

58:11B-6

**LEGISLATIVE HISTORY CHECKLIST**  
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(Wastewater Treatment Trust--  
suspend Dept. ceiling for one year)

**NJSA:** 58:11B-6

**LAWS OF:** 1993 **CHAPTER:** 194

**BILL NO:** A2804

**SPONSOR(S)** Azzolina

**DATE INTRODUCED:** June 17, 1993

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

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:** **ASSEMBLY:** June 21, 1993  
**SENATE:** June 21, 1993

**DATE OF APPROVAL:** July 22, 1993

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes

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

**FISCAL NOTE:** No

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

**REPORTS:** No

**HEARINGS:** No

See newspaper clipping--attached.

"Gov. Florio signs 2 bills for finance utilities projects," 7-23-93, Home News."

"Florio OKs sewer funds, doubts foes' judgement," 7-23-93, Asbury park Press.

KBG:pp

1 AN ACT concerning the bonded indebtedness of the New Jersey  
2 Wastewater Treatment Trust, and amending P.L.1985, c.334.

3

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

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

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

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

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

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 obligations be secured by a trust indenture between the trust and  
2 a trustee, vesting in the trustee any property, rights, powers and  
3 duties in trust consistent with the provisions of [this act]  
4 P.L.1985, c.334 (C.58:11B-1 et seq.) as the trust may determine.

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

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

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

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

1 notes or other obligations.

2 g. The aggregate principal amount of bonds, notes or other  
3 obligations, including subordinated indebtedness of the trust, shall  
4 not exceed \$600,000,000.00, except that, for the purpose of  
5 implementing the Fiscal Year 1994 Financial Plan as approved by  
6 the Legislature pursuant to SCR No. 118 of 1993 and ACR No.  
7 138 of 1993, the trust may exceed the foregoing limitations. In  
8 computing the foregoing limitations there shall be excluded all  
9 the bonds, notes or other obligations, including subordinated  
10 indebtedness of the trust, which shall be issued for refunding  
11 purposes, whenever the refunding shall be determined to result in  
12 a debt service savings, as hereinafter provided:

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

23 (2) The Joint Appropriations Committee's Subcommittee on  
24 Transfers shall have the authority to approve or disapprove the  
25 sales of refunding bonds as included in each report submitted in  
26 accordance with paragraph (1) of this subsection. The  
27 subcommittee shall notify the trust in writing of the approval or  
28 disapproval as expeditiously as possible.

29 (3) No refunding bonds shall be issued unless the report has  
30 been submitted to and approved by the Joint Appropriations  
31 Committee's Subcommittee on Transfers as set forth in  
32 paragraphs (1) and (2) of this subsection.

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

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

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

51 (1) Pledge of revenues and other receipts to be derived from  
52 the payment of the interest on and principal of notes, bonds or  
53 other obligations issued to the trust by one or more local  
54 government units, and any other payment made to the trust

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

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

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

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

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

22 i. The trust shall not issue any bonds, notes or other  
23 obligations, or otherwise incur any additional indebtedness, on or  
24 after [20 years from the effective date of this act] November 5,  
25 2005.

26 (cf: P.L.1985, c.336, s.1)

27 2. This act shall take effect immediately.

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#### STATEMENT

31

32 This bill would suspend for one year the debt ceiling established  
33 under P.L.1985, c.334, which limits the aggregate principal  
34 amount of bonded indebtedness, including subordinated  
35 indebtedness, that the New Jersey Wastewater Treatment Trust  
36 may incur to \$600,000,000.00.

37 Specifically, this bill would authorize the Trust to incur bonded  
38 indebtedness in excess of the current debt ceiling in order to  
39 implement the Trust's Fiscal Year 1994 Financial Plan as  
40 approved by the Legislature pursuant to SCR No. 118 of 1993 and  
41 ACR No. 138, and as embodied in Senate Bill Nos. 1930 and 1926  
42 of 1993 and Assembly Bill Nos. 2614 and 2615 of 1993. Under the  
43 Fiscal Year 1994 Financial Plan, the Trust and the Department of  
44 Environmental Protection would make loans to local governments  
45 for the construction of eligible wastewater treatment system  
46 projects.

47 Senate Bill No. 1930 of 1993 and Assembly Bill No. 2614 of  
48 1993 would authorize the New Jersey Wastewater Treatment  
49 Trust to expend up to \$75,000,000, and any unexpended balances  
50 from the authorizations made by P.L.1988, c.132, P.L.1989,  
51 c.190, P.L.1990, c.97, P.L.1991, c.324 and P.L.1992, c.37 to  
52 provide loans with an interest rate at or below the prevailing  
53 market rate to local government units for up to 50% of the costs  
54 of eligible wastewater treatment system projects. The eligible

1 projects are those included in the "State Fiscal Year 1994 Project  
2 Priority List" and nine projects that received loans in the past  
3 and each of which now require a supplemental loan in order to  
4 meet actual costs.

5 A companion bill (Senate Bill No. 1926 of 1993 and Assembly  
6 Bill No. 2615 of 1993) would appropriate up to \$120,000,000 in  
7 federal moneys received pursuant to the federal "Water Quality  
8 Act of 1987," and from fees and penalties from the federal  
9 "Marine Protection, Research and Sanctuaries Act of 1972," to  
10 the Department of Environmental Protection. The department is  
11 to use these moneys to provide zero interest loans to local  
12 governments for the remaining 50% of eligible project costs or  
13 for the supplemental costs of nine existing projects. These bills  
14 together provide loan financing for 100% of the eligible cost of a  
15 wastewater treatment system project: one-half of the loan  
16 amount from the Trust with interest at or below the prevailing  
17 market rate and one-half from a zero interest loan from the  
18 department.

19 By suspending for one year the debt ceiling imposed by  
20 P.L.1985, c.334, this bill would permit the Trust to issue bonds in  
21 order to implement the Fiscal Year 1994 Financial Plan.

22

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24

25

26 Suspend for one year the debt ceiling on the amount of bonded  
27 indebtedness that the New Jersey Wastewater Treatment Trust  
28 may incur.

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

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DATE: \_\_\_\_\_

- Asbury Park Press  
 Courier-Post  
 Home News  
 New York Times

- Philadelphia Inquirer  
 The Press  
 The Record

- Star-Ledger  
 Trenton Times  
 The Trentonian

## Blue Cross decides to sell five bare-bones policies

*The Associated Press*

TRENTON — Facing pressure from legislators, Blue Cross and Blue Shield of New Jersey reversed itself yesterday and decided to offer five newly designed policies for people who buy their own insurance.

John Petillo, president and chief executive of the Blues, said the decision was made after discussions with Sen. Louis Bassano, R-Union, and Assemblyman Nicholas Felice, R-Bergen.

Legislators and consumer activists had criticized the Blues for only planning to offer a health maintenance organization-type policy, HMO Blue, which restricts customers to using a preapproved network of doctors and hospitals.

Prices for the comprehensive HMO coverage range from \$3,140 a year for individuals to \$8,415 for families.

A law passed in November designed to open up the health-insurance market to the more than 800,000 uninsured state residents, called for five standard traditional policies to be developed and marketed by Aug. 1, including a "bare bones" policy.

The bare-bones plan, which experts said should cost between \$1,000 and \$1,300, would offer 30 days of hospitalization per admission with a \$1,000 deductible and 20 percent copayment. Patients also would have to pay half the cost of doctors' visits.

The Blues, the largest insurer of individuals with more than 200,000 customers, decided not to market any of the five plans.

Instead, the company said it planned to steer all existing customers into managed-care policies, in which patients would have to pay more for using providers outside the Blues' network of 5,000 doctors and 56 hospitals.

## Gov. Florio signs two bills to finance utilities' projects

By JOHN McKEEGAN  
*Home News Trenton Bureau*

TRENTON — Gov. Jim Florio yesterday signed two bills that offer cheap loans for upgrading water and sewer systems across the state, including those in Middlesex County.

The first bill allocates up to \$75 million from the New Jersey Wastewater Treatment Trust Fund to loan money at low interest to local governments. The second bill spends up to \$120 million to provide zero-interest loans to towns and counties.

The two funds will be combined so that half the money for each of the 21 projects comes from low-interest loans and half from zero-interest loans, said Janice Newman, a communications specialist with the Department of Environmental Protection and En-

ergy.

The Middlesex County Utilities Authority, the Old Bridge Utilities Authority, and Manville Borough are among the entities that will receive loans. The MUA project is expected to cost \$14.2 million, the Old Bridge project \$2 million and the Manville project \$1.3 million.

"We're getting rid of old oxygenation equipment in our oxygenation tanks that have been there since the beginning of time," said Helen Petit, administrative coordinator for the MUA.

The money also will help install odor-control systems on the sludge-thickening tanks, she said.

Newman said the Old Bridge and Manville projects both involve the rehabilitation of old sewer collection systems that have cracked and broken lines.

- Asbury Park Press  
 Courier-Post  
 Home News  
 New York Times

- Philadelphia Inquirer  
 The Press  
 The Record

- Star-Ledger  
 Trenton Times  
 The Trentonian

# Florio OKs sewer funds, doubts foe's judgment

By MARK J. MAGYAR  
 PRESS STATEHOUSE BUREAU

LONG BRANCH — Surrounded by more bathing suits than business suits, Gov. Florio yesterday signed legislation to provide \$195 million for wastewater treatment projects, then sharply criticized his Republican opponent for hiring the creator of the infamous Willie Horton ad.

"Clean water means jobs — good jobs for men and women all across our state, in everything from tourism that depends on a sparkling ocean, to such water-intensive industries as pharmaceuticals and food processing," Florio said.

The ceremony took place on the boardwalk in Seven Presidents Park, overlooking a crowded beach the governor chose to symbolize the state's \$18 billion tourism industry.

Florio signed two bills sponsored by Sen. Joseph Azolina, R-Monmouth, Assemblywoman Joann Smith, R-Middlesex, and other Republicans that will provide \$195 million to pay the full costs of upgrading wastewater treatment.

Among the projects receiving funding are the Bayshore Regional Sewerage Authority, Union Beach, \$13,894,614; Wall Township, \$6,588,135; the Old Bridge Municipal Utilities Authority, \$2,047,730; and the Middlesex County Utilities Authority, \$14,268,754.

Florio accepted a yellow lifeguard shirt from Michael Fowler of Neptune, the park's lifeguard supervisor, and stopped for a roast beef sub at Faccone's West End Sub Shop, whose owners are vocal supporters.

As he has increasingly in recent

months, Florio combined government business with politics, traveling to both Long Branch and Morris County to sign legislation that two years ago he might very well have handled at his desk in Trenton.

"Jim Florio's been using the power of the incumbency to conduct his campaign," noted Carl Golden, press secretary for his GOP rival, Christine Todd Whitman.

"Every bill signing is now a public event. Every allocation of money is now a public check presentation. But that's no surprise," said Golden, who watched GOP Gov. Thomas H. Kean do the same thing in his 1988 race when he was Kean's press secretary.

The governor used his impromptu press conference to attack Whitman's hiring of Larry McCarthy, the media consultant who made the 1988 Willie Horton commercial for George Bush's presidential campaign.

McCarthy was appointed Tuesday but resigned Wednesday after New Jersey black leaders complained about the ad, which many considered racist. Several sources said yesterday that the Whitman campaign let McCarthy know he should leave.

"If someone (Whitman) doesn't understand the significance of Willie Horton as a metaphor for insensitivity and a philosophic propensity to divide people, rather than bring people together," Florio said, it raises questions about her ability to lead the state.

Sweeping his hand over the racial and ethnic mix of bathers on the Long Branch beach, Florio said "the Willie Horton sense of values is the very opposite of what people want. It's colorally insensitive."

Whitman said Wednesday she thought Roger Ailes was more responsible for the ads, which lambasted Bush's opponent, former Massachusetts Gov. Michael Dukakis for allowing a black rapist — Horton — out on

furlough, after which he committed a murder.

McCarthy said he, not Ailes, did the controversial Willie Horton ad, and Jon Kraushaar of Ailes Communications Inc., New York, said the "revolving door" prison furlough ad that Ailes did never mentioned Horton at all.

Whitman doubted the hiring would be a major issue for voters in November.

Whitman, who campaigned in Bergen County last night, is leaving this weekend on a nine-day mountain bike vacation in Idaho with her husband and two teenagers.

Jo Astrid Glading, Florio's campaign spokeswoman, celebrated the Whitman's vacation by putting a tape of the B-52's song "Private Idaho" on the campaign's radio phone line. The song ends, "Get out, out, out/ Get out of that state/ Get out of that state/ You're living in your own private Idaho."