appropriations bills, which are  
2 referred to the Senate Environment Committee and the General  
3 Assembly Environment and Solid Waste Committee, for their  
4 respective consideration.

5 The bill also authorizes the Trust to create and establish a special  
6 "Planning and Design Fund" for the short-term or temporary  
7 financing or refinancing of environmental planning and engineering  
8 design costs under a new "Planning and Design Financing  
9 Program".

10 Under the Planning and Design Financing Program, the Trust  
11 would be authorized to make short-term or temporary loans for  
12 environmental planning and engineering design costs to (1) local  
13 government units to finance or refinance wastewater treatment  
14 system projects not included on the project priority list for the  
15 ensuing fiscal year or eligible for approval pursuant to section 20 of  
16 P.L.1985, c.334 (C.58:11B-20); or (2) public water utilities or  
17 private persons to finance or refinance water supply projects not  
18 included on the project priority list for the ensuing fiscal year or  
19 eligible for approval pursuant to section 24 of P.L.1997, c.224  
20 (C.58:11B-20.1). The Planning and Design Financing Program  
21 would function without regard to any other provision of the Trust's  
22 enabling laws, P.L.1985, c.334 and P.L.1997, c.224, or any other  
23 administrative or legislative approvals.

# SENATE ENVIRONMENT COMMITTEE

## STATEMENT TO

### **SENATE, No. 2475**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: FEBRUARY 2, 2009

The Senate Environment Committee reports favorably Senate Bill No. 2475 with committee amendments.

Senate Bill No. 2475 authorizes the New Jersey Environmental Infrastructure Trust (Trust) and the Department of Environmental Protection (DEP) to make incremental revisions or supplements to the environmental infrastructure project priority lists submitted to the Legislature, and authorizes the Trust to create a "Planning and Design Financing Program."

Under current law, the various project priority lists for the ensuing fiscal year must be submitted to the Legislature on or before January 15 of each year on a day when both Houses are meeting. On or before May 15 of each year, the Trust must submit the project priority lists, to be introduced in each House in the form of legislative appropriations bills.

The bill permits the Trust and DEP to make incremental revisions or supplements to the project priority lists at any time between January 15th and May 15th of each year. On or before May 15 of each year, the Trust must submit the project priority lists, including any revisions or supplements, to be introduced in each House in the form of legislative appropriations bills, which are referred to the Senate Environment Committee and the General Assembly Environment and Solid Waste Committee, for their respective consideration.

The bill also authorizes the Trust to create and establish a special "Planning and Design Fund" for the short-term or temporary financing or refinancing of environmental planning and engineering design costs under a new "Planning and Design Financing Program."

Under the Planning and Design Financing Program, the Trust would be authorized to make short-term or temporary loans for environmental planning and engineering design costs to (1) local government units to finance or refinance wastewater treatment system projects not included on the project priority list for the ensuing fiscal year or eligible for approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20), or (2) public water utilities or private persons to finance or refinance water supply projects not included on the project priority list for the ensuing fiscal year or eligible for approval pursuant

to section 24 of P.L.1997, c.224 (C.58:11B-20.1). The Planning and Design Financing Program would function without regard to any other provision of the Trust's enabling laws, P.L.1985, c.334 and P.L.1997, c.224, or any other administrative or legislative approvals.

As amended by the committee, this bill revises the Interim Financing Program pursuant to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9) to provide that any short-term or temporary loans made by the Trust as part of the program may be financed from any source of funds anticipated to be received by the Trust.

Lastly, as amended by the committee, this bill would allow the Trust, solely in the implementation of the Environmental Infrastructure Financing Program for 2009, to issue loans or grants using federal funds.

COMMITTEE AMENDMENTS:

The committee amendments to the bill:

1) provide that any short-term or temporary loans made by the Trust as part of the Interim Financing Program may be financed from any source of funds anticipated to be received by the Trust; and

2) allow the Trust, solely in the implementation of the Environmental Infrastructure Financing Program for 2009, to issue loans or grants using federal funds.

As amended by the committee, Senate Bill No. 2475 is identical to Assembly Bill No. 3589 (1R).

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 2475**

# **STATE OF NEW JERSEY**

DATED: MARCH 9, 2009

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2475 (1R).

The bill authorizes the New Jersey Environmental Infrastructure Trust (Trust) and the Department of Environmental Protection (DEP) to make incremental revisions or supplements to the environmental infrastructure project priority lists submitted to the Legislature, and authorizes the Trust to create a "Planning and Design Financing Program."

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