

FLOOR AMENDMENT STATEMENT:

Yes

LEGISLATIVE FISCAL ESTIMATE:

Yes

August 4, 2016
October 13, 2016

VETO MESSAGE:

No

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

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REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

Yes

"Christie signs TTF bill; gas tax to rise 23 cents on Nov. 1," NJBIZ, October 14, 2016

"Christie signs 23-cent gas tax hike into law, lifts transportation project shutdown," Burlington County Times, October 14, 2016

"Christie signs bill raising N.J. gas tax 23 cents a gallon," nj.com, October 14, 2016

"New Jersey Governor Christie signs gas tax hike, restarts halted transportation projects," The New York Times, October 14, 2016

"New Jersey gas tax up 23 cents, from US' 49th highest to 6th," The New York Times, October 14, 2016

"N.J. gas tax to rise 23 cents a gallon on Nov. 1," Philadelphia Inquirer, October 14, 2016

"Gov. Christie signs 23 cent gas hike into law that will take effect Nov. 1," The Trentonian, October 14, 2016

RWH/CL

§8 - C.27:1B-22.5
Title 58.
Chapter 11B. (Rename)
Infrastructure Trust.
§§27,39-40 -
C.58:11B-10.3 to
58:11B-10.5
§41 - C.58:11B-20.2
§§42-43 -
C.58:11B-22.3 &
58:11B-22.4
§44 - Repealer
§46 - Note

P.L.2016, CHAPTER 56, *approved October 14, 2016*
Assembly, No. 10 (*Fourth Reprint*)

1 **AN ACT** concerning the financing and construction of transportation
2 infrastructure in the State and amending various parts of the
3 statutory law, supplementing Title 27 and 58 of the Revised
4 Statutes, and repealing P.L.1997, c.142.

5

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

8

9 1. Section 3 of P.L.1984, c.73 (C.27:1B-3) is amended to read
10 as follows:

11 3. The following words or terms as used in this act shall have
12 the following meaning unless a different meaning clearly appears
13 from the context:

14 **[a.]** "Act" means this New Jersey Transportation Trust Fund
15 Authority Act of 1984 as amended and supplemented.

16 **[b.]** "Authority" means the New Jersey Transportation Trust
17 Fund Authority created by section 4 of this act.

18 **[c.]** "Bonds" means bonds issued by the authority pursuant to
19 the act and includes prior bonds and transportation program bonds.

20 "Circle of Mobility" means an essential group of related transit
21 projects that include (1) the New Jersey Urban Core Project, as
22 defined in section 3031 of the "Intermodal Surface Transportation
23 Efficiency Act of 1991," Pub.L.102-240, and consisting of the
24 following elements: Secaucus Transfer, Kearny Connection,
25 Waterfront Connection, Northeast Corridor Signal System, Hudson
26 River Waterfront Transportation System, Newark-Newark
27 International Airport-Elizabeth Transit Link, a rail connection
28 between Penn Station Newark and Broad Street Station, Newark,
29 New York Penn Station Concourse, and the equipment needed to
30 operate revenue service associated with improvements made by the
31 project, and (2) the modification and reconstruction of the West
32 Shore Line in Bergen County connected to Allied

1 Junction/Secaucus Transfer Meadowlands Rail Center; the
2 construction of a rail station and associated components at the
3 Meadowlands Sports Complex; the modification and reconstruction
4 of the Susquehanna and Western Railway, as defined and provided
5 in section 3035 (a) of the "Intermodal Surface Transportation
6 Efficiency Act of 1991"; the modification and reconstruction of the
7 Lackawanna Cutoff Commuter Rail Line connecting Morris, Sussex
8 and Warren Counties to the North Jersey Transportation Rail
9 Centers; and commuter rail service in the central New Jersey region
10 terminating at the proposed Lakewood Transportation Center in
11 Ocean County or other location, as determined by the Board of the
12 New Jersey Transit Corporation, pursuant to a resolution of the
13 board providing for the achievement of a consensus among the
14 interested parties as to the direction of the proposed rail line;
15 provided, however, that this 2000 amendatory act shall not be
16 construed as affecting any priorities which may have been assigned
17 to any other project in the Circle of Mobility.

18 **[d.]** "Commissioner" means the Commissioner of
19 Transportation.

20 **[e.]** "Department" means the Department of Transportation.

21 **[f.]** "Federal aid highway" means any highway within the State
22 in connection with which the State receives payment or
23 reimbursement from the federal government under the terms of
24 Title 23, United States Code or any amendment, successor, or
25 replacement thereof, for the purposes contained in the act.

26 **[g.]** "Federal government" means the United States of America,
27 and any **[officer]** office, department, board, commission, bureau,
28 division, corporation, agency, or instrumentality thereof.

29 **[h.]** "South Jersey Transportation Authority" means the public
30 corporation created by section 4 of P.L.1991, c.252 (C.27:25A-4) or
31 its successor.

32 **i.]** "New Jersey Highway Authority" means the public
33 corporation created by section 4 of P.L.1952, c.16 (C.27:12B-4) or
34 its successor.

35 **[j.]** "New Jersey Turnpike Authority" means the public
36 corporation created by section 3 of P.L.1948, c.454 (C.27:23-3) or
37 its successor.

38 **[k.]** "Notes" means the notes issued by the authority pursuant to
39 the act.

40 "Permitted maintenance" means, in relation to public
41 transportation projects and transportation projects, direct costs of
42 work necessary for preserving or maintaining the useful life of
43 public transportation projects and transportation projects,
44 respectively, provided the work performed is associated with the
45 acquisition, installation, and rehabilitation of components which are
46 not included in the normal operating maintenance of equipment and
47 facilities or replaced on a scheduled basis. The work shall ensure
48 the useful life of the public transportation project or transportation

1 project for not less than five years and shall not include routine
2 maintenance or inspection of equipment and facilities that is
3 conducted on a scheduled basis. This definition shall not apply to
4 the term "maintenance" as used in the definition of "public
5 highways." In relation to public highways, "permitted maintenance"
6 means the direct costs of work necessary for preserving or
7 maintaining the useful life of public highways, provided the work is
8 not associated with the regular and routine maintenance of public
9 highways and their components. The work shall ensure the useful
10 life of the transportation project for not less than five years.

11 "Prior bonds" means bonds issued pursuant to the authorization
12 contained in P.L.1995, c.108 and P.L.2006, c.3 and any bonds
13 issued to refund such prior bonds.

14 **[l.]** "Public highways" means public roads, streets, expressways,
15 freeways, parkways, motorways and boulevards, including bridges,
16 tunnels, overpasses, underpasses, interchanges, rest areas, express
17 bus roadways, bus pullouts and turnarounds, park-ride facilities,
18 traffic circles, grade separations, traffic control devices, the
19 elimination or improvement of crossings of railroads and highways,
20 whether at grade or not at grade, bicycle and pedestrian pathways
21 and pedestrian and bicycle bridges traversing public highways and
22 any facilities, equipment, property, rights of way, easements and
23 interests therein needed for the construction, improvement, and
24 maintenance of highways.

25 **[m.]** "Public transportation project" means, in connection with
26 public transportation service, passenger stations, shelters and
27 terminals, automobile parking facilities, ferries and ferry facilities,
28 including capital projects for ferry terminals, approach roadways,
29 pedestrian accommodations, parking, docks, and other necessary
30 land-side improvements, ramps, track connections, signal systems,
31 power systems, information and communication systems, roadbeds,
32 transit lanes or rights of way, equipment storage, pedestrian
33 walkways and bridges connecting to passenger stations and
34 servicing facilities, bridges, grade crossings, rail cars, locomotives,
35 motorbuses and other motor vehicles, maintenance and garage
36 facilities, revenue handling equipment and any other equipment,
37 facility, or property useful for or related to the provision of public
38 transportation service.

39 "South Jersey Transportation Authority" means the public
40 corporation created by section 4 of P.L.1991, c.252 (C.27:25A-4) or
41 its successor.

42 **[n.]** "State agency" means any **[officer]** office, department,
43 board, commission, bureau, division, agency, or instrumentality of
44 the State.

45 **[o.]** "Toll road authorities" means and includes the New Jersey
46 Turnpike Authority, the New Jersey Highway Authority, or its
47 successor, and the South Jersey Transportation Authority.

1 "Transportation program bonds" means bonds issued pursuant to
2 the authorization contained in P.L.2012, c.13, P.L. , c. (pending
3 before the Legislature as this bill), and any bonds issued to refund
4 such transportation program bonds.

5 **【p.】** "Transportation project" means, in addition to public
6 highways and public transportation projects, any equipment, facility
7 or property useful or related to the provision of any ground,
8 waterborne, or air transportation for the movement of people and
9 goods including rail freight infrastructure, which equipment,
10 facility, or property may be acquired by purchase or lease.

11 **【q.】** "Transportation system" means public highways, public
12 transportation projects, other transportation projects, and all other
13 surface, airborne, and waterborne methods of transportation for the
14 movement of people and goods.

15 **【r.】** "Permitted maintenance" means, in relation to public
16 transportation projects, direct costs of work necessary for
17 preserving or maintaining the useful life of public transportation
18 projects, provided the work performed is associated with the
19 acquisition, installation and rehabilitation of components which are
20 not included in the normal operating maintenance of equipment and
21 facilities or replaced on a scheduled basis. The work shall ensure
22 the useful life of the project for not less than five years and shall not
23 include routine maintenance or inspection of equipment and
24 facilities that is conducted on a scheduled basis. This definition
25 shall not apply to the term "maintenance" as used in subsection l. of
26 this section. For purposes of this subsection, "permitted
27 maintenance" means, in relation to public highways, the direct costs
28 of work necessary for preserving or maintaining the useful life of
29 public highways, provided the work is not associated with the
30 regular and routine maintenance of public highways and their
31 components. The work shall ensure the useful life of the project for
32 not less than five years.

33 s. "Circle of Mobility" means an essential group of related transit
34 projects that include (1) the New Jersey Urban Core Project, as
35 defined in section 3031 of the "Intermodal Surface Transportation
36 Efficiency Act of 1991," Pub.L.102-240, and consisting of the
37 following elements: Secaucus Transfer, Kearny Connection,
38 Waterfront Connection, Northeast Corridor Signal System, Hudson
39 River Waterfront Transportation System, Newark-Newark
40 International Airport-Elizabeth Transit Link, a rail connection
41 between Penn Station Newark and Broad Street Station, Newark,
42 New York Penn Station Concourse, and the equipment needed to
43 operate revenue service associated with improvements made by the
44 project, and (2) the modification and reconstruction of the West
45 Shore Line in Bergen County connected to Allied
46 Junction/Secaucus Transfer Meadowlands Rail Center; the
47 construction of a rail station and associated components at the
48 Meadowlands Sports Complex; the modification and reconstruction

1 of the Susquehanna and Western Railway, as defined and provided
2 in section 3035 (a) of the "Intermodal Surface Transportation
3 Efficiency Act of 1991"; the modification and reconstruction of the
4 Lackawanna Cutoff Commuter Rail Line connecting Morris, Sussex
5 and Warren Counties to the North Jersey Transportation Rail
6 Centers; and commuter rail service in the central New Jersey region
7 terminating at the proposed Lakewood Transportation Center in
8 Ocean County or other location, as determined by the Board of the
9 New Jersey Transit Corporation, pursuant to a resolution of the
10 board providing for the achievement of a consensus among the
11 interested parties as to the direction of the proposed rail line;
12 provided, however, that this 2000 amendatory act shall not be
13 construed as affecting any priorities which may have been assigned
14 to any other project in the Circle of Mobility.

15 t. "Prior bonds" means bonds issued pursuant to the authorization
16 contained in P.L.1995, c.108 and P.L.2006, c.3 and any bonds
17 issued to refund such prior bonds.

18 u. "Transportation program bonds" means bonds issued pursuant
19 to the authorization contained in P.L.2012, c.13, and any bonds
20 issued to refund such transportation program bonds.】

21 (cf: P.L.2012, c.13, s.1)

22

23 2. Section 9 of P.L.1984, c.73 (C.27:1B-9) is amended to read as
24 follows:

25 9. a. The authority shall have the power and is hereby
26 authorized after November 15, 1984 and from time to time
27 thereafter to issue its bonds, notes or other obligations in principal
28 amounts as in the opinion of the authority shall be necessary to
29 provide for any of its corporate purposes, including the payment,
30 funding or refunding of the principal of, or interest or redemption
31 premiums on, any bonds, notes or other obligations issued by it,
32 whether the bonds, notes, obligations or interest to be funded or
33 refunded have or have not become due; and to provide for the
34 security thereof and for the establishment or increase of reserves to
35 secure or to pay the bonds, notes or other obligations or interest
36 thereon and all other reserves and all costs or expenses of the
37 authority incident to and necessary or convenient to carry out its
38 corporate purposes and powers; and in addition to its bonds, notes
39 and other obligations, the authority shall have the power to issue
40 subordinated indebtedness, which shall be subordinate in lien to the
41 lien of any or all of its bonds or notes. No resolution or other action
42 of the authority providing for the issuance of bonds, refunding
43 bonds, notes, or other obligations shall be adopted or otherwise
44 made effective by the authority without the prior approval in
45 writing of the Governor and the State Treasurer.

46 b. Except as may be otherwise expressly provided in the act or
47 by the authority:

1 (1) Every issue of bonds or notes shall be general obligations
2 payable out of any revenues or funds of the authority, subject only
3 to any agreements with the holders of particular bonds or notes
4 pledging any particular revenues or funds. The authority may
5 provide the security and payment provisions for its bonds or notes
6 as it may determine, including (without limiting the generality of
7 the foregoing) bonds or notes as to which the principal and interest
8 are payable from and secured by all or any portion of the revenues
9 of and payments to the authority, and other moneys or funds as the
10 authority shall determine, provided that for transportation program
11 bonds or notes issued in anticipation of such transportation program
12 bonds, only revenues dedicated pursuant to the New Jersey
13 Constitution, including Article VIII, Section II, paragraph 4, and
14 deposited into the "Transportation Trust Fund Account -
15 Subaccount for Debt Service for Transportation Program Bonds,"
16 may be used for such payment;

17 (2) In addition, the authority may issue notes, in anticipation of
18 the issuance of the bonds, provided that the issuance of such notes
19 shall be subject to the bonding limitations as provided in subsection
20 i. of this section, and the payment of such notes if issued in
21 anticipation of the issuance of transportation program bonds shall
22 be paid solely from revenues dedicated pursuant to the New Jersey
23 Constitution, including Article VIII, Section II, paragraph 4, and
24 deposited into the "Transportation Trust Fund Account -
25 Subaccount for Debt Service for Transportation Program Bonds."
26 The authority may also issue notes in anticipation of the receipt of
27 appropriations, grants, reimbursements or other funds, including
28 without limitation grants from the federal government for federal
29 aid highways or public transportation systems, the principal of or
30 interest on which, or both, shall be payable out of the proceeds of
31 appropriations, grants, reimbursements or other funds, including
32 without limitation grants from the federal government for federal
33 aid highways or public transportation systems. Such notes shall not
34 be subject to the bonding limitations as provided in subsection i. of
35 this section; and

36 (3) The authority may also enter into bank loan agreements,
37 lines of credit and other security agreements as authorized pursuant
38 to subsection h. of section 6 of P.L.1984, c.73 (C.27:1B-6) and
39 obtain for or on its behalf letters of credit in each case for the
40 purpose of securing its bonds, notes or other obligations or to
41 provide direct payment of any costs which the authority is
42 authorized to pay by this act and to secure repayment of any
43 borrowings under the loan agreement, line of credit, letter of credit
44 or other security agreement by its bonds, notes or other obligations
45 or the proceeds thereof or by any or all of the revenues of and
46 payments to the authority or by any appropriation, grant or
47 reimbursement to be received by the authority and other moneys or
48 funds as the authority shall determine, provided that for any such

1 agreements entered into in connection with transportation program
2 bonds issued pursuant to the authorization contained in subsection i.
3 of this section, or notes issued in anticipation of such transportation
4 program bonds, only revenues dedicated pursuant to the New Jersey
5 Constitution, including Article VIII, Section II, paragraph 4, and
6 deposited into the "Transportation Trust Fund Account -
7 Subaccount for Debt Service for Transportation Program Bonds,"
8 may be used for such payment.

9 c. Whether or not the bonds and notes are of the form and
10 character as to be negotiable instruments under the terms of Title
11 12A, Commercial Transactions, New Jersey Statutes, the bonds and
12 notes are hereby made negotiable instruments within the meaning of
13 and for all the purposes of Title 12A of the New Jersey Statutes.

14 d. Bonds or notes of the authority shall be authorized by a
15 resolution or resolutions of the authority and may be issued in one
16 or more series and shall bear the date, or dates, mature at the time
17 or times, bear interest at the rate or rates of interest per annum, be
18 in the denomination or denominations, be in the form, carry the
19 conversion or registration privileges, have the rank or priority, be
20 executed in the manner, be payable from the sources, in the medium
21 of payment, at the place or places within or without the State, and
22 be subject to the terms of redemption (with or without premium) as
23 the resolution or resolutions may provide. Bonds or notes may be
24 further secured by a trust indenture between the authority and a
25 corporate trustee within or without the State. All other obligations
26 of the authority shall be authorized by resolution containing terms
27 and conditions as the authority shall determine.

28 e. Bonds, notes or other obligations of the authority may be
29 sold at public or private sale at a price or prices and in a manner as
30 the authority shall determine, either on a negotiated or on a
31 competitive basis. Every bond, or refunding bond, issued on or
32 after the effective date of P.L.2006, c.3 (C.27:1B-22.2 et al.) shall
33 mature and be paid no later than 31 years from the date of the
34 issuance of that bond or refunding bond.

35 f. Bonds or notes may be issued and other obligations incurred
36 under the provisions of the act without obtaining the consent of any
37 department, division, commission, board, bureau or agency of the
38 State, other than the approval as required by subsection a. of this
39 section, and without any other proceedings or the happening of any
40 other conditions or other things than those proceedings, conditions
41 or things which are specifically required by the act.

42 g. Bonds, notes and other obligations of the authority issued or
43 incurred under the provisions of the act shall not be in any way a
44 debt or liability of the State or of any political subdivision thereof
45 other than the authority and shall not create or constitute any
46 indebtedness, liability or obligation of the State or of any political
47 subdivision or be or constitute a pledge of the faith and credit of the
48 State or of any political subdivision, but all bonds, notes and

1 obligations, unless funded or refunded by bonds, notes or other
2 obligations of the authority, shall be payable solely from revenues
3 or funds pledged or available for their payment as authorized in the
4 act. Each bond, note or other obligation shall contain on its face a
5 statement to the effect that the authority is obligated to pay the
6 principal thereof or the interest thereon only from revenues or funds
7 of the authority, and for transportation program bonds and
8 agreements securing such transportation program bonds only from
9 revenues dedicated pursuant to the New Jersey Constitution,
10 including Article VIII, Section II, paragraph 4, and deposited into
11 the "Transportation Trust Fund Account - Subaccount for Debt
12 Service for Transportation Program Bonds," and that neither the
13 State nor any political subdivision thereof is obligated to pay the
14 principal or interest and that neither the faith and credit nor the
15 taxing power of the State or any political subdivision thereof is
16 pledged to the payment of the principal of or the interest on the
17 bonds, notes or other obligations. For the purposes of this
18 subsection, political subdivision does not include the authority.

19 h. All expenses incurred in carrying out the provisions of the
20 act shall be payable solely from the revenues or funds provided or
21 to be provided under or pursuant to the provisions of the act and
22 nothing in the act shall be construed to authorize the authority to
23 incur any indebtedness or liability on behalf of or payable by the
24 State or any political subdivision thereof.

25 i. **【**The authority shall minimize debt incurrence by first
26 relying on appropriations and other revenues available to the
27 authority before incurring debt secured by State revenues to meet its
28 statutory purposes.**】** Commencing with the fiscal year beginning
29 July 1, 1995 and ending within the fiscal year beginning July 1,
30 2005, the authority shall not incur debt in any fiscal year in excess
31 of \$650,000,000, except that if that permitted amount of debt, or
32 any portion thereof, is not incurred in a fiscal year it may be
33 incurred in a subsequent fiscal year. Commencing with the fiscal
34 year beginning July 1, 2006 and ending with the fiscal year
35 beginning on July 1, 2010, the authority shall not incur debt for any
36 fiscal year in excess of \$1,600,000,000, reduced in each of those
37 fiscal years by the amount by which the appropriation of State funds
38 to the Transportation Trust Fund Account for that fiscal year shall
39 exceed \$895,000,000; provided, however, that if a portion of that
40 permitted amount of debt, less any reduction as provided above, is
41 not incurred in a fiscal year, an amount not greater than the unused
42 portion may be incurred in a subsequent fiscal year in addition to
43 the amount otherwise permitted. Debt permitted for the fiscal year
44 beginning July 1, 2006 may be incurred prior to July 1, 2006. The
45 authority shall not issue transportation program bonds in excess of
46 \$1,247,000,000 for the fiscal year beginning July 1, 2012, in excess
47 of \$849,200,000 for the fiscal year beginning July 1, 2013, in
48 excess of \$735,300,000 for the fiscal year beginning July 1, 2014,

1 and in excess of \$626,800,000 for the fiscal year beginning July 1,
2 2015, except that (1) if that permitted amount of transportation
3 program bonds, or any portion thereof, is not incurred in a fiscal
4 year, it may be issued in a subsequent fiscal year and (2) 30 percent
5 of the permitted amount of transportation program bonds for a fiscal
6 year may be issued in the fiscal year preceding such fiscal year
7 provided that (a) any transportation program bonds issued pursuant
8 to this paragraph shall be deducted from the authorization for the
9 fiscal year from which it was taken, and (b) the proceeds of any
10 such transportation program bonds shall not be encumbered until
11 the fiscal year from which the deduction of the authorization was
12 taken pursuant to this paragraph. Transportation program bonds
13 authorized to be issued for the fiscal year beginning July 1, 2012
14 may be issued prior to July 1, 2012. Commencing on the day that
15 Assembly Concurrent Resolution No.1 of 2015, a constitutional
16 amendment to Article VIII, section II, paragraph 4 of the New
17 Jersey Constitution, takes effect, and ending June 30, ²[2026]
18 2024², the authority shall not issue transportation program bonds in
19 excess of ²[\$15,000,000,000] \$12,000,000,000². Any increase in
20 this limitation shall only occur if so provided for by law. In
21 computing the foregoing limitation as to the amount of bonds the
22 authority may issue, the authority may exclude any bonds, notes or
23 other obligations, including subordinated obligations of the
24 authority, issued for refunding purposes; except that, any premiums
25 received in connection with the issuance of transportation program
26 bonds shall count against any limitation as to the amount of
27 transportation program bonds the authority may issue. The payment
28 of debt service on transportation program bonds and any
29 agreements issued in connection with such transportation program
30 bonds shall be paid solely from revenues dedicated pursuant to the
31 New Jersey Constitution, including Article VIII, Section II,
32 paragraph 4, and deposited into the "Transportation Trust Fund
33 Account - Subaccount for Debt Service for Transportation Program
34 Bonds."

35 j. Upon the decision by the authority to issue refunding bonds
36 pursuant to this section, and prior to the sale of those bonds, the
37 authority shall transmit to the Joint Budget Oversight Committee, or
38 its successor, a report that a decision has been made, reciting the
39 basis on which the decision was made, including an estimate of the
40 debt service savings to be achieved and the calculations upon which
41 the authority relied when making the decision to issue refunding
42 bonds. The report shall also disclose the intent of the authority to
43 issue and sell the refunding bonds at public or private sale and the
44 reasons therefor.

45 k. The Joint Budget Oversight Committee, or its successor,
46 shall have authority to approve or disapprove the sale of refunding
47 bonds as included in each report submitted in accordance with
48 subsection j. of this section. The committee shall approve or

1 disapprove the sale of refunding bonds within 10 business days
2 after physical receipt of the report. The committee shall notify the
3 authority in writing of the approval or disapproval as expeditiously
4 as possible.

5 l. No refunding bonds shall be issued unless the report has
6 been submitted to and approved by the Joint Budget Oversight
7 Committee, or its successor, as set forth in subsection k. of this
8 section.

9 m. Within 30 days after the sale of the refunding bonds, the
10 authority shall notify the Joint Budget Oversight Committee, or its
11 successor, of the result of that sale, including the prices and terms,
12 conditions and regulations concerning the refunding bonds, and the
13 actual amount of debt service savings to be realized as a result of
14 the sale of refunding bonds.

15 n. The Joint Budget Oversight Committee, or its successor,
16 shall, however, review all information and reports submitted in
17 accordance with this section and may, on its own initiative, make
18 observations and recommendations to the authority or to the
19 Legislature, or both, as it deems appropriate.

20 o. No refunding bonds shall be issued unless the authority shall
21 first determine that the present value of the aggregate principal of
22 and interest on the refunding bonds is less than the present value of
23 the aggregate principal of and interest on the outstanding bonds to
24 be refinanced, except that, for the purposes of this limitation,
25 present value shall be computed using a discount rate equal to the
26 yield of those refunding bonds, and yield shall be computed using
27 an actuarial method based upon a 360-day year with semiannual
28 compounding and upon the prices paid to the authority by the initial
29 purchasers of those refunding bonds.

30 (cf: P.L.2012, c.13, s.3)

31

32 3. Section 20 of P.L.1984, c.73 (C.27:1B-20) is amended to read
33 as follows:

34 20. There is hereby established in the General Fund an account
35 entitled "Transportation Trust Fund Account," which shall consist
36 of **[two]** three subaccounts entitled: "Transportation Trust Fund
37 Account - Subaccount for Debt Service for Prior Bonds," **[and]**
38 "Transportation Trust Fund Account - Subaccount for Debt Service
39 for Transportation Program Bonds," and "Transportation Trust
40 Fund Account - Subaccount for Capital Reserves." During the
41 fiscal year beginning July 1, 1984 and during each succeeding fiscal
42 year in which the authority has bonds, notes or other obligations
43 outstanding, the treasurer shall credit to the "Transportation Trust
44 Fund Account - Subaccount for Debt Service for Prior Bonds" a
45 portion of the revenues derived from the following, as determined
46 by the treasurer, and to the "Transportation Trust Fund Account -
47 Subaccount for Debt Service for Transportation Program Bonds"
48 and "Transportation Trust Fund Account - Subaccount for Capital

1 Reserves” only revenues dedicated pursuant to the New Jersey
2 Constitution, including Article VIII, Section II, paragraph 4, which
3 are also derived under subsection a. of this section and from the
4 petroleum products gross receipts and sales tax as set forth in
5 subsection d. of this section:

6 a. An amount equivalent to **[the]** all revenue derived from
7 **[\$0.105 per gallon from]** the collection of the tax imposed on the
8 sale of motor fuels pursuant to chapter 39 of Title 54 of the Revised
9 Statutes, as provided in Article VIII, Section II, paragraph 4 of the
10 State Constitution**],** provided, however, such amount during any
11 fiscal year shall not be less than \$483,000,000**];**

12 b. (Deleted by amendment, P.L.2000, c.73).

13 c. An amount equivalent to moneys received by the State in
14 accordance with contracts entered into with toll road authorities or
15 other State agencies, provided that effective with the fiscal year
16 beginning July 1, 1988 the amount so credited shall not be less than
17 **[\$24,500,000.00]** \$24,500,000 in any fiscal year.

18 The treasurer shall also credit to the "Transportation Trust Fund
19 Account - Subaccount for Debt Service for Prior Bonds," in
20 accordance with a contract between the treasurer and the authority,
21 an amount equivalent to the sum of the revenues due from the
22 increase of fees for motor vehicle registrations collected pursuant to
23 the amendment to R.S.39:3-20 made by section 32 of P.L.1984,
24 c.73 **[and from the increase in the tax on diesel fuels imposed**
25 **pursuant to the amendment to R.S.54:39-27 made by section 35 of**
26 **P.L.1984, c.73 and by P.L.1987, c.460, and as amended by section**
27 **18 of P.L.1992, c.23, and repealed by section 56 of P.L.2010, c.22**
28 **and now imposed pursuant to section 3 of P.L.2010, c.22 (C.54:39-**
29 **103)]** ²and from the increase in the tax on diesel fuels imposed
30 pursuant to the amendment to R.S.54:39-27 made by section 35 of
31 P.L.1984, c.73 and by P.L.1987, c.460, and as amended by section
32 18 of P.L.1992, c.23, and repealed by section 56 of P.L.2010, c.22
33 and now imposed pursuant to section 3 of P.L.2010, c.22 (C.54:39-
34 103)², provided that the total amount credited during the fiscal year
35 beginning July 1, 1984 shall not be less than **[\$20,000,000.00]**
36 \$20,000,000 and that the total amount credited during the fiscal
37 year beginning July 1, 1985 and during every fiscal year thereafter
38 shall not be less than **[\$30,000,000.00]** \$30,000,000.

39 In addition to the amounts credited to the account by this section,
40 commencing with the fiscal year beginning July 1, 1995 and every
41 fiscal year thereafter, there shall be appropriated from the General
42 Fund such additional amounts as are necessary to carry out the
43 provisions of this act and beginning July 1, 2000 the fees collected
44 pursuant to subsection a. of section 68 of P.L.1990, c.8 (C.17:33B-
45 63) shall be credited to the account for the purposes of this act,
46 provided, however, the amount credited from such fees during any
47 fiscal year shall not be less than \$60,000,000.

1 d. In addition to the amount credited in subsection a. of this
2 section ~~[,]~~; beginning January 1 following approval by the voters an
3 amount equivalent to the revenue derived from the tax imposed on
4 the sale of petroleum products pursuant to P.L.1990, c.42
5 (C.54:15B-1 et seq.), provided, however, such amount shall not be
6 less than \$100,000,000 in the period January 1 through June 30
7 following approval by the voters and shall not be less than
8 \$200,000,000 in any fiscal year through the fiscal year commencing
9 July 1, 2015; and in the fiscal year commencing July 1, 2016, an
10 amount equivalent to all revenue derived from the sale of petroleum
11 products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) and in
12 each year thereafter; and for the fiscal year commencing July 1,
13 2001 and for each fiscal year thereafter an amount equivalent to the
14 revenue derived from the tax imposed under the "Sales and Use Tax
15 Act," P.L.1966, c.30 (C.54:32B-1 et seq.) on the sale of new motor
16 vehicles, provided, however, that such amount shall not be less than
17 \$200,000,000 for the fiscal year commencing July 1, 2003 and for
18 each fiscal year thereafter, as provided in Article VIII, Section II,
19 paragraph 4 of the State Constitution.

20 No later than the fifth business day of the month following the
21 month in which a credit has been made, the treasurer shall pay to
22 the authority, for its purposes as provided herein, the amounts then
23 credited to the "Transportation Trust Fund Account - Subaccount
24 for Debt Service for Prior Bonds," ~~[and]~~ "Transportation Trust
25 Fund Account - Subaccount for Debt Service for Transportation
26 Program Bonds," and "Transportation Trust Fund Account -
27 Subaccount for Capital Reserves," provided that the payments to the
28 authority shall be subject to and dependent upon appropriations
29 being made from time to time by the Legislature of the amounts
30 thereof for the purposes of the act, and further provided that the
31 revenues deposited into the "Transportation Trust Fund Account -
32 Subaccount for Debt Service for Transportation Program Bonds"
33 and "Transportation Trust Fund Account - Subaccount for Capital
34 Reserves" shall consist solely of revenues which are dedicated
35 pursuant to the New Jersey Constitution, including Article VIII,
36 Section II, paragraph 4, and subsections a. and d. of this section.

37 ¹[Commencing with the fiscal year beginning July 1, 2018
38 through the fiscal year commencing July 1, 2025, of the amounts
39 credited from the tax imposed on the sale of petroleum products
40 pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) pursuant to this
41 subsection, any amount of revenue collected per year that exceeds
42 the amount collected in the fiscal year beginning July 1, 2017, shall
43 only be appropriated for: (1) expanding the State's mass transit
44 system; or (2) making payments on authority debt, and further
45 provided that an appropriation made pursuant to paragraph (1) shall
46 be in addition to the appropriations already provided for in the
47 State's appropriation for mass transit.]¹

1 In the event that the amount of appropriations and other revenues
2 made available to the authority are greater than the amount of
3 appropriations and other revenues needed to meet the statutory
4 purposes of the authority in a fiscal year, any of those additional
5 amounts, which are dedicated pursuant to the New Jersey
6 Constitution, including Article VIII, Section II, paragraph 4, and
7 subsections a. and d. of this section, may be deposited into the
8 “Transportation Trust Fund Account - Subaccount for Capital
9 Reserves.” Monies deposited in the “Transportation Trust Fund
10 Account - Subaccount for Capital Reserves” shall be held in reserve
11 as a means of ensuring the adequacy of funding to meet the future
12 statutory needs of the authority, and may be transferred to the other
13 subaccounts of the “Transportation Trust Fund Account” or to the
14 “Special Transportation Fund” through appropriation by the
15 Legislature for any statutory need of the authority.

16 (cf: P.L.2012, c.13, s.5)

17

18 4. Section 21 of P.L.1984, c.73 (C.27:1B-21) is amended to read
19 as follows:

20 21. a. There is hereby established a separate fund entitled
21 "Special Transportation Fund." This fund shall be maintained by the
22 State Treasurer and may be held in depositories as may be selected
23 by the treasurer and invested and reinvested as other funds in the
24 custody of the treasurer, in the manner provided by law. The
25 commissioner may from time to time (but not more frequently than
26 monthly) certify to the authority an amount necessary to fund
27 payments made, or anticipated to be made by or on behalf of the
28 department, from appropriations established for or made to the
29 department from revenues or other funds of the authority. The
30 commissioner's certification shall be deemed conclusive for
31 purposes of the act. The authority shall, within 15 days of receipt
32 of the certificate, transfer from available funds of the authority to
33 the treasurer for deposit in the Special Transportation Fund the
34 amount certified by the commissioner, provided that all funds
35 transferred shall only be expended by the department by project
36 pursuant to appropriations made from time to time by the
37 Legislature for the purposes of the act.

38 b. The department shall not expend any money except as
39 appropriated by law. Commencing with appropriations for the
40 fiscal years beginning on July 1, 1988, the department shall not
41 expend any funds, other than for permitted maintenance, except as
42 are appropriated by specific projects identified by a description of
43 the projects, the county or counties within which they are located,
44 and amounts to be expended on each project, in the annual
45 appropriations act. Funds expended for permitted maintenance may
46 be appropriated as one item of appropriation and subject to
47 allocation at the commissioner's discretion.

1 c. No funds appropriated, authorized, or expended pursuant to
2 this act shall be used to finance the resurfacing of highways by
3 department personnel, where that resurfacing would require the use
4 of more than 100,000 tons of bituminous concrete for that purpose
5 in any calendar year, except that the commissioner may waive this
6 provision when **[he]** the commissioner determines the existence of
7 emergency conditions requiring the use of department personnel for
8 the resurfacing of highways, after the department has effectively
9 reached the 100,000 ton limit.

10 d. In order to provide the department with flexibility in
11 administering the specific appropriations by project identified in the
12 annual appropriations act, the commissioner may transfer a part of
13 any item to any other item subject to the approval of the Director of
14 the Division of Budget and Accounting and of the Joint Budget
15 Oversight Committee or its successor. Upon approval of the
16 director and the committee, the transfer shall take effect.

17 e. Any federal funds which become available to the State for
18 transportation projects which have not been appropriated to the
19 department in the annual appropriations act, shall be deemed
20 appropriated to the department and may, subject to approval by the
21 Joint Budget Oversight Committee and the State Treasurer, be
22 expended for any purpose for which such funds are qualified.

23 f. There shall be no appropriations from the revenues and other
24 funds of the authority for regular and routine maintenance of public
25 highways and components thereof, or operational activities of the
26 department unrelated to the implementation of, and indirect costs
27 associated with, the capital program. The commissioner shall
28 include in his annual budget request sufficient funding to effectuate
29 the purposes of P.L.2000, c.73 (C.27:1B-21.14 et al.).

30 g. To the extent that salaries or overhead of the department or
31 the New Jersey Transit Corporation are charged to transportation
32 projects, each agency shall keep adequate and truthful personnel
33 records, and time charts to adequately justify each such charge, and
34 shall make those records available to the external auditor to the
35 authority.

36 h. The commissioner shall annually, on or before January 1 of
37 each fiscal year, report to the Governor and the Legislature how
38 much money was expended in the previous fiscal year for salaries
39 and overhead of the department and the New Jersey Transit
40 Corporation. However, the amount expended from the revenues
41 and other funds of the authority for salaries and overhead of the
42 department and the New Jersey Transit Corporation for the fiscal
43 year beginning July 1, 2006 **[and each fiscal year thereafter]**
44 through the fiscal year beginning July 1, 2015 shall not exceed 13
45 percent of the total funds appropriated from the revenues and other
46 nonfederal funds of the authority for those fiscal years, and shall
47 not exceed \$208,000,000 for the fiscal year beginning July 1, 2016
48 and each fiscal year thereafter.

1 i. No revenues or other funds of the authority shall be
2 expended for emergency response operations, the review of
3 applications for access permits under the State highway access
4 management code and membership fees or other fees connected
5 with membership in TRANSCOM, the Transportation Operations
6 Coordinating Committee.

7 j. Every project in which revenues or other funds of the
8 authority are expended shall be included on a website created by the
9 authority whose exclusive purpose shall be reporting on the status
10 of State and federal projects and serving as a singular location for
11 State and federal public documentation concerning those projects.
12 The website shall document the status of each project, presented in
13 tabular form outlining the budgeted amount, the amount spent and
14 committed, and the amount necessary to complete each project. The
15 website shall include a chart which compares the planned and actual
16 quarterly and cumulative expenditures for each project. The
17 website shall chronicle actions which have a bearing on the
18 progress of projects, including, but not limited to, awards for legal,
19 insurance, and engineering services, environmental review, public
20 involvement and outreach, property acquisitions, and construction
21 contracts. The website shall also include a description of any action
22 by an external regulatory agency such as the Department of
23 Environmental Protection, or any other party, which occurred
24 during the reporting period that affected the cost or timely
25 completion of any project in any manner. ²[If information]
26 Information² concerning ²[a] each² project ²[is not] shall be²
27 included and updated, at minimum, once per month ²[, then no
28 revenues or other funds of the authority may be expended upon that
29 project]².

30 k. There shall be a minimum appropriation from the revenues
31 and other funds of the authority of \$25,000,000 each fiscal year,
32 commencing with the fiscal year beginning July 1, 2016 for the
33 design, construction, reconstruction, rehabilitation, land acquisition,
34 and environmental mitigation of freight rail projects that: are
35 significant to port commerce connectivity; eliminate rail freight
36 missing links to port facilities; or upgrade freight rail trackage to a
37 286,000 pound load carrying capacity. The amount appropriated
38 pursuant to this subsection shall be inclusive of all amounts
39 annually appropriated for the New Jersey Rail Freight Assistance
40 Program.

41 (cf: P.L.2012, c.13, s.6)

42
43 5. Section 8 of P.L.1987, c.460 (C.27:1B-21.1) is amended to
44 read as follows:

45 8. a. Commencing with the **[report]** reports of the
46 commissioner, which shall include the Transportation Master Plan,
47 Statewide Capital Investment Strategy, Annual Transportation
48 Capital Program, Transportation Trust Fund Authority Financial

1 Plan, and Five-Year Capital Plan, as may be amended, required to
2 be submitted pursuant to section 22 of P.L.1984, c.73 (C.27:1B-22)
3 on or before March 1, 2006 and on each succeeding March 1
4 thereafter through March 1, 2015, the annual amount so reported by
5 the commissioner for proposed projects shall not exceed
6 \$1,600,000,000 exclusive of federal funds, and beginning with the
7 reports due March 1, 2016, and on each succeeding March
8 thereafter through March 1, ²[2025] 2023², the amount so reported
9 by the commissioner for proposed projects shall not exceed an
10 aggregate ²[\$20,000,000,000] \$16,000,000,000² over that ²[10]
11 eight² year period ¹[, plus any appropriations for mass transit
12 expansion from the additional annual amount of revenue derived
13 from the tax imposed on the sale of petroleum products pursuant to
14 P.L.1990, c.42 (C.54:15B-1 et seq.) which is greater than the
15 amount collected in the fiscal year beginning on July 1, 2017, and
16 not used for making payments on authority debt]¹.

17 b. For the fiscal year beginning on July 1, 2006 and for each
18 fiscal year thereafter through the fiscal year beginning on July 1,
19 2011, the total annual amount authorized to be appropriated from
20 the revenues and other nonfederal funds of the New Jersey
21 Transportation Trust Fund Authority for the projects listed in the
22 appropriations act pursuant to section 21 of P.L.1984, c.73
23 (C.27:1B-21) shall not exceed \$1,600,000,000, all amounts
24 exclusive of federal funds. The total amount authorized to be
25 appropriated from the revenues and other nonfederal funds of the
26 New Jersey Transportation Trust Fund Authority for the projects
27 listed in the appropriations act pursuant to section 21 of P.L.1984,
28 c.73 (C.27:1B-21) shall not exceed: \$1,247,000,000 for the fiscal
29 year beginning on July 1, 2012; \$1,224,000,000 for the fiscal year
30 beginning on July 1, 2013; \$1,225,000,000 for the fiscal year
31 beginning on July 1, 2014; and \$1,247,000,000 for the fiscal year
32 beginning on July 1, 2015. The total amount authorized to be
33 appropriated from the revenues and other nonfederal funds of the
34 New Jersey Transportation Trust Fund Authority for the projects
35 listed in the appropriations act pursuant to section 21 of P.L.1984,
36 c.73 (C.27:1B-21) shall not exceed an aggregate
37 ²[\$20,000,000,000] \$16,000,000,000² in total for the fiscal years
38 beginning on July 1, 2016 through the fiscal year beginning on July
39 1, ²[2025] 2023². ¹[The total amount authorized pursuant to this
40 subsection shall be increased by any additional annual amount of
41 revenue derived from the tax imposed on the sale of petroleum
42 products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) which is
43 greater than the amount collected in the fiscal year beginning on
44 July 1, 2017, provided that the additional amount collected is
45 appropriated for mass transit expansion and not for making
46 payments on authority debt.]¹

47 c. (Deleted by amendment, P.L.1991, c.40.)

48 d. (Deleted by amendment, P.L.1992, c.10).

1 e. The State Auditor shall provide for a unified annual audit of
2 expenditures from the "Special Transportation Fund," established
3 by section 21 of P.L.1984, c.73 (C.27:1B-21), in order to determine
4 that these funds are expended for costs eligible for funding from the
5 authority and in a manner consistent with appropriations made by
6 the Legislature. The findings of such audits shall be transmitted to
7 the presiding officer of each House of the Legislature, and to the
8 Chair of the Senate Budget and Appropriations Committee, the
9 Senate Transportation Committee, the Assembly Appropriations
10 Committee, and the Assembly Transportation and
11 **【Communications】** Independent Authorities Committee or their
12 successors.

13 f. The State Auditor shall review bond issuances of the
14 authority and report to the Joint Budget Oversight Committee and
15 to the members of the Senate Budget and Appropriations
16 Committee and the Assembly Appropriations Committee, or their
17 successors, on the status of the bonds of the authority and projects
18 financed from the proceeds of the bonds. The report shall include
19 the investment status of all unexpended bond proceeds and provide
20 a description of any bond issues expected during a fiscal year,
21 including type of issue, estimated amount of bonds to be issued and
22 the expected month of sale.

23 ¹【g. Commencing with the fiscal year beginning July 1, 2018
24 through the fiscal year beginning July 1, 2025, if in any fiscal year,
25 the amount of revenue collected from the tax imposed on the sale of
26 petroleum products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.)
27 exceeds the amount collected in the fiscal year beginning on July 1,
28 2017, then in that subsequent fiscal year the amount of that
29 difference shall be appropriated by the Legislature for
30 transportation projects that expand the mass transit system in this
31 State or for payments on authority debt. Any amount appropriated
32 for transportation projects that expand the mass transit system in
33 this State shall also increase the total amount that may be
34 appropriated pursuant to subsection b. of this section by that same
35 amount.】¹

36 (cf: P.L.2012, c.13, s.7)

37

38 6. Section 22 of P.L.1984, c.73 (C.27:1B-22) is amended to read
39 as follows:

40 22. The commissioner shall prepare and submit the following
41 reports to the Governor, the Legislature, and the **【Financial】**
42 Transportation Policy Review Board, established pursuant to
43 section 6 of P.L.2006, c.3 (C.27:1B-22.2) under the terms set forth
44 below: a Transportation Master Plan, a Statewide Capital
45 Investment Strategy, an Annual Transportation Capital Program, a
46 Transportation Trust Fund Authority Financial Plan, and a Five-
47 Year Capital Plan.

1 a. To the end that the transportation system of the State shall
2 be planned in an orderly and efficient manner and that the
3 Legislature shall be advised of the nature and extent of public
4 highways, public transportation projects and other transportation
5 projects contemplated to be financed under this act, the department
6 shall submit a master plan, as provided in subsection (a) of section
7 5 of P.L.1966, c.301 (C.27:1A-5). Notwithstanding the provisions
8 of that act, the plan shall be for a period of five years and shall be
9 submitted to the Commission on Capital Budgeting and Planning,
10 the Chairman of the Senate Transportation Committee and the
11 Chairman of the Assembly Transportation and **【Communications】**
12 Independent Authorities Committee, or their successors, and the
13 Legislative Budget and Finance Officer, and the metropolitan
14 planning organizations, on or before March 1, 2001, and at five-
15 year intervals thereafter. The master plan shall set the direction for
16 the department's overall Capital Investment Strategy and subsequent
17 annual Transportation Capital Programs submitted to the
18 Legislature for approval pursuant to this section. This master plan
19 shall, to the extent practicable, conform to all federal requirements
20 for Statewide transportation planning.

21 b. The Department of Transportation, in conjunction with the
22 New Jersey Transit Corporation, the New Jersey Turnpike
23 Authority, and the South Jersey Transportation Authority, shall
24 prepare a "Statewide Capital Investment Strategy" for at least a
25 five-year period which shall contain, at a minimum, a statement of
26 the goals of the department, the corporation, and the toll road
27 authorities in major selected policy areas and the means by which
28 the goals are to be attained during that period, using quantitative
29 measures where appropriate. The Statewide Capital Investment
30 Strategy may be updated and submitted no later than March 1 of
31 each year. The Statewide Capital Investment Strategy shall provide
32 for a multi-modal, intermodal, seamless, technologically advanced,
33 and secure transportation system. It shall recommend investment
34 for major program categories, set overall goals for investment in the
35 State's infrastructure, and develop program targets and performance
36 measures. It may rely on infrastructure management systems as
37 developed by the department to assess bridge conditions, pavement
38 conditions, bridge, traffic and pedestrian safety, traffic congestion
39 and public transit facilities. With respect to pavement conditions,
40 the department shall set as a priority the utilization of efficient cost-
41 effective materials and treatments as stated in section 9 of
42 P.L.2000, c.73 (C.27:1B-21.22). In the event that there exist
43 appropriate circumstances for the use of micro-surfacing and cold-
44 in-place recycling, the department shall establish as a special
45 priority the use of these materials and surface treatments. The goals
46 of the Capital Investment Strategy shall include, but not be limited
47 to, reduction of vehicular and pedestrian accidents, reduction in the
48 backlog of projects, including one-half of the structurally deficient

1 bridge repair projects and pavement deficiencies, and an increase in
2 lane miles of bicycle paths, with a goal of constructing an additional
3 1,000 lane miles of bicycle paths in five years to reduce traffic
4 congestion and for recreational uses. The construction of bicycle
5 and pedestrian lanes, paths and facilities shall be subject to no
6 stricter environmental requirements than are provided pursuant to
7 federal law and regulations for such lanes, paths and facilities,
8 notwithstanding the provisions to the contrary of State law and
9 regulations, including State Executive Order No. 215 of 1989. With
10 respect to the New Jersey Transit Corporation, the Statewide
11 Capital Investment Strategy shall deal with the corporation's overall
12 goal to keep the public transportation system in a state of good
13 repair and, more specifically, in the area of bus transportation,
14 present a strategy and a preliminary timetable for the replacement
15 of the current diesel bus fleet with a fleet of buses which have
16 reduced emission of air pollutants. The corporation shall consider
17 the feasibility of buses with improved pollution controls and that
18 reduce particulate emissions and buses powered by fuel other than
19 conventional diesel fuel, such as compressed natural gas vehicles,
20 hybrid vehicles, fuel cell vehicles, biodiesel vehicles, vehicles
21 operated on ultra low sulfur fuel, and vehicles operated on any other
22 bus fuel approved by the United States Environmental Protection
23 Agency[, and the like]. The corporation may consider as part of its
24 strategy, cooperative efforts with bus manufacturers, and the
25 solicitation of federal support, in developing a "clean bus" with air
26 pollution controls superior to currently available technology. For
27 the fiscal year beginning July 1, 2007 and each fiscal year
28 thereafter, all buses purchased by the New Jersey Transit
29 Corporation shall be buses with improved pollution controls and
30 that reduce particulate emissions, or buses powered by fuel other
31 than conventional diesel fuel, such as compressed natural gas
32 vehicles, hybrid vehicles, fuel cell vehicles, biodiesel vehicles,
33 vehicles operated on ultra low sulfur fuel, or vehicles operated on
34 any other bus fuel approved by the United States Environmental
35 Protection Agency[, and the like]. In the event that the corporation
36 is not able to meet the bus purchase requirements set forth in this
37 section with respect to any fiscal year, prior to the commencement
38 of the fiscal year, the board of the corporation shall, by resolution,
39 submit a report to the Legislature detailing its inability to meet the
40 requirements and the reasons therefor and shall submit the report to
41 the Senate and General Assembly when both houses are in session,
42 including therein a request to be exempted from the bus purchase
43 requirements of this section with regard to the fiscal year in
44 question. The President of the Senate and the Speaker of the
45 General Assembly shall cause the date of submission to be entered
46 upon the Senate Journal and the Minutes of the General Assembly.
47 If a joint resolution approving the exemption is passed by the
48 Legislature and signed by the Governor prior to the commencement

1 of the fiscal year in question, the corporation shall be exempt from
2 the requirements for that fiscal year.

3 In the fiscal year beginning on July 1, 2007 and in each fiscal
4 year thereafter, in the year prior to the year in which final
5 engineering is anticipated to start on any project which extends the
6 reach of the New Jersey Transit rail or light rail system, the New
7 Jersey Transit Corporation shall be required to identify and include
8 in the annual Statewide Capital Investment Strategy the required
9 State financial assistance to support operation of the incremental
10 service for the first three years and the projected fare box recovery
11 ratio at the commencement of the fourth year of operation of each
12 project.

13 The Statewide Capital Investment Strategy shall also detail the
14 planned investment of capital funds for public transportation
15 projects of companies other than the New Jersey Transit
16 Corporation engaged in the business of providing motor bus
17 transportation. The Statewide Capital Investment Strategy shall
18 demonstrate that such investment adequately addresses the finding
19 in section 2 of P.L.1979, c.150 (C.27:25-2) that in the provision of
20 public transportation services it is desirable to encourage to the
21 maximum extent feasible the participation of private enterprise.

22 c. On or before March 1 of each year, the commissioner shall
23 submit a report of general project categories and proposed projects
24 thereunder to be financed in the ensuing fiscal year, including
25 therewith a description of the projects, the county or counties and
26 municipality or municipalities within which they are to be located, a
27 distinction between State and local projects, **[and]** an identification
28 number for each project that can be used to cross reference any
29 project in the State's federal Statewide Transportation Improvement
30 Program, the project phase of work, investment category, project
31 sponsor, governmental entity with jurisdiction over the project and
32 associated infrastructure, the amount estimated to be expended on
33 each project in the year of appropriation, and an estimate of the
34 total project cost. This report shall be known as the "Annual
35 Transportation Capital Program" for the upcoming fiscal year. It
36 shall include proposed projects of both the Department of
37 Transportation and the New Jersey Transit Corporation. The
38 program shall be consistent with, and reflective of, the goals and
39 priorities of the Capital Investment Strategy and the program shall
40 include an explanation which demonstrates how it is consistent
41 with, and reflective of, the goals and priorities.

42 d. On or before March 1 of each year, the commissioner shall
43 also submit a "Transportation Trust Fund Authority Financial Plan"
44 designed to implement the financing of the proposed projects. The
45 financial plan shall contain an enumeration of the bonds, notes or
46 other obligations of the authority which the authority intends to
47 issue, including the amounts thereof and the conditions therefor.
48 The financial plan shall set forth a complete operating and financial

1 statement covering the authority's proposed operations during the
2 ensuing fiscal year, including amounts of income from all sources,
3 including but not limited to the proceeds of bonds, notes or other
4 obligations to be issued, as well as interest earned. In addition, the
5 plan shall contain proposed amounts to be appropriated and
6 expended, as well as amounts for which the department anticipates
7 to obligate during the ensuing fiscal year for any future
8 expenditures.

9 e. The Statewide Capital Investment Strategy, the Annual
10 Transportation Capital Program, and the Transportation Trust Fund
11 Authority Financial Plan shall be submitted to the Senate and
12 General Assembly. Within 45 days of the receipt thereof, the
13 Senate or the General Assembly may object in writing to the
14 commissioner in regard to any project or projects in the Annual
15 Transportation Capital Program it disapproves or which it is of the
16 opinion should be modified or added to or any additional or
17 alternative projects considered or in regard to any element of the
18 financial plan. The commissioner shall consider the objections and
19 recommendations and resubmit the report within 10 days,
20 containing therein any modifications based upon the commissioner's
21 consideration of the objections or recommendations.

22 f. In order that the Legislature shall be advised of the nature
23 and extent of public highways, public transportation projects, and
24 other transportation projects contemplated to be financed under this
25 act, the commissioner shall submit annually, together with the
26 Annual Transportation Capital Program, a Five-Year Capital Plan,
27 which shall set forth projects and programs anticipated to be funded
28 over the five-year period. The Five-Year Capital Plan shall, to the
29 extent practicable, conform to all federal requirements for Statewide
30 transportation capital programming.

31 (cf: P.L.2006, c.3, s.5)

32

33 7. Section 6 of P.L.2006, c.3 (C.27:1B-22.2) is amended to read
34 as follows:

35 6. There is hereby created in the Executive Branch of the State
36 Government, a body corporate and politic, with corporate succession,
37 to be known as the **【Financial】** Transportation Policy Review Board.
38 For the purpose of complying with the provisions of Article V, Section
39 IV, paragraph 1 of the New Jersey Constitution, the board is hereby
40 allocated within the Department of Transportation, but,
41 notwithstanding that allocation, the board shall be independent of any
42 supervision or control by the department or by any body or officer
43 thereof. The board is hereby constituted as an instrumentality of the
44 State exercising public and essential governmental functions, and the
45 exercise by the board of the powers conferred by this act shall be
46 deemed and held to be an essential governmental function of the State.

47 The board shall be comprised of **【five】** nine public members with
48 experience in transportation finance and policy. The Governor shall

1 appoint three of the members with the advice and consent of the
2 Senate, two of whom shall be experts that perform academic research
3 in the areas of transportation and public transportation policy,
4 planning, or engineering, and one of whom shall be an expert in the
5 area of transportation capital finance. The remaining members shall
6 be appointed by the Governor as follows: **[one]** two upon the **[joint]**
7 recommendation of the President of the Senate **[and]**, one upon the
8 recommendation of the Minority Leader of the Senate, **[and one]** two
9 upon the **[joint]** recommendation of the Speaker of the General
10 Assembly, and one upon the recommendation of the Minority **[leader]**
11 Leader of the General Assembly. Each member shall have a
12 professional background in passenger rail service, freight rail
13 management, transportation capital planning, transportation and public
14 transportation capital construction, federal transportation policy, State
15 transportation policy, or transportation capital finance. Each member
16 shall serve for a four-year term and shall serve until the member's
17 successor is appointed and qualified; provided, however, that in order
18 to achieve non-concurrent terms, of the members first appointed
19 pursuant to this section, two members appointed by the Governor shall
20 serve for four years; while the **[two]** three members appointed upon
21 the **[joint recommendation]** recommendations of the President of the
22 Senate and the Minority Leader of the Senate and the three members
23 appointed upon the **[joint recommendation]** recommendations of the
24 Speaker of the General Assembly and the Minority Leader of the
25 General Assembly shall serve for three years each, and the remaining
26 member appointed by the Governor shall serve for two years; and
27 further provided that any member serving on the effective date of
28 P.L. , c. (C.) (pending before the Legislature as this bill) shall
29 serve until the expiration of that member's term, notwithstanding the
30 criteria for appointment established pursuant to P.L. , c. ³(C.)
31 (pending before the Legislature as this bill)³. The **[Financial]**
32 Transportation Policy Review Board shall be deemed to be constituted
33 immediately upon appointment and qualification in the manner
34 provided in this section of at least **[three]** five members.

35 The purpose of the board is to assure fiscal discipline through
36 evaluating the financing of transportation; independently analyzing
37 and reporting on the cost effectiveness of spending in the
38 transportation capital program; conducting and commissioning
39 research on best practices in the areas of transportation and public
40 transportation construction, planning, finance, and engineering;
41 providing policy recommendations to the Legislature on the best ways
42 to organize the capital program and appropriate capital program funds;
43 and preparing an annual State of Condition of Transportation
44 Financing certification.

45 The board shall annually appear before the Senate Budget and
46 Appropriations Committee, or its successor, and the Assembly Budget
47 Committee, or its successor, and provide independent analysis of the

1 transportation capital program, provide comments on the cost
2 effectiveness of the program, evaluate the condition of the State
3 transportation system, and identify needed infrastructure investments.
4 The board shall annually appear before the Senate Transportation
5 Committee, or its successor, and the Assembly Transportation and
6 Independent Authorities Committee, or its successor, and report on
7 best practices ¹and cost savings¹ in areas related to transportation and
8 public transportation construction, planning, finance, infrastructure,
9 and governance. The board shall also make itself available to the
10 mentioned budget and transportation committees to conduct
11 research and provide recommendations on policy issues that those
12 committees request of the board. The board shall issue an annual
13 report on or before June 1 of each year which summarizes the work of
14 the board for the prior year, evaluates the reports issued by the
15 department pursuant to section 22 of P.L.1984, c.73 (¹C.¹27:1B-22),
16 and provides independent recommendations for administering the
17 annual capital program.

18 The board shall be provided with a budget each year to be funded
19 through the capital program, and the budget shall be sufficient to allow
20 the board to commission independent research from academic and
21 other experts in the area of research to be conducted, to avail itself of
22 any professional or consultant services necessary to perform its
23 functions, and to complete the reports and certifications required
24 pursuant to this section.

25 The board may call to its assistance and avail itself of the services
26 of the employees of any State, county, or municipal department, board,
27 bureau, task force, or agency as it may require and as may be available
28 to it for its purposes, and to employ stenographic and clerical
29 assistance and incur traveling and other miscellaneous expenses
30 necessary to perform its duties, with the limits of funds appropriated or
31 otherwise made available to it for its purposes.

32 The board shall submit reports to the Governor, and to the
33 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) no
34 later than April 1, 2017 concerning the ¹[':

35 a.]¹ taxation of motor vehicles that are powered by a fuel source
36 that is not subject to the motor fuels tax ¹pursuant to¹ P.L.2010, c.22
37 (C.54:39-101 et seq.) or the petroleum products gross receipts tax
38 ¹pursuant to¹ P.L.1990, c.42 (C.54:15B-1 et seq.), including, but not
39 limited to electric vehicles and hydrogen fuel cell vehicles. The
40 report required pursuant to this subsection shall include
41 recommendations to the Legislature for a new system of taxation that
42 mandates that all vehicles operating on the highways of this State
43 contribute equitably to the cost of maintaining the State transportation
44 system ¹['.

45 b. relocation of utility company facilities that are located in, on,
46 along, over or under an infrastructure project, and require relocation in
47 order to accommodate the infrastructure project. The board shall
48 recommend a system that allows for optimal coordination between the

1 Department of Transportation and utility companies in a manner that
2 minimizes project delays that increase utility costs and infrastructure
3 project costs. The board shall investigate and report on utility
4 relocation process best practices in other states and the report required
5 pursuant to this subsection shall include a proposal for legislation
6 amending or replacing P.L.1983, c.283 (C.27:7-44.9)]¹.

7 The State of Condition of Transportation Financing certification
8 shall ensure that the financing and expenditures of the New Jersey
9 Transportation Trust Fund Authority (the "authority") adhere to certain
10 standards. The standards are: a. The bonding limitation as provided
11 in subsection i. of section 9 of P.L.1984, c.73 (C.27:1B-9). b. For the
12 fiscal year commencing July 1, 2007, the amount expended from the
13 revenues and other funds of the authority for permitted maintenance
14 shall not exceed the amount expended for permitted maintenance in
15 the fiscal year commencing July 1, 2006. c. The total amount
16 authorized to be appropriated from the revenues and other funds of the
17 authority for project costs commencing with the fiscal year beginning
18 July 1, 2007 through the fiscal year beginning July 1, 2015 shall not
19 exceed \$1,600,000,000 annually, and for the fiscal year beginning on
20 July 1, 2016 through the fiscal year beginning on July 1, ²[2025]
21 2023² shall not exceed an aggregate ²[\$20,000,000,000]
22 \$16,000,000,000² over that ²[10] eight² year period ¹[], plus any
23 additional annual amount of revenue derived from the tax imposed on
24 the sale of petroleum products pursuant to P.L.1990, c.42 (C.54:15B-1
25 et seq.) which is greater than the amount collected in the fiscal year
26 beginning on July 1, 2017, and not used for making payments on
27 authority debt]¹.

28 Commencing with the fiscal year beginning July 1, 2007, the board
29 shall submit to the Governor, the Legislature, and the commissioner on
30 an annual basis the State of Condition of Transportation Financing
31 certification as to the requirements of **[subsection a. of this section]**
32 certification standard a. referencing therein a certification with regard
33 to **[subsections b. and c. of this section]** certification standards b. and
34 c. to the extent feasible, given the other provisions of this section. The
35 certifications shall be based on the board's review of the State's fiscal
36 year final expenditures from the preceding fiscal year, including
37 bonding and expenditures from the annual independent audit of the
38 authority, and the amount of authority funds programmed for
39 permitted maintenance. If the capital program and its financing are
40 found to be in compliance, the first annual certification required by
41 this paragraph shall be submitted by February 1, 2008, after the
42 certification is concurred with by the members of the authority, and by
43 February 1 of each year thereafter. The board shall advise the
44 commissioner and the authority on February 1, 2008 and on each
45 succeeding February 1, if the board finds that the authority is not in
46 compliance with the bonding requirements as provided in
47 ³[subsection] certification standard³ a. of the section, and that a
48 corrective action plan is needed. The authority shall submit a

1 corrective action plan that would reduce its future bond sales to offset
2 the amount of excess bonding or to reduce future debt service
3 payments, or both, as the case may be. Upon approval of the
4 corrective action plan by the board, the certification shall be issued
5 with certain conditions. The Annual Transportation Capital Program
6 submitted to the Legislature for the forthcoming year shall be in
7 compliance with the provisions of the corrective action plan. If the
8 board does not approve the corrective action plan, the authority shall
9 submit a financial plan showing bonding only for existing projects,
10 noting that no bonds shall be issued for new projects shown in the
11 department's Annual Transportation Capital Program. The board shall
12 advise the commissioner on February 1, 2008 and on each succeeding
13 February 1, if the board finds that the Department of Transportation
14 has exceeded the limitation for the amount of authority funds spent on
15 permitted maintenance pursuant to **[subsection]** certification standard
16 b. of this section, or for the amount authorized to be appropriated for
17 project costs pursuant to **[subsection]** certification standard c. of this
18 section and that a corrective action plan is needed. The department
19 shall submit a corrective action plan that would offset the excess
20 amount spent, or the excess amount appropriated, in the prior year
21 with less funding for permitted maintenance or for projects, as the case
22 may be, in the proposed capital budget request. Upon approval of the
23 corrective action plan by the board, a certification as to these matters
24 shall be issued with certain conditions. The Annual Transportation
25 Capital Program submitted to the Legislature for the forthcoming year
26 shall be in compliance with the provisions of the corrective action
27 plan. If the board does not approve the corrective action plan, the
28 authority shall submit a financial plan showing bonding only for
29 existing projects, noting that no bonds shall be issued for new projects
30 shown in the department's Annual Transportation Capital Program.

31 (cf: P.L.2006, c.3, s.6)

32
33 8. (New section) a. There is hereby established in but not of the
34 Department of Transportation, a body corporate and politic, with
35 corporate succession, to be known as the Annual Transportation
36 Capital Program Approval Committee. For the purpose of
37 complying with the provisions of Article V, Section IV, paragraph 1
38 of the New Jersey Constitution, the committee is hereby allocated
39 within the Department of Transportation, but, notwithstanding that
40 allocation, the committee shall be independent of any supervision or
41 control by the department or by any body or officer thereof. The
42 committee is hereby constituted as an instrumentality of the State
43 exercising public and essential governmental functions, and the
44 exercise by the committee of the powers conferred by P.L. ,
45 c. (C.) (pending before the Legislature as this bill) shall be
46 deemed and held to be an essential governmental function of the
47 State.

1 b. (1) The committee shall be comprised of four members. One
2 member shall be the Commissioner of Transportation, or the
3 commissioner's designee, who shall serve ex-officio, and the
4 remaining three members shall be public members, each of whom is
5 to be appointed by the Governor upon the joint recommendation of
6 the President of the Senate and Speaker of the General Assembly;
7 one of whom shall be a resident of Salem, Cumberland, Cape May,
8 Atlantic, Gloucester, Camden, Burlington, or Ocean county; one of
9 whom shall be a resident of Monmouth, Mercer, Middlesex,
10 Hunterdon, Somerset, or Union county; and one of whom shall be a
11 resident of Warren, Sussex, Essex, Passaic, Morris, Hudson, or
12 Bergen county. Each public member shall serve a term of three
13 years, which shall run from August 1, of the year of appointment
14 until July 31 of the third year following appointment. The Annual
15 Transportation Capital Program Approval Committee shall be
16 deemed to be constituted immediately upon appointment and
17 qualification in the manner provided in this section of the three
18 public members.

19 (2) The purpose of the committee is to ensure that Legislative
20 input is provided in the process of selecting the transportation
21 capital projects to be funded annually through the Transportation
22 Trust Fund Account pursuant to P.L.1984, c.73 (C.27:1B-20), and
23 to prepare an Annual Transportation Capital Program Approval
24 Certification.

25 (3) Commencing with the fiscal year beginning July 1, 2017, the
26 board shall submit to the Governor and the Legislature on an annual
27 basis the Annual Transportation Capital Program Approval
28 Certification referencing therein a certification attested to by all
29 members of the committee that for the proposed projects of both the
30 Department of Transportation and the New Jersey Transit
31 Corporation included in the Annual Transportation Capital
32 Program, required pursuant to section 22 of P.L.1984, c.73 (27:1B-
33 22) and the list of projects proposed by the department for inclusion
34 in the State budget to be appropriated from the revenues and other
35 funds of the New Jersey Transportation Trust Fund Authority: (a)
36 the projects were developed with input from each member of the
37 committee; (b) that every member of the committee has been
38 granted access to all available information of the department
39 concerning each project; and that (c) each member of the committee
40 approves the inclusion of each project in the Annual Transportation
41 Capital Program and recommends that the project be included in the
42 list of projects to be appropriated from the revenues and other funds
43 of the New Jersey Transportation Trust Fund Authority in the
44 Annual Appropriations Act. The first annual certification required
45 by this subsection shall be submitted to the Governor and the
46 Legislature by March 1, 2017, after the certification has been
47 approved by every member of the committee, and by March 1 of
48 each year thereafter. The committee shall advise the authority on

1 July 1, 2017 and on each succeeding July 1, if members of the
 2 committee have failed to unanimously approve the Annual
 3 Transportation Capital Program Approval Certification. If no
 4 Annual Transportation Capital Program Approval Certification has
 5 been approved for a fiscal year, the Legislature shall not make any
 6 appropriation from the revenues and other funds of the authority for
 7 the financing of transportation projects in that fiscal year until the
 8 certification has been unanimously approved. Prior to approval of
 9 the certification, appropriations shall only be made for existing
 10 projects and for debt service on authority bonds.

11

12 9. Section 25 of P.L.1984, c.73 (C.27:1B-25) is amended to read
 13 as follows:

14 25. a. Notwithstanding the provisions of subtitle 4 of Title 27 of
 15 the Revised Statutes and P.L.1946, c.301 (C.27:15A-1 et seq.), the
 16 commissioner may, pursuant to appropriations or authorizations
 17 being made from time to time by the Legislature according to law,
 18 allocate to counties and municipalities funds for the planning,
 19 acquisition, engineering, construction, reconstruction, repair,
 20 resurfacing and rehabilitation of public highways and the planning,
 21 acquisition, engineering, construction, reconstruction, repair,
 22 maintenance and rehabilitation of public transportation projects and
 23 of other transportation projects which a county or municipality may
 24 be authorized by law to undertake.

25 b. The commissioner shall, pursuant to appropriations or
 26 authorizations being made from time to time by the Legislature
 27 according to law, allocate at his discretion State aid to counties and
 28 municipalities for transportation projects, except that the amount to
 29 be appropriated for this program shall be **【10%】** seven percent of
 30 the total amount appropriated **【for the total county and municipal**
 31 **aid programs】** pursuant to subsection d. of this section. This State
 32 aid shall be set aside prior to any formula allocations provided for
 33 in subsections c., d., **【and】** e., f., and g. of this section, and shall be
 34 known as the “Local Aid Infrastructure Fund.” In the fiscal year
 35 commencing July 1, 2016, any amount appropriated to the Local
 36 Aid Infrastructure Fund above \$7,500,000 shall be deposited into
 37 the State Transportation Infrastructure Bank Fund, established
 38 pursuant to section 39 of P.L. , c. (C.) (pending before the
 39 Legislature as this bill).

40 c. The commissioner shall, pursuant to appropriations or
 41 authorizations being made from time to time by the Legislature
 42 according to law and pursuant to the provisions of subsections b.
 43 and d. of this section, allocate State aid to municipalities for public
 44 highways under their jurisdiction. The amount to be appropriated
 45 shall be allocated on the basis of the following distribution factor:

$$46 \qquad \qquad \qquad \text{Pc} \qquad \qquad \text{Cm}$$

$$47 \qquad \text{DF} = \qquad \frac{\quad}{\text{Ps}} \qquad + \qquad \frac{\quad}{\text{Sm}}$$

$$48$$

1 where, DF equals the distribution factor

2 Pc equals county population

3 Ps equals State population

4 Cm equals municipal road mileage within the county

5 Sm equals municipal road mileage within the State.

6 After the amount of aid has been allocated based on the above
7 formula, the commissioner shall determine priority for the funding
8 of municipal projects within each county, based upon criteria
9 relating to volume of traffic, safety considerations, growth
10 potential, readiness to obligate funds, and local taxing capacity. In
11 addition to the above criteria used in determining priority of
12 funding of municipal projects in each county, the commissioner
13 shall consider whether a project is intended to remedy hazardous
14 conditions as identified for the purposes of providing transportation
15 pursuant to N.J.S.18A:39-1.2 for school pupils or to improve
16 pedestrian safety.

17 For the purposes of this subsection, (1) "population" means the
18 official population count as reported by the New Jersey Department
19 of Labor and Workforce Development; and (2) "municipal road
20 mileage" means that road mileage under the jurisdiction of
21 municipalities, as determined by the department.

22 d. There shall be appropriated at least \$175,000,000 for **【the】**
23 each fiscal year commencing July 1, 2006 through the fiscal year
24 commencing July 1, 2015, and \$400,000,000 for each fiscal year
25 commencing July 1, 2016 and for each fiscal year thereafter, for the
26 purposes provided herein and in subsections b., c. **【and】**, e., f., and
27 g. of this section. (1) Of that appropriation, the commissioner shall
28 allocate **【\$5,000,000.00】** 37.5 percent of the total appropriation as
29 State aid for municipalities pursuant to the provisions of subsection
30 c. of this section, provided that \$5,000,000 for each fiscal year
31 commencing July 1, 2006 through the fiscal year commencing July
32 1, 2015, and \$10,000,000 for each fiscal year commencing July 1,
33 2016 and for each fiscal year thereafter of the amount allocated as
34 State aid for municipalities shall be set aside and sub-allocated as
35 State aid to any municipality qualifying for aid pursuant to the
36 provisions of P.L.1978, c.14 (C.52:27D-178 et seq.). The
37 commissioner shall allocate the aid to each municipality in the same
38 proportion that the municipality receives aid under P.L.1978, c.14
39 (C.52:27D-178 et seq.). (2) **【The remaining amount of the**
40 appropriation shall be allocated pursuant to the provisions of
41 subsection c. of this section.】 **【The commissioner shall allocate 37.5**
42 percent of the total appropriation pursuant to the provisions of
43 subsection e. of this section for the Local County Aid Program. (3)
44 The commissioner shall allocate seven percent of the total
45 appropriation pursuant to the provisions of subsection b. of this
46 section for the “Local Aid Infrastructure Fund.” (4) The
47 commissioner shall allocate seven percent of the appropriation
48 pursuant to the provisions of subsection f. of this section for the

1 “Local Freight Impact Fund.” (5) The remaining 11 percent of the
2 appropriation shall be allocated pursuant to the provisions of
3 subsection g. of this section for the “Local Bridges Fund.”

4 e. The commissioner may, pursuant to appropriations or
5 authorizations being made from time to time by the Legislature
6 according to law, allocate additional funding to the Local County
7 Aid Program for public highway projects, in accordance with a
8 formula similar to that provided for in subsection c. of this section,
9 except that Cm equals road mileage under county jurisdiction and
10 Sm equals total county road mileage within the State.

11 f. The commissioner shall, pursuant to appropriations or
12 authorizations being made from time to time by the Legislature
13 according to law, allocate at the commissioner’s discretion, State
14 aid to counties and municipalities for transportation projects that
15 address the impacts of freight travel in local communities and on
16 local transportation infrastructure, except that the amount to be
17 appropriated for this program shall be seven percent of the total
18 amount appropriated pursuant to subsection d. of this section. This
19 State aid shall be set aside prior to any formula allocations provided
20 for in subsections c., d., e., and g. of this section, and shall be
21 known as the “Local Freight Impact Fund.”

22 g. The commissioner shall, pursuant to appropriations or
23 authorizations being made from time to time by the Legislature
24 according to law, allocate at the commissioner’s discretion, State
25 aid to counties and municipalities for transportation projects that
26 address the condition of bridges under the jurisdiction of counties
27 with an emphasis on repair and reconstruction of those with the
28 greatest structural deficiencies, except that the amount to be
29 appropriated for this program shall be 11 percent of the total
30 amount appropriated pursuant to subsection d. of this section. This
31 State aid shall be set aside prior to any formula allocations provided
32 for in subsections c., d., e., and f. of this section, and shall be
33 known as the “Local Bridges Fund.”

34 (cf: P.L.2012, c.13, s.9)

35

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

38 1. This act shall be known and may be cited as the “New Jersey
39 **【Environmental】** Infrastructure Trust Act.”

40 (cf: P.L.1997, c.224, s.2)

41

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

44 2. a. The Legislature finds that the steady deterioration of older
45 sewage and sewer systems and wastewater treatment plants
46 endangers the availability and quality of uncontaminated water
47 resources of the State, thereby posing a grave danger to the health,
48 safety and welfare of the residents of the concerned communities

1 and the State; that the construction, rehabilitation, operation, and
2 maintenance of modern and efficient sewer systems and wastewater
3 treatment plants are essential to protecting and improving the State's
4 water quality; that in addition to protecting and improving water
5 quality, adequate wastewater treatment systems are essential to
6 economic growth and development; that many of the wastewater
7 treatment systems in New Jersey must be replaced or upgraded if an
8 inexorable decline in water quality is to be avoided during the
9 coming decades; that the United States Congress in recognition of
10 the crucial role wastewater treatment systems and plants play in
11 maintaining and improving water quality, and with an
12 understanding that the cost of financing and constructing these
13 systems must be borne by local governments and authorities with
14 limited sources of revenues, established in the "Federal Water
15 Pollution Control Act Amendments of 1972," Pub.L.92-500 (33
16 U.S.C. s.1251 et al.) a program to provide local governments with
17 grants for constructing these systems; that during the last several
18 years the amount of federal grant money available to states and
19 local governments for assistance in constructing and improving
20 wastewater treatment systems has sharply diminished; that the
21 current level of federal grant funding is inadequate to meet the cost
22 of upgrading the State's wastewater treatment capacity to comply
23 with State water quality standards; that the collective needs of the
24 State and local governments for capital financing of wastewater
25 treatment systems far exceed the sums of money presently available
26 through revenue initiatives and State and federal aid programs; and
27 that it is fitting and proper for the State to encourage local
28 governments to undertake wastewater treatment projects through
29 the establishment of a State mechanism to provide loans at the
30 lowest reasonable interest rates and to guarantee or insure local
31 capital improvement bonds.

32 b. The Legislature finds that stormwater runoff and combined
33 sewer overflows are among the major sources of ocean pollution,
34 contributing to beach closings; that combined sewer systems
35 discharge untreated wastewater and stormwater into rivers, streams
36 and coastal waters during wet weather, resulting in water pollution;
37 that some combined sewer systems have deteriorated to the point
38 that overflows occur regularly, even during dry weather; that many
39 sewer systems are on inadequate repair and replacement programs,
40 which may cause disturbances at sewage treatment plants; that
41 many municipalities are under building moratoriums due to the
42 inadequacy of their sewage and stormwater collection systems,
43 which severely affect municipal budgets; and that large unmet
44 capital expenses exist for combined sewer system separation and
45 abatement projects.

46 The Legislature further finds that funding at the federal level for
47 wastewater treatment, stormwater management and combined sewer
48 system rehabilitation projects is insufficient; that State funds

1 available for these projects are inadequate to meet current needs;
2 that local revenues are insufficient to meet these expenses; and that
3 additional funding at the State level is necessary to meet this
4 financial obligation.

5 c. The Legislature finds that construction, rehabilitation,
6 operation and maintenance of modern and efficient water supply
7 facilities are essential to protecting and improving the State's water
8 quality; that the citizens of this State, in recognition of the crucial
9 role the construction of new and the upgrading of existing water
10 supply facilities play in maintaining and augmenting the natural
11 water resources of the State, and with an understanding that the cost
12 of financing and constructing these systems is beyond the limited
13 financial resource capabilities of local governments and authorities
14 and must be subsidized by the State and repaid through a system of
15 water supply user charges, approved the enactment of the "Water
16 Supply Bond Act of 1981" (P.L.1981, c.261); that the water supply
17 needs of the State are so great that the funds allocated for this
18 purpose from the "Water Supply Fund" established by that 1981
19 bond act should be augmented and maximized, to the extent
20 practicable, through the use of alternative methods of State
21 financing to offset the costs of water supply projects and for the
22 construction of new or the rehabilitation of antiquated or inadequate
23 existing water supply facilities; that the United States Congress in
24 recognition of the essential role that safe drinking water plays in
25 protecting the public health, and with an understanding that
26 financing, constructing and maintaining water systems that meet the
27 requirements of the "Safe Drinking Water Act," 42 U.S.C. s.300f et
28 seq. exceed the financial and technical capacity of the operators of
29 some water systems, has established in the "Safe Drinking Water
30 Act Amendments of 1996," P.L.104-182, a program to provide
31 public water systems with financial assistance to meet national
32 primary drinking water regulations or to otherwise further the
33 health protection objectives of the federal law and that the State
34 must, in order to make use of the federal funds, provide State funds
35 for the program; and therefore, State funding for the program is
36 necessary to meet this financial obligation.

37 d. The Legislature finds that the transportation infrastructure of
38 the State is among the most heavily used in the nation and has
39 deteriorated in recent years, with parts of the highway system
40 reaching the end of their useful lives.

41 e. The Legislature finds that capital projects for roadways and
42 bridges are essential to protecting and improving the State's
43 transportation system; that construction of new and the upgrading of
44 existing roadways and bridges play a critical role in the
45 transportation needs of the State, and with an understanding that the
46 cost of financing and constructing these systems is beyond the
47 limited financial resource capabilities of local governments and
48 authorities and must be subsidized by the State and Federal

1 government; that the United States Congress has established "State
 2 Infrastructure Bank" programs to provide funding for transportation
 3 systems (23 U.S.C.610) and that the State must, in order to make
 4 use of the federal funds, provide State funds for the program; and
 5 therefore, State funding for the program is necessary to meet this
 6 financial obligation.

7 f. The Legislature therefore determines that it is in the public
 8 interest to establish a State authority authorized to issue bonds,
 9 notes and other obligations and to establish any reserve funds
 10 necessary therefor, and to make loans to and guarantee debt
 11 incurred by local government units for environmental and
 12 transportation infrastructure projects.

13 (cf: P.L.1997, c.224, s.3)

14

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

17 3. As used in sections 1 through 27 of P.L.1985, c.334
 18 (C.58:11B-1 through C.58:11B-27) **【and】**, sections 23 through 27
 19 of P.L.1997, c.224 (C.58:11B-10.1 et al.), and sections 27 and 39
 20 through 43 of P.L. , c. (C.) (pending before the Legislature
 21 as this bill):

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

25 **【"Combined sewer system" means a sewer system designed to**
 26 **carry sanitary wastewater at all times, which is also designed to**
 27 **collect and transport stormwater runoff from streets and other**
 28 **sources, thereby serving a combined purpose;】**

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

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

36 "Commissioner" means the Commissioner of the Department of
 37 Environmental Protection;

38 "Cost" means the cost of all labor, materials, machinery and
 39 equipment, lands, property, rights and easements, financing
 40 charges, interest on bonds, notes or other obligations, plans and
 41 specifications, surveys or estimates of costs and revenues,
 42 engineering and legal services, and all other expenses necessary or
 43 incident to all or part of an environmental infrastructure project;

44 "Department" means the Department of Environmental
 45 Protection;

46 "Environmental infrastructure project" means the acquisition,
 47 construction, improvement, repair or reconstruction of all or part of
 48 any structure, facility or equipment, or real or personal property

1 necessary for or ancillary to any: (1) wastewater treatment system
2 project, including any stormwater management or combined sewer
3 overflow abatement projects; or (2) water supply project, as
4 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or
5 P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water
6 resources project, as authorized pursuant to P.L.2003, c.162;

7 "Federal infrastructure bank program" means the United States
8 Department of Transportation State Infrastructure Bank Program
9 provided for in section 350 of Pub.L.104-59 and Pub.L.102-240 as
10 amended or superseded;

11 "Local government unit" means (1) a State authority, county,
12 municipality, municipal, county or regional sewerage or utility
13 authority, municipal sewerage district, joint meeting, improvement
14 authority, or any other political subdivision of the State authorized
15 to construct, operate, and maintain wastewater treatment systems;
16 **【or】** (2) a State authority, district water supply commission, county,
17 municipality, municipal, county or regional utilities authority,
18 municipal water district, joint meeting, or any other political
19 subdivision of the State authorized pursuant to law to operate or
20 maintain a public water supply system or to construct, rehabilitate,
21 operate, or maintain water supply facilities or otherwise provide
22 water for human consumption; or (3) a county, municipality,
23 municipal, county or regional transportation authority, or any other
24 political subdivision of the State authorized to construct, operate,
25 and maintain public highways or transportation projects as defined
26 pursuant to this section;

27 "Notes" means notes issued by the trust pursuant to P.L.1985,
28 c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et
29 al.), or sections 27 and 39 through 43 of P.L. _____, c. _____
30 (pending before the Legislature as this bill);

31 "Onsite septic system ordinance or regulation" means an
32 ordinance adopted by a municipality or county or regulation
33 adopted by a regional planning agency establishing the
34 requirements for construction, maintenance and repair of onsite
35 wastewater treatment and disposal systems;

36 "Onsite wastewater treatment and disposal system" means an on-
37 site system designed to treat and dispose of domestic sewage;

38 "Other assistance" means forms of financial assistance, in
39 addition to loans, authorized by the New Jersey Infrastructure Bank
40 from the State Transportation Infrastructure Bank Fund, including,
41 but not limited to, use of funds to: provide credit enhancements;
42 serve as a capital reserve for bond or other debt instrument
43 financing; subsidize interest rates; ensure the issuance of letters of
44 credit and credit instruments; finance purchase and lease
45 agreements with respect to transit projects; and provide bond or
46 other debt financing instrument security;

47 "Project" **【or "environmental infrastructure project"】** means the
48 acquisition, construction, improvement, repair or reconstruction of

1 all or part of any structure, facility, or equipment, or real or
2 personal property necessary for or ancillary to any: (1) wastewater
3 treatment system project, including any stormwater management or
4 combined sewer overflow abatement projects; **or** (2) water supply
5 project, as authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et
6 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water
7 resources project, as authorized pursuant to P.L.2003, c.162~~[,]~~; or
8 (3) transportation project authorized pursuant to sections 27 and 39
9 through 43 of P.L. , c. (C.) (pending before the Legislature
10 as this bill);

11 "Public highway" means public roads, streets, expressways,
12 freeways, parkways, motorways and boulevards, including bridges,
13 tunnels, overpasses, underpasses, interchanges, express bus
14 roadways, bus pullouts and turnarounds, park-ride facilities, traffic
15 circles, grade separations, traffic control devices, the elimination or
16 improvement of crossings of railroads and highways, whether at-
17 grade or not at-grade, bicycle and pedestrian pathways and
18 pedestrian and bicycle bridges, and any property, rights of way,
19 easements and interests therein needed for the construction,
20 improvement, and maintenance of highways;

21 "Public water utility" means any investor-owned water company
22 or small water company;

23 "Small water company" means any company, purveyor or entity,
24 other than a governmental agency, that provides water for human
25 consumption and which regularly serves less than 1,000 customer
26 connections, including nonprofit, noncommunity water systems
27 owned or operated by a nonprofit group or organization;

28 "Stormwater management system" means any equipment, plants,
29 structures, machinery, apparatus, management practices, or land, or
30 any combination thereof, acquired, used, constructed, implemented
31 or operated to prevent nonpoint source pollution, abate improper
32 cross-connections and interconnections between stormwater and
33 sewer systems, minimize stormwater runoff, reduce soil erosion, or
34 induce groundwater recharge, or any combination thereof;

35 "Transportation project" means capital projects for public
36 highways, approach roadways and other necessary land-side
37 improvements, ramps, signal systems, roadbeds, transit lanes or
38 rights of way, pedestrian walkways and bridges connecting to
39 passenger stations and servicing facilities, bridges, and grade
40 crossings;

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

44 "Wastewater" means residential, commercial, industrial, or
45 agricultural liquid waste, sewage, septage, stormwater runoff, or
46 any combination thereof, or other liquid residue discharged or
47 collected into a sewer system or stormwater management system, or
48 any combination thereof;

1 "Wastewater treatment system" means any equipment, plants,
2 structures, machinery, apparatus, or land, or any combination
3 thereof, acquired, used, constructed or operated by, or on behalf of,
4 a local government unit for the storage, collection, reduction,
5 recycling, reclamation, disposal, separation, or other treatment of
6 wastewater or sewage sludge, or for the collection or treatment, or
7 both, of stormwater runoff and wastewater, or for the final disposal
8 of residues resulting from the treatment of wastewater, including,
9 but not limited to, pumping and ventilating stations, treatment
10 plants and works, connections, outfall sewers, interceptors, trunk
11 lines, stormwater management systems, and other personal property
12 and appurtenances necessary for their use or operation; "wastewater
13 treatment system" shall include a stormwater management system
14 or a combined sewer system;

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

31 "Water resources project" means any work related to transferring
32 water between public water systems during a state of water
33 emergency, to avert a drought emergency in all or any part of the
34 State, to plan, design or construct interconnections of existing water
35 supplies, or to extend water supplies to areas with contaminated
36 ground water supplies;

37 "Water supply facilities" means and refers to the real property
38 and the plants, structures, interconnections between existing water
39 supply facilities, machinery and equipment and other property, real,
40 personal and mixed, acquired, constructed or operated, or to be
41 acquired, constructed or operated, in whole or in part, by or on
42 behalf of a public water utility, or by or on behalf of the State or a
43 local government unit, for the purpose of augmenting the natural
44 water resources of the State and making available an increased
45 supply of water for all uses, or of conserving existing water
46 resources, and any and all appurtenances necessary, useful or
47 convenient for the collecting, impounding, storing, improving,
48 treating, filtering, conserving or transmitting of water, and for the

1 preservation and protection of these resources and facilities,
2 whether in public or private ownership, and providing for the
3 conservation and development of future water supply resources, and
4 facilitating incidental recreational uses thereof;

5 "Water supply project" means any work relating to the
6 acquisition, construction, improvement, repair or reconstruction of
7 all or part of any structure, facility or equipment, or real or personal
8 property necessary for or ancillary to water supply facilities that
9 meets the requirements set forth in sections 24, 25, and 26 of
10 P.L.1997, c.224 (C.58:11B-20.1, C.58:11B-21.1, and C.58:11B-
11 22.1); or any work relating to the purposes set forth in section 4 of
12 P.L.1981, c.261; or any work relating to the purposes set forth in
13 section 6 of P.L.2003, c.162; or any work relating to any other
14 project eligible for funding pursuant to the federal "Safe Drinking
15 Water Act Amendments of 1996," Pub.L.104-182, and any
16 amendatory and supplementary acts thereto.

17 (cf: P.L.2009, c.103, s.1)

18

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

21 4. a. There is established in, but not of, the Department of
22 **【Environmental Protection】** the Treasury a body corporate and
23 politic, with corporate succession, to be known as the "New Jersey
24 **【Environmental】** Infrastructure **【Trust】** Bank." The trust is
25 constituted as an instrumentality of the State exercising public and
26 essential governmental functions, no part of whose revenues shall
27 accrue to the benefit of any individual, and the exercise by the trust
28 of the powers conferred by the provisions of 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.),
30 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
31 before the Legislature as this bill), shall be deemed and held to be
32 an essential governmental function of the State.

33 b. The trust shall consist of a **【seven-member】** 10 member
34 board of directors composed of the State Treasurer, the
35 Commissioner of the Department of Community Affairs, the
36 Commissioner of the Department of Transportation, and the
37 Commissioner of the Department of Environmental Protection, who
38 shall be members ex officio; **【one person】** two people appointed by
39 the Governor upon the recommendation of the President of the
40 Senate, and **【one person】** two people appointed by the Governor
41 upon the recommendation of the Speaker of the General Assembly,
42 who shall serve during the two-year legislative term in which they
43 are appointed; and two residents of the State appointed by the
44 Governor with the advice and consent of the Senate, who shall serve
45 for terms of four years, except that the first two appointed shall
46 serve terms of two and three years respectively. Each appointed
47 director shall serve until **【his】** that director's successor has been
48 appointed and qualified. A director is eligible for reappointment.

1 Any vacancy shall be filled in the same manner as the original
2 appointment, but for the unexpired term only.

3 With respect to those public members first appointed by the
4 Governor, the appointment of each of the two members upon the
5 advice and consent of the Senate shall become effective 30 days
6 after their nomination by the Governor if the Senate has not given
7 advice and consent on those nominations within that time period;
8 the President of the Senate and the Speaker of the General
9 Assembly each shall recommend to the Governor a public member
10 for appointment within 20 days following the effective date of
11 **[this act]** P.L.1985, c.334 (C.58:11B-1 et seq.) and a public
12 member for appointment within 20 days following the effective date
13 of P.L. c. (pending before the Legislature as this bill), and a
14 recommendation made in this manner shall become effective if the
15 Governor makes the appointment in accordance with the
16 recommendation, in writing, within 10 days of the Governor's
17 receipt thereof. In each instance where the Governor fails to make
18 the appointment, the President of the Senate and the Speaker of the
19 General Assembly shall make new recommendations subject to
20 appointment by the Governor as determined in this section.

21 c. Each appointed director may be removed from office by the
22 Governor for cause, upon the Governor's consideration of the
23 findings and recommendations of an administrative law judge after
24 a public hearing before the judge, and may be suspended by the
25 Governor pending the completion of the hearing. Each director,
26 before entering upon **[his]** the director's duties, shall take and
27 subscribe an oath to perform the duties of **[his]** the director's office
28 faithfully, impartially and justly to the best of **[his]** the director's
29 ability. A record of oaths shall be filed in the office of the Secretary
30 of State.

31 d. The Governor shall designate one of the appointed members
32 to be the **[chairman]** chairperson and chief executive officer of the
33 trust and the directors shall biannually elect a **[vice-chairman]**
34 vice-chairperson from among the appointed directors. The
35 **[chairman]** chairperson shall serve as such for a term of two years
36 and until a successor has been designated. A **[chairman]**
37 chairperson shall be eligible **[to succeed himself]** for one additional
38 two-year term as chairperson. The directors shall elect a secretary
39 and treasurer, who need not be directors, and the same person may
40 be elected to serve as both secretary and treasurer.

41 The powers of the trust are vested in the directors in office from
42 time to time and **[four]** six directors shall constitute a quorum at
43 any meeting. Action may be taken and motions and resolutions
44 adopted by the trust by the affirmative majority vote of those
45 directors present, but in no event shall any action be taken or
46 motions or resolutions adopted without the affirmative vote of at
47 least **[four members]** six directors. No vacancy on the board of

1 directors of the trust shall impair the right of a quorum of the
2 directors to exercise the powers and perform the duties of the trust.

3 e. Each director and the treasurer of the trust shall execute a
4 bond to be conditioned upon the faithful performance of the duties
5 of the director or treasurer in a form and amount as may be
6 prescribed by the State Treasurer. Bonds shall be filed in the office
7 of the Secretary of State. At all times thereafter, the directors and
8 treasurer shall maintain these bonds in full effect. All costs of the
9 bonds shall be borne by the trust.

10 f. The directors of the trust shall serve without compensation,
11 but the trust shall reimburse the directors for actual and necessary
12 expenses incurred in the performance of their duties.
13 Notwithstanding the provisions of any other law to the contrary, no
14 officer or employee of the State shall be deemed to have forfeited or
15 shall forfeit **【his】** the officer's or employee's office or employment
16 or any benefits or emoluments thereof by reason of **【his】** the
17 officer's or employee's acceptance of the office of ex officio
18 director of the trust or **【his】** the ex officio director's services
19 thereon.

20 g. Each ex officio director may designate an officer of **【his】**
21 the ex officio director's department to represent **【him】** the ex
22 officio director at meetings of the trust. Each designee may lawfully
23 vote and otherwise act on behalf of the director for whom **【he】** the
24 person constitutes the designee. The designation shall be delivered
25 in writing to the trust and shall continue in effect until revoked or
26 amended in writing and delivered to the trust.

27 h. The trust may be dissolved by law; provided the trust has no
28 debts or obligations outstanding or that provision has been made for
29 the payment or retirement of these debts or obligations. The trust
30 shall continue in existence until dissolved by act of the Legislature.
31 Upon any dissolution of the trust, all property, funds and assets of
32 the trust shall be vested in the State.

33 i. A true copy of the minutes of every meeting of the trust shall
34 be forthwith delivered by and under the certification of the secretary
35 thereof to the Governor and at the same time to the Senate and
36 General Assembly. The time and act of this delivery shall be duly
37 recorded on a delivery receipt. No action taken or motion or
38 resolution adopted at a meeting by the trust shall have effect until
39 10 days, exclusive of Saturdays, Sundays and public holidays, after
40 a copy of the minutes has been delivered to the Governor, unless
41 during the 10-day period the Governor shall approve all or part of
42 the actions taken or motions or resolutions adopted, in which case
43 the action or motion or resolution shall become effective upon the
44 approval.

45 If, in the 10-day period, the Governor returns the copy of the
46 minutes with a veto of any action taken by the trust or any member
47 thereof at that meeting, the action shall be of no effect. The Senate
48 or General Assembly shall have the right to provide written

1 comments concerning the minutes to the Governor within the 10-
 2 day period, which comments shall be returned to the trust by the
 3 Governor with **[his]** the Governor's approval or veto of the
 4 minutes.

5 The powers conferred in this subsection upon the Governor shall
 6 be exercised with due regard for the rights of the holders of bonds,
 7 notes and other obligations of the trust at any time outstanding, and
 8 nothing in, or done pursuant to, this subsection shall in any way
 9 limit, restrict or alter the obligation or powers of the trust or any
 10 representative or officer of the trust to carry out and perform each
 11 covenant, agreement, or contract made or entered into by or on
 12 behalf of the trust with respect to its bonds, notes, or other
 13 obligations or for the benefit, protection or security of the holders
 14 thereof.

15 j. No resolution or other action of the trust providing for the
 16 issuance of bonds, refunding bonds, notes or other obligations shall
 17 be adopted or otherwise made effective by the trust without the
 18 prior approval in writing of the Governor and the State Treasurer.
 19 The trust shall provide the Senate and General Assembly with
 20 written notice of any request for approval of the Governor and State
 21 Treasurer at the time the request is made, and shall also provide the
 22 Senate and General Assembly written notice of the response of the
 23 Governor and State Treasurer at the time that the response is
 24 received by the trust.

25 (cf: P.L.1997, c.224, s.5)

26

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

29 5. Except as otherwise limited by the provisions of P.L.1985,
 30 c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et
 31 al.), or sections 27 and 39 through 43 of P.L. , c. (C.)
 32 (pending before the Legislature as this bill), the trust may:

33 a. Make and alter bylaws for its organization and internal
 34 management and, subject to agreements with holders of its bonds,
 35 notes or other obligations, make rules and regulations with respect
 36 to its operations, properties and facilities;

37 b. Adopt an official seal and alter it;

38 c. Sue and be sued;

39 d. Make and enter into all contracts, leases and agreements
 40 necessary or incidental to the performance of its duties and the
 41 exercise of its powers under the provisions of P.L.1985, c.334
 42 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
 43 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
 44 before the Legislature as this bill), and subject to any agreement
 45 with the holders of the trust's bonds, notes or other obligations,
 46 consent to any modification, amendment or revision of any contract,
 47 lease or agreement to which the trust is a party;

- 1 e. Enter into agreements or other transactions with and accept,
2 subject to the provisions of section 23 of P.L.1985, c.334
3 (C.58:11B-23), grants, appropriations and the cooperation of the
4 State, or any State agency, in furtherance of the purposes of
5 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
6 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
7 c. (C.) (pending before the Legislature as this bill), and do
8 anything necessary in order to avail itself of that aid and
9 cooperation;
- 10 f. Receive and accept aid or contributions from any source of
11 money, property, labor or other things of value, to be held, used and
12 applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et
13 seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27
14 and 39 through 43 of P.L. , c. (C.) (pending before the
15 Legislature as this bill), subject to the conditions upon which that
16 aid and those contributions may be made, including, but not limited
17 to, gifts or grants from any department or agency of the State, or
18 any State agency, for any purpose consistent with the provisions of
19 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
20 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
21 c. (C.) (pending before the Legislature as this bill), subject to
22 the provisions of section 23 of P.L.1985, c.334 (C.58:11B-23);
- 23 g. Acquire, own, hold, construct, improve, rehabilitate,
24 renovate, operate, maintain, sell, assign, exchange, lease, mortgage
25 or otherwise dispose of real and personal property, or any interest
26 therein, in the exercise of its powers and the performance of its
27 duties under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.)
28 **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
29 through 43 of P.L. , c. (C.) (pending before the Legislature
30 as this bill);
- 31 h. Appoint and employ an executive director and any other
32 officers or employees as it may require for the performance of its
33 duties, without regard to the provisions of Title 11A of the New
34 Jersey Statutes;
- 35 i. Borrow money and issue bonds, notes and other obligations,
36 and secure the same, and provide for the rights of the holders
37 thereof as provided in the provisions of P.L.1985, c.334 (C.58:11B-
38 1 et seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections
39 27 and 39 through 43 of P.L. , c. (C.) (pending before the
40 Legislature as this bill);
- 41 j. Subject to any agreement with holders of its bonds, notes or
42 other obligations, invest moneys of the trust not required for
43 immediate use, including proceeds from the sale of any bonds, notes
44 or other obligations, in any obligations, securities and other
45 investments in accordance with the rules and regulations of the
46 State Investment Council or as may otherwise be approved by the
47 Director of the Division of Investment in the Department of the

1 Treasury upon a finding that such investments are consistent with
2 the corporate purposes of the trust;

3 k. Procure insurance to secure the payment of its bonds, notes
4 or other obligations or the payment of any guarantees or loans made
5 by it in accordance with the provisions of P.L.1985, c.334
6 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
7 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
8 before the Legislature as this bill), or against any loss in connection
9 with its property and other assets and operations, in any amounts
10 and from any insurers as it deems desirable;

11 l. Engage the services of attorneys, accountants, engineers, and
12 financial experts and any other advisors, consultants, experts and
13 agents as may be necessary in its judgment and fix their
14 compensation;

15 m. (1) Make and contract to make loans to local government
16 units, or to a local government unit on behalf of another local
17 government unit, to finance the cost of wastewater treatment system
18 projects or water supply projects and acquire and contract to acquire
19 notes, bonds or other obligations issued or to be issued by any local
20 government units to evidence the loans, all in accordance with the
21 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
22 c.224 (C.58:11B-10.1 et al.);

23 (2) Make and contract to make loans to public water utilities, or
24 to any other person or local government unit on behalf of a public
25 water utility, to finance the cost of water supply projects in
26 accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et
27 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

28 (3) Make and contract to make loans to private persons other
29 than local government units, or to any other person or local
30 government unit on behalf of a private person, to finance the cost of
31 onsite wastewater treatment and disposal systems or stormwater
32 management systems in accordance with the provisions of
33 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-
34 10.1 et al.);

35 (4) Make and contract to make loans and provide other
36 assistance to one or more local government units or consortia
37 thereof to finance the cost of transportation projects in accordance
38 with the provisions of the federal infrastructure bank program and
39 pursuant to sections 27 and 39 through 43 of P.L. , c. (C.)
40 (pending before the Legislature as this bill);

41 n. Subject to any agreement with holders of its bonds, notes or
42 other obligations, purchase bonds, notes and other obligations of the
43 trust and hold the same for resale or provide for the cancellation
44 thereof, all in accordance with the provisions of P.L.1985, c.334
45 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
46 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
47 before the Legislature as this bill);

1 o. (1) Charge to and collect from local government units,
2 private persons or public water utilities any fees and charges in
3 connection with the trust's loans, guarantees or other services,
4 including, but not limited to, fees and charges sufficient to
5 reimburse the trust for all reasonable costs necessarily incurred by it
6 in connection with its financings and the establishment and
7 maintenance of reserve or other funds, as the trust may determine to
8 be reasonable. The fees and charges shall be in accordance with a
9 uniform schedule published by the trust for the purpose of
10 providing actual cost reimbursement for the services rendered;

11 (2) Any fees and charges collected by the trust pursuant to this
12 subsection may be deposited and maintained in a special fund
13 separate from any other funds held by the trust pursuant to section
14 10 of P.L.1985, c.334 (C.58:11B-10) or section 23 of P.L.1997,
15 c.224 (C.58:11B-10.1), including the Emergency Loan Fund
16 established pursuant to section 4 of P.L.2007, c.138 (C.58:11B-9.1),
17 and shall be available for any corporate purposes of the trust,
18 including the Emergency Financing Program pursuant to section 4
19 of P.L.2007, c.138 (C.58:11B-9.1);

20 p. Subject to any agreement with holders of its bonds, notes or
21 other obligations, obtain as security or to provide liquidity for
22 payment of all or any part of the principal of and interest and
23 premium on the bonds, notes and other obligations of the trust or
24 for the purchase upon tender or otherwise of the bonds, notes or
25 other obligations, lines of credit, letters of credit and other security
26 agreements or instruments in any amounts and upon any terms as
27 the trust may determine, and pay any fees and expenses required in
28 connection therewith;

29 q. Provide to local government units any financial and credit
30 advice as these local government units may request;

31 r. Make payments to the State from any moneys of the trust
32 available therefor as may be required pursuant to any agreement
33 with the State or act appropriating moneys to the trust; and

34 s. Take any action necessary or convenient to the exercise of
35 the foregoing powers or reasonably implied therefrom.

36 (cf: P.L.2009, c.103, s.2)

37

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

40 6. a. Except as may be otherwise expressly provided in the
41 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]** P.L.1997,
42 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
43 P.L. , c. (C.) (pending before the Legislature as this bill),
44 the trust may from time to time issue its bonds, notes, or other
45 obligations in any principal amounts as in the judgment of the trust
46 shall be necessary to provide sufficient funds for any of its
47 corporate purposes, including the payment, funding, or refunding of
48 the principal of, or interest or redemption premiums on, any bonds,

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

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

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

36 d. Bonds, notes or other obligations of the trust may be sold at
37 any price or prices and in any manner as the trust may determine.
38 Each bond, note or other obligation shall mature and be paid not
39 later than 30 years for environmental infrastructure projects, and 31
40 years for transportation projects, from the effective date thereof, or
41 the certified useful life of the project or projects to be financed by
42 the bonds, whichever is less, or a shorter period of time as may be
43 applicable to any companion loan issued pursuant to federal law or
44 regulation.

45 All bonds of the trust shall be sold at **[such]** the price or prices
46 and in **[such]** the manner as the trust shall determine, after notice
47 of sale, a summary of which shall be published at least once in at
48 least three newspapers published in the State of New Jersey and at

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

14 e. Bonds, notes or other obligations of the trust may be issued
15 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]**,
16 P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
17 through 43 of P.L. , c. (C.) (pending before the Legislature
18 as this bill) without obtaining the consent of any department,
19 division, board, bureau or agency of the State, and without any
20 other proceedings or the happening of any other conditions or
21 things, other than those consents, proceedings, conditions or things
22 which are specifically required by P.L.1985, c.334 (C.58:11B-1 et
23 seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27
24 and 39 through 43 of P.L. , c. (C.) (pending before the
25 Legislature as this bill).

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

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

3 g. The aggregate principal amount of bonds, notes or other
4 obligations, including subordinated indebtedness of the trust, shall
5 not exceed (1) \$5,000,000,000 with respect to bonds, notes, or other
6 obligations issued to finance the Disaster Relief Emergency
7 Financing Program established pursuant to section 1 of P.L.2013,
8 c.93 (C.58:11B-9.5), and (2) ~~【\$2,800,000,000】~~ \$3,800,000,000
9 with respect to bonds, notes, or other obligations issued for all other
10 purposes of the trust. In computing the foregoing limitations there
11 shall be excluded all the bonds, notes or other obligations, including
12 subordinated indebtedness of the trust, which shall be issued for
13 refunding purposes, whenever the refunding shall be determined to
14 result in a savings.

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

25 (2) The Joint Budget Oversight Committee or its successor shall
26 have the authority to approve or disapprove the sales of refunding
27 bonds as included in each report submitted in accordance with
28 paragraph (1) of this subsection. The committee shall notify the
29 trust in writing of the approval or disapproval within 30 days of
30 receipt of the report. Should the committee not act within 30 days
31 of receipt of the report, the trust may proceed with the sale of the
32 refunding bonds, provided that the sale of refunding bonds shall
33 realize not less than ~~【3.00%】~~ three percent net present value debt
34 service savings.

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

39 (4) Within 30 days after the sale of the refunding bonds, the
40 trust shall notify the committee of the result of that sale, including
41 the prices and terms, conditions and regulations concerning the
42 refunding bonds, the actual amount of debt service savings to be
43 realized as a result of the sale of refunding bonds, and the intended
44 use of the proceeds from the sale of those bonds.

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

1 h. Each issue of bonds, notes, or other obligations of the trust
2 may, if it is determined by the trust, be general obligations thereof
3 payable out of any revenues, receipts or funds of the trust, or
4 special obligations thereof payable out of particular revenues,
5 receipts or funds, subject only to any agreements with the holders of
6 bonds, notes or other obligations, and may be secured by one or
7 more of the following:

8 (1) Pledge of revenues and other receipts to be derived from the
9 payment of the interest on and principal of notes, bonds or other
10 obligations issued to the trust by one or more local government
11 units, and any other payment made to the trust pursuant to
12 agreements with any local government units, or a pledge or
13 assignment of any notes, bonds, or other obligations of any local
14 government unit and the rights and interest of the trust therein;

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

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

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

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

31 i. The trust shall not issue any bonds, notes or other
32 obligations, or otherwise incur any additional indebtedness, on or
33 after June 30, 2033.

34 j. (Deleted by amendment, P.L.1996, c.88).
35 (cf: P.L.2015, c.106, s.1)

36

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

39 7. In any resolution of the trust authorizing or relating to the
40 issuance of any of its bonds, notes or other obligations, the trust, in
41 order to secure the payment of the bonds, notes or other obligations
42 and in addition to its other powers, may by provisions therein which
43 shall constitute covenants by the trust and contracts with the holders
44 of the bonds, notes or other obligations:

45 a. Secure the bonds, notes or other obligations as provided in
46 section 6 of P.L.1985, c.334 (C.58:11B-6);

47 b. Covenant against pledging all or part of its revenues or
48 receipts;

- 1 c. Covenant with respect to limitations on any right to sell,
2 mortgage, lease or otherwise dispose of any notes, bonds or other
3 obligations of local government units, or any part thereof, or any
4 property of any kind;
- 5 d. Covenant as to any bonds, notes or other obligations to be
6 issued by the trust, and the limitations thereon, and the terms and
7 conditions thereof, and as to the custody, application, investment
8 and disposition of the proceeds thereof;
- 9 e. Covenant as to the issuance of additional bonds, notes or
10 other obligations of the trust or as to limitations on the issuance of
11 additional bonds, notes or other obligations and on the incurring of
12 other debts by it;
- 13 f. Covenant as to the payment of the principal of or interest on
14 bonds, notes or other obligations of the trust, as to the sources and
15 methods of payment, as to the rank or priority of the bonds, notes or
16 other obligations with respect to any lien or security or as to the
17 acceleration of the maturity of the bonds, notes or other obligations;
- 18 g. Provide for the replacement of lost, stolen, destroyed or
19 mutilated bonds, notes or other obligations of the trust;
- 20 h. Covenant against extending the time for the payment of
21 bonds, notes or other obligations of the trust or interest thereon;
- 22 i. Covenant as to the redemption of bonds, notes and other
23 obligations by the trust or the holders thereof and privileges of
24 exchange thereof for other bonds, notes or other obligations of the
25 trust;
- 26 j. Covenant to create or authorize the creation of special funds
27 or accounts to be held in trust or otherwise for the benefit of holders
28 of bonds, notes and other obligations of the trust, or reserves for
29 other purposes and as to the use, investment, and disposition of
30 moneys held in those funds, accounts or reserves;
- 31 k. Provide for the rights and liabilities, powers and duties
32 arising upon the breach of any covenant, condition or obligation and
33 prescribe the events of default and terms and conditions upon which
34 any or all of the bonds, notes or other obligations of the trust shall
35 become or may be declared due and payable before maturity and the
36 terms and conditions upon which the declaration and its
37 consequences may be waived;
- 38 l. Vest in a trustee or trustees within or without the State any
39 property, rights, powers and duties in trust as the trust may
40 determine, which may include any or all of the rights, powers and
41 duties of any trustee appointed by the holders of any bonds, notes or
42 other obligations of the trust pursuant to section 18 of P.L.1985,
43 c.334 (C.58:11B-18), including rights with respect to the sale or
44 other disposition of notes, bonds or other obligations of local
45 government units pledged pursuant to a resolution or trust indenture
46 for the benefit of the holders of bonds, notes or other obligations of
47 the trust and the right by suit or action to foreclose any mortgage
48 pledged pursuant to the resolution or trust indenture for the benefit

1 of the holders of the bonds, notes or other obligations, and to limit
2 or abrogate the right of the holders of any bonds, notes or other
3 obligations of the trust to appoint a trustee under the provisions of
4 P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224
5 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
6 c. (C.) (pending before the Legislature as this bill), and to
7 limit the rights, duties and powers of the trustee;

8 m. Pay the costs or expenses incident to the enforcement of the
9 bonds, notes or other obligations of the trust or of the provisions of
10 the resolution authorizing the issuance of those bonds, notes or
11 other obligations or of any covenant or agreement of the trust with
12 the holders of the bonds, notes or other obligations;

13 n. Limit the rights of the holders of any bonds, notes or other
14 obligations of the trust to enforce any pledge or covenant securing
15 the bonds, notes or other obligations; and

16 o. Make covenants other than or in addition to the covenants
17 authorized by P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997,
18 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
19 P.L. , c. (C.) (pending before the Legislature as this bill) of
20 like or different character, and make covenants to do or refrain from
21 doing any acts and things as may be necessary, or convenient and
22 desirable, in order to better secure the bonds, notes or other
23 obligations of the trust, or which, in the absolute discretion of the
24 trust, would make the bonds, notes or other obligations more
25 marketable, notwithstanding that the covenants, acts or things may
26 not be enumerated herein.

27 (cf: P.L.1997, c.224, s.8)

28
29 17. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to
30 read as follows:

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

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

46 (3) The trust may make and contract to make loans to private
47 persons other than local government units, or to any other person or
48 local government unit on behalf of a private person, in accordance

1 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1
2 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost
3 of stormwater management systems.

4 (4) The trust may make and contract to make loans and provide
5 other assistance to a local government unit or consortia thereof to
6 finance the cost of transportation projects pursuant to sections 27
7 and 39 through 43 of P.L. , c. (C.) (pending before the
8 Legislature as this bill), and provided that the federally-funded
9 subaccount is operated in accordance with the provisions of the
10 federal infrastructure bank program.

11 The loans may be made subject to those terms and conditions as
12 the trust shall determine to be consistent with the purposes thereof.
13 Each loan by the trust and the terms and conditions thereof shall be
14 subject to approval by the State Treasurer, and the trust shall make
15 available to the State Treasurer all information, statistical data and
16 reports of independent consultants or experts as the State Treasurer
17 shall deem necessary in order to evaluate the loan. Each loan to a
18 local government unit, public water utility or any other person shall
19 be evidenced by notes, bonds or other obligations thereof issued to
20 the trust. In the case of each local government unit, notes and
21 bonds to be issued to the trust and, if applicable, the State, acting by
22 and through the Department of Environmental Protection, by the
23 local government unit (1) shall be authorized and issued as provided
24 by law for the issuance of notes and bonds by the local government
25 unit, (2) notwithstanding any provisions of the "Local Authorities
26 Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.) to the
27 contrary, shall be approved by the Director of the Division of Local
28 Government Services in the Department of Community Affairs, and
29 (3)**[,]** notwithstanding the provisions of N.J.S.40A:2-27,
30 N.J.S.40A:2-28 and N.J.S.40A:2-29 or any other provisions of law
31 to the contrary, may be sold at private sale to the trust or the State,
32 as the case may be, at any price, whether or not less than par value,
33 and shall be subject to redemption prior to maturity at any times and
34 at any prices as the trust or the State, as the case may be, and local
35 government units may agree. Each loan to a local government unit,
36 public water utility or any other person and the notes, bonds or
37 other obligations thereby issued shall bear interest at a rate or rates
38 per annum as the trust or the State, as the case may be, and the local
39 government unit, public water utility or any other person, as the
40 case may be, may agree.

41 b. The trust is authorized to guarantee or contract to guarantee
42 the payment of all or any portion of the principal and interest on
43 bonds, notes or other obligations issued by a local government unit
44 to finance the cost of any wastewater treatment system project **[or]**,
45 water supply project, or transportation project which the local
46 government unit may lawfully undertake or acquire and for which
47 the local government unit is authorized by law to borrow money,
48 and the guarantee shall constitute an obligation of the trust for the

1 purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997,
2 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
3 P.L. , c. (C.) (pending before the Legislature as this bill).
4 Each guarantee by the trust and the terms and conditions thereof
5 shall be subject to approval by the State Treasurer, and the trust
6 shall make available to the State Treasurer all information,
7 statistical data and reports of independent consultants or experts as
8 the State Treasurer shall deem necessary in order to evaluate the
9 guarantee.

10 c. The trust shall not make or contract to make any loans or
11 guarantees to local government units, public water utilities or any
12 other person, or otherwise incur any additional indebtedness, on or
13 after June 30, 2033.

14 d. Notwithstanding any provision of P.L.1985, c.334
15 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to
16 the contrary, the trust may receive funds from any source including,
17 without limitation, any funds drawn by the trust from a revolving
18 line of credit or other similar financial vehicle that may be procured
19 by the trust, either through a competitive or negotiated process,
20 pursuant to section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit
21 into the Interim Environmental Financing Program Fund or the trust
22 may issue its bonds, notes or other obligations in any principal
23 amounts, in either case, as in the judgment of the trust shall be
24 necessary to provide sufficient funds to finance or refinance short-
25 term or temporary loans to local government units, public water
26 utilities or private persons for any wastewater treatment system
27 projects included on the Department of Environmental Protection
28 project priority list and eligible for approval pursuant to section 20
29 of P.L.1985, c.334 (C.58:11B-20) or water supply projects included
30 on the Department of Environmental Protection project priority list
31 and eligible for approval pursuant to section 24 of P.L.1997, c.224
32 (C.58:11B-20.1), as applicable, without regard to any other
33 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
34 c.224 (C.58:11B-10.1 et al.), including, without limitation, any
35 administrative or legislative approvals.

36 The trust shall create and establish a special fund **[(hereinafter**
37 **referred] to be known as the "Interim Environmental Financing**
38 **Program Fund" **)]** for the short-term or temporary loan financing or
39 refinancing program **[(hereinafter referred] to be known as the**
40 **"Interim Environmental Financing Program" **)]**.****

41 Any short-term or temporary loans made by the trust pursuant to
42 this subsection may only be made in advance of the anticipated
43 loans the trust may make and contract to make under the provisions
44 of subsection a. of this section from any source of funds anticipated
45 to be received by the trust. Any such short-term or temporary loan
46 made pursuant to the Interim Environmental Financing Program
47 shall mature no later than the last day of the third succeeding fiscal
48 year following the closing date on which the short-term or

1 temporary loan was made by the trust to the project sponsor. The
2 trust may make short-term or temporary loans pursuant to the
3 Interim Environmental Financing Program to any one or more of
4 the project sponsors, for the respective projects thereof, identified in
5 the interim financing project priority list **[(hereinafter referred]** to
6 be known as the "Interim Environmental Financing Program
7 Eligibility List"**)]** in the form provided to the Legislature by the
8 Commissioner of Environmental Protection.

9 The Interim Environmental Financing Program Eligibility List,
10 including any revision thereof or supplement thereto, shall be
11 submitted to the Secretary of the Senate and the Clerk of the
12 General Assembly on or before June 30 of each year. The Interim
13 Environmental Financing Program Eligibility List shall be
14 submitted to the Legislature pursuant to section 2 of P.L.1991,
15 c.164 (C.52:14-19.1) at least once in each fiscal year. The
16 Secretary and the Clerk shall cause the date of submission to be
17 entered upon the Senate Journal and the Minutes of the General
18 Assembly, respectively. Any environmental infrastructure project or
19 the project sponsor thereof not identified in the Interim
20 Environmental Financing Program Eligibility List shall not be
21 eligible for a short-term or temporary loan from the Interim
22 Financing Environmental Program Fund.

23 e. Notwithstanding any provisions of the "Local Bond Law"
24 (N.J.S.40A:2-1 et seq.), the "sewerage authorities law," P.L.1946,
25 c.138 (C.40:14A-1 et seq.), or the "municipal and county utilities
26 **[authority]** authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.)
27 to the contrary, short-term or temporary loans made by the trust
28 pursuant to section 9 of P.L.1985, c.334 (C.58:11B-9), section 4 of
29 P.L.2007, c.138 (C.58:11B-9.1), section 1 of P.L.2009, c.59
30 (C.58:11B-9.2), section 5 of P.L.2009, c.103 (C.58:11B-9.3),
31 section 2 of P.L.2011, c.94 (C.58:11B-9.4), section 1 of P.L.2013,
32 c.93 (C.58:11B-9.5), or section 1 of P.L.2014, c.28 (C.58:11B-9.6),
33 and the obligations issued by project sponsors to evidence such
34 loans, may, at the discretion of the trust and upon application by the
35 project sponsor, bear interest at a variable rate determined pursuant
36 to a methodology as may be established by the trust from time to
37 time.

38 Further, notwithstanding any provisions of the "Local Bond
39 Law" (N.J.S.40A:2-1 et seq.), the "sewerage authorities law,"
40 P.L.1946, c.138 (C.40:14A-1 et seq.), or the "municipal and county
41 utilities **[authority]** authorities law," P.L.1957, c.183 (C.40:14B-1
42 et seq.) to the contrary, any short-term or temporary loans made by
43 the trust pursuant to section 9 of P.L.1985, c.334 (C.58:11B-9),
44 section 4 of P.L.2007, c.138 (C.58:11B-9.1), section 1 of P.L.2009,
45 c.59 (C.58:11B-9.2), section 5 of P.L.2009, c.103 (C.58:11B-9.3),
46 section 2 of P.L.2011, c.94 (C.58:11B-9.4), section 1 of P.L.2013,
47 c.93 (C.58:11B-9.5), or section 1 of P.L.2014, c.28 (C.58:11B-9.6),
48 and any notes or other obligations issued by project sponsors to

1 evidence such short-term or temporary loans, except as provided in
2 section 1 of P.L.2009, c.59 (C.58:11B-9.2), shall mature no later
3 than the last day of the third succeeding fiscal year following the
4 date of issuance of such notes or other obligations, without payment
5 by project sponsors of any portion of the principal thereof prior to
6 maturity.

7 f. The trust shall create and establish a special fund to be
8 known as the "Interim Transportation Financing Program Fund" for
9 the short-term or temporary loan financing or refinancing program
10 to be known as the "Interim Transportation Financing Program."

11 Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1
12 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary,
13 the trust may receive funds from any source including, without
14 limitation, any funds drawn by the trust from a revolving line of
15 credit or other similar financial vehicle that may be procured by the
16 trust, either through a competitive or negotiated process, pursuant to
17 section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit into the
18 Interim Transportation Financing Program Fund or the trust may
19 issue its bonds, notes or other obligations in any principal amounts,
20 in either case, as in the judgment of the trust shall be necessary to
21 provide sufficient funds to finance or refinance short-term or
22 temporary loans to local government units or private persons for
23 any transportation project included on the Department of
24 Transportation Interim Transportation Financing Program Project
25 Eligibility List for the ensuing fiscal year and eligible for approval
26 pursuant to sections 27 and 39 through 43 of P.L. , c. (C.)
27 (pending before the Legislature as this bill), without regard to any
28 other provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997,
29 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
30 P.L. , c. (C.) (pending before the Legislature as this bill),
31 including, without limitation, any administrative or legislative
32 approvals.

33 Any short-term or temporary loans made by the trust pursuant to
34 this subsection may only be made in advance of the anticipated
35 loans the trust may make and contract to make under the provisions
36 of subsection a. of this section from any source of funds anticipated
37 to be received by the trust. Any such short-term or temporary loan
38 made pursuant to the Interim Transportation Financing Program
39 shall mature no later than the last day of the third succeeding fiscal
40 year following the closing date on which the short-term or
41 temporary loan was made by the trust to the project sponsor. The
42 trust may make short-term or temporary loans pursuant to the
43 Interim Transportation Financing Program to any one or more of the
44 project sponsors, for the respective projects thereof, only if a
45 project is identified in the Department of Transportation Interim
46 Transportation Financing Program Project Eligibility List to be
47 known as the "Interim Transportation Financing Program Project

1 Eligibility List" in the form provided to the Legislature by the
 2 Commissioner of Transportation.

3 The Interim Transportation Financing Program Project Eligibility
 4 List, including any revision thereof or supplement thereto, shall be
 5 submitted to the Secretary of the Senate and the Clerk of the
 6 General Assembly on or before July 1 of each year. The Interim
 7 Transportation Financing Program Project Eligibility List shall be
 8 submitted to the Legislature pursuant to section 2 of P.L.1991,
 9 c.164 (C.52:14-19.1) at least once in each fiscal year. The
 10 Secretary and the Clerk shall cause the date of submission to be
 11 entered upon the Senate Journal and the Minutes of the General
 12 Assembly, respectively. Any transportation infrastructure project or
 13 the project sponsor thereof not identified in the Interim
 14 Transportation Financing Program Project Eligibility List shall not
 15 be eligible for a short-term or temporary loan from the Interim
 16 Transportation Financing Program Fund. The trust may revise or
 17 supplement the Interim Transportation Financing Program Project
 18 Eligibility List no more than three times during the fiscal year, and
 19 shall submit the revised list to the Legislature when the revisions
 20 are made.

21 No funds may be disbursed pursuant to this section for project
 22 activities prior to the determination and certification in writing,
 23 from the Department of Transportation, that the project activities
 24 satisfy the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.),
 25 P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
 26 through 43 of P.L. , c. (C.) (pending before the Legislature
 27 as this bill).

28 (cf: P.L.2015, c.106, s.2)

29

30 18. Section 4 of P.L.2007, c.138 (C.58:11B-9.1) is amended to
 31 read as follows:

32 4. a. The trust shall create and establish a special emergency
 33 fund **[(hereinafter referred] to be known** as the "Emergency Loan
 34 Fund"**)]** for the emergency short-term or temporary loan financing
 35 or refinancing program **[(hereinafter referred] to be known** as the
 36 "Emergency Financing Program."**)]**

37 The Emergency Loan Fund shall be credited with:

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

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

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

44 (4) such other moneys as the Legislature may appropriate to the
 45 trust for deposit into the fund at any time to finance or refinance
 46 emergency short-term or temporary loans pursuant to the
 47 Emergency Financing Program; and

1 (5) any other source of available funds deemed by the trust to be
2 necessary or appropriate to provide sufficient funds for deposit into
3 the Emergency Loan Fund to finance or refinance emergency short-
4 term or temporary loans pursuant to the Emergency Financing
5 Program, including, without limitation, any funds drawn by the trust
6 from a revolving line of credit or other similar financial vehicle that
7 may be procured by the trust, either through a competitive or
8 negotiated process, pursuant to section 5 of P.L.1985, c.334
9 (C.58:11B-5), for deposit into the Emergency Loan Fund to finance
10 or refinance emergency short-term or temporary loans pursuant to
11 the Emergency Financing Program.

12 b. Notwithstanding any provision of P.L.1985, c.334
13 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
14 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
15 before the Legislature as this bill) to the contrary, the trust may
16 make emergency short-term or temporary loans to (1) local
17 government units to finance or refinance wastewater treatment
18 system projects not included on the project priority list for the
19 ensuing fiscal year or eligible for approval pursuant to section 20 of
20 P.L.1985, c.334 (C.58:11B-20); or (2) public water utilities or
21 private persons to finance or refinance water supply projects not
22 included on the project priority list for the ensuing fiscal year or
23 eligible for approval pursuant to section 24 of P.L.1997, c.224
24 (C.58:11B-20.1), as applicable, whenever the Commissioner of
25 Environmental Protection has determined and certified, in writing,
26 that any such project constitutes an emergency project because of
27 an imminent threat to the environment or the public health, safety or
28 welfare caused by structural or mechanical failure, sabotage or act
29 of God, without regard to any other provisions of P.L.1985, c.334
30 **[or]** (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.),
31 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
32 before the Legislature as this bill), including, without limitation, the
33 provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section
34 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Environmental
35 Financing Program Eligibility List pursuant to subsection d. of
36 section 9 of P.L.1985, c.334 (C.58:11B-9), or any administrative or
37 legislative approvals.

38 (cf: P.L.2015, c.106, s.3)

39

40 19. Section 1 of P.L.2009, c.59 (C.58:11B-9.2) is amended to
41 read as follows:

42 1. a. The trust shall create and establish a special fund
43 **[(hereinafter referred] to be known as the "Planning and Design**
44 **Fund" [)]** for the short-term or temporary financing or refinancing
45 of environmental planning and engineering design costs
46 **[(hereinafter referred] to be known as the "Planning and Design**
47 **Financing Program." [).]**

48 The Planning and Design Fund shall be credited with:

- 1 (1) moneys deposited in the fund as administrative fees received
2 by the trust pursuant to subsection o. of section 5 of P.L.1985, c.334
3 (C.58:11B-5);
- 4 (2) moneys received by the trust as repayment of the principal
5 of and the interest or premium on loans made from the fund;
- 6 (3) any interest earnings received on the moneys in the fund;
- 7 (4) moneys deposited in the Interim Environmental Financing
8 Program Fund established pursuant to section 9 of P.L.1985, c.334
9 (C.58:11B-9) subject to the provisions of subsection c. of this
10 section;
- 11 (5) such other moneys as the Legislature may appropriate to the
12 trust for deposit into the fund at any time to finance or refinance
13 short-term or temporary loans pursuant to the Planning and Design
14 Financing Program; and
- 15 (6) any other source of available funds deemed by the trust to be
16 necessary or appropriate to provide sufficient funds for deposit into
17 the Planning and Design Fund to finance or refinance short-term or
18 temporary loans pursuant to the Planning and Design Financing
19 Program, including, without limitation, any funds drawn by the trust
20 from a revolving line of credit or other similar financial vehicle that
21 may be procured by the trust, either through a competitive or
22 negotiated process, pursuant to section 5 of P.L.1985, c.334
23 (C.58:11B-5), for deposit into the Planning and Design Fund to
24 finance or refinance short-term or temporary loans pursuant to the
25 Planning and Design Financing Program.
- 26 b. Notwithstanding any provision of P.L.1985, c.334
27 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
28 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
29 before the Legislature as this bill) to the contrary, the trust may
30 make short-term or temporary loans for environmental planning and
31 engineering design costs to (1) local government units to finance or
32 refinance wastewater treatment system projects not included on the
33 project priority list for the ensuing fiscal year or eligible for
34 approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20);
35 or (2) public water utilities or private persons to finance or
36 refinance water supply projects not included on the project priority
37 list for the ensuing fiscal year or eligible for approval pursuant to
38 section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable,
39 without regard to any other provisions of P.L.1985, c.334 **[or]**
40 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or
41 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
42 before the Legislature as this bill), including, without limitation, the
43 provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section
44 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Environmental
45 Financing Program Eligibility List pursuant to subsection d. of
46 section 9 of P.L.1985, c.334 (C.58:11B-9), or any administrative or
47 legislative approvals. Except for Combined Sewer Overflow
48 Abatement Projects, any such short-term or temporary loan made

1 pursuant to the Planning and Design Financing Program shall
2 mature no later than the last day of the third succeeding fiscal year
3 following the closing date on which the Planning and Design loan
4 was made by the trust to the project sponsor. Planning and Design
5 loans made to Combined Sewer Overflow Abatement Projects shall
6 mature no later than the last day of the tenth succeeding fiscal year
7 following the closing date on which the Planning and Design loan
8 was made by the trust to the project sponsor.

9 c. Notwithstanding any provision of P.L.1985, c.334
10 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
11 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
12 before the Legislature as this bill) to the contrary, the trust may
13 utilize moneys deposited in the Interim Environmental Financing
14 Program Fund established pursuant to subsection d. of section 9 of
15 P.L.1985, c.334 (C.58:11B-9) to make short-term or temporary
16 loans for environmental planning and engineering design costs to
17 (1) local government units to finance or refinance wastewater
18 treatment system projects included on the project priority list
19 pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20); or (2)
20 public water utilities or private persons to finance or refinance
21 water supply projects included on the project priority list pursuant
22 to section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, in
23 advance of the anticipated loans the trust may make and contract to
24 make under the provisions of subsection a. of section 9 of P.L.1985,
25 c.334 (C.58:11B-9) to be financed or refinanced through the
26 issuance of bonds, notes or other obligations of the trust authorized
27 under section 6 of P.L.1985, c.334 (C.58:11B-6), without regard to
28 any other provisions of P.L.1985, c.334 **【or】** (C.58:11B-1 et seq.),
29 P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
30 through 43 of P.L. , c. (C.) (pending before the Legislature
31 as this bill), including, without limitation, the provisions of section
32 20 of P.L.1985, c.334 (C.58:11B-20), section 24 of P.L.1997, c.224
33 (C.58:11B-20.1), the Interim Environmental Financing Program
34 Eligibility List pursuant to subsection d. of section 9 of P.L.1985,
35 c.334 (C.58:11B-9), or any administrative or legislative approvals.
36 (cf: P.L.2015, c.106, s.4)

37

38 20. Section 5 of P.L.2009, c.103 (C.58:11B-9.3) is amended to
39 read as follows:

40 5. a. The trust shall create and establish a special fund
41 **【(hereinafter referred】 to be known as the "Onsite Wastewater**
42 **Disposal Loan Fund"【】** for the purposes of an onsite wastewater
43 disposal loan financing or refinancing program **【(hereinafter**
44 **referred】 to be known as the "Onsite Wastewater Disposal**
45 **Financing Program."【】.**

46 The Onsite Wastewater Disposal Loan Fund shall be credited
47 with:

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

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

6 (3) any interest earnings received on the moneys in the fund;
7 and

8 (4) such other moneys as the Legislature may appropriate to the
9 trust for deposit into the fund at any time to finance or refinance
10 onsite wastewater disposal loans pursuant to the Onsite Wastewater
11 Disposal Financing Program.

12 b. Notwithstanding any provision of P.L.1985, c.334
13 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
14 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
15 before the Legislature as this bill) to the contrary, the trust may
16 make onsite wastewater disposal loans for a period not to exceed 10
17 years to private persons or to local government units on behalf of
18 private persons to finance the cost of alterations, repairs or
19 replacements to individual subsurface sewage disposal systems
20 performed pursuant to an onsite septic system ordinance approved
21 by the Department of Environmental Protection, the New Jersey
22 Pinelands Commission or the New Jersey Highlands Council,
23 without regard to any other provisions of P.L.1985, c.334 **[or]**
24 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or
25 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
26 before the Legislature as this bill), including, without limitation, the
27 provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section
28 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Environmental
29 Financing Program Eligibility List pursuant to subsection d. of
30 section 9 of P.L.1985, c.334 (C.58:11B-9), or any administrative or
31 legislative approvals.

32 (cf: P.L.2011, c.94, s.1)

33

34 21. Section 2 of P.L.2011, c.94 (C.58:11B-9.4) is amended to
35 read as follows:

36 2. a. The trust shall create and establish a special fund
37 **[(hereinafter referred] to be known as the "Supplemental Loan**
38 **Fund"【)】** for the short-term or temporary supplemental loan
39 financing or refinancing program **[(hereinafter referred] to be**
40 **known as the "Supplemental Financing Program."【).】**

41 The Supplemental Loan Fund shall be credited with:

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

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

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

1 (4) such other moneys as the Legislature may appropriate to the
2 trust for deposit into the fund at any time to finance or refinance
3 short-term or temporary supplemental loans pursuant to the
4 Supplemental Financing Program; and

5 (5) any other source of available funds deemed by the trust to be
6 necessary or appropriate to provide sufficient funds for deposit into
7 the Supplemental Loan Fund to finance or refinance short-term or
8 temporary loans pursuant to the Supplemental Financing Program,
9 including, without limitation, any funds drawn by the trust from a
10 revolving line of credit or other similar financial vehicle that may
11 be procured by the trust, either through a competitive or negotiated
12 process, pursuant to section 5 of P.L.1985, c.334 (C.58:11B-5), for
13 deposit into the Supplemental Loan Fund to finance or refinance
14 short-term or temporary loans pursuant to the Supplemental
15 Financing Program.

16 b. Notwithstanding any provision of P.L.1985, c.334
17 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to
18 the contrary, the trust may make short-term or temporary loans for a
19 project for which a loan has been previously issued pursuant to
20 subsection a. of section 9 of P.L.1985, c.334 (C.58:11B-9) to pay
21 for eligible costs incurred in excess of the previous loan amount for
22 activities specifically approved in the previous project loan to: (1)
23 local government units to finance or refinance wastewater treatment
24 system projects not included on the project priority list for the
25 ensuing fiscal year or eligible for approval pursuant to section 20 of
26 P.L.1985, c.334 (C.58:11B-20); or (2) public water utilities or
27 private persons to finance or refinance water supply projects not
28 included on the project priority list for the ensuing fiscal year or
29 eligible for approval pursuant to section 24 of P.L.1997, c.224
30 (C.58:11B-20.1), as applicable, without regard to any other
31 provisions of P.L.1985, c.334 **【or】** (C.58:11B-1 et seq.), P.L.1997,
32 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
33 P.L. , c. (C.) (pending before the Legislature as this bill),
34 including, without limitation, the provisions of section 20 of
35 P.L.1985, c.334 (C.58:11B-20), section 24 of P.L.1997, c.224
36 (C.58:11B-20.1), the Interim Environmental Financing Program
37 Eligibility List pursuant to subsection d. of section 9 of P.L.1985,
38 c.334 (C.58:11B-9), or any administrative or legislative approvals.
39 (cf: P.L.2015, c.106, s.5)

40
41 22. Section 1 of P.L.2013, c.93 (C.58:11B-9.5) is amended to
42 read as follows:

43 1. a. The trust shall create and establish a special fund
44 **【(hereinafter referred】 to be known as the "Disaster Relief**
45 **Emergency Financing Program Fund【"]】** for the disaster relief
46 emergency short-term or temporary loan program of the trust
47 **【(hereinafter referred】 to be known as the "Disaster Relief**
48 **Emergency Financing Program."【).】**

1 The Disaster Relief Emergency Financing Program Fund shall be
2 credited with:

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

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

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

9 (4) such other moneys as the Legislature may appropriate to the
10 trust for deposit into the fund at any time to finance or refinance
11 emergency short-term or temporary loans pursuant to the Disaster
12 Relief Emergency Financing Program;

13 (5) the proceeds of any bonds, notes or other obligations that
14 may be issued by the trust from time to time in any principal
15 amounts as in the judgment of the trust shall be necessary or
16 appropriate to provide sufficient funds for deposit into the fund to
17 finance or refinance emergency short-term or temporary loans
18 pursuant to the Disaster Relief Emergency Financing Program; and

19 (6) any other source of available funds that may be deemed by
20 the trust to be necessary or appropriate to provide sufficient funds
21 for deposit into the fund to finance or refinance emergency short-
22 term or temporary loans pursuant to the Disaster Relief Emergency
23 Financing Program, including, without limitation, any funds drawn
24 by the trust from a revolving line of credit or other similar financial
25 vehicle, either through a competitive or negotiated process, that
26 may be procured by the trust pursuant to the provisions of section 5
27 of P.L.1985, c.334 (C.58:11B-5), for deposit into the fund to
28 finance or refinance emergency short-term or temporary loans
29 pursuant to the Disaster Relief Emergency Financing Program.

30 b. Notwithstanding any provision of P.L.1985, c.334
31 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
32 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
33 before the Legislature as this bill) to the contrary, the trust may
34 make emergency short-term or temporary Disaster Relief
35 Emergency Financing Program loans to: (1) local government units
36 to finance or refinance the costs incurred in the environmental
37 planning and design associated with such wastewater treatment
38 system projects, and wastewater treatment system projects, as
39 applicable; or (2) local government units, public water utilities, or
40 private persons to finance or refinance the costs incurred in the
41 environmental planning and design of water supply projects, and
42 water supply projects, as applicable.

43 Emergency short-term or temporary loans may be made upon the
44 determination and certification in writing by the department that
45 any such project is necessary and appropriate to: repair damages to
46 a wastewater treatment system or water supply facility directly
47 arising from an act of terrorism, seismic activity, or weather
48 conditions that occurred within the prior three fiscal years that gave

1 rise to a declaration by the Governor of a state of emergency,
2 provided the wastewater treatment system or water supply facility is
3 located in a county included in the Governor's state of emergency
4 declaration; or mitigate the risk of future damage to a wastewater
5 treatment system or water supply facility from an act of terrorism,
6 seismic activity, or weather conditions comparable in scope and
7 severity to the act of terrorism, seismic activity, or weather
8 conditions that occurred within the prior three fiscal years that gave
9 rise to a declaration by the Governor of a state of emergency,
10 provided the wastewater treatment system or water supply facility is
11 located in a county included in the Governor's state of emergency
12 declaration, without regard to any other provisions of P.L.1985,
13 c.334 **[or]** (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et
14 al.), or sections 27 and 39 through 43 of P.L. , c. (C.)
15 (pending before the Legislature as this bill), including, without
16 limitation, the provisions of section 20 of P.L.1985, c.334
17 (C.58:11B-20), section 24 of P.L.1997, c.224 (C.58:11B-20.1), the
18 Interim Environmental Financing Program Eligibility List pursuant
19 to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9), or
20 any administrative or legislative approvals. Any such short-term or
21 temporary loan pursuant to the Disaster Relief Emergency
22 Financing Program shall mature no later than the last day of the
23 third succeeding fiscal year following the closing date on which the
24 short-term or temporary loan was made by the trust to the project
25 sponsor.

26 c. The trust may make short-term or temporary loans pursuant
27 to the Disaster Relief Emergency Financing Program to one or more
28 of the project sponsors, for the respective projects thereof,
29 identified on the Disaster Relief Emergency Financing Program
30 project priority list **[(hereinafter referred] to be known as the**
31 **"Disaster Relief Emergency Financing Program Eligibility List" [)]**
32 in the form provided to the Legislature by the Commissioner of
33 Environmental Protection. The Disaster Relief Emergency
34 Financing Program Eligibility List shall be submitted to the
35 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1)
36 at least once in each fiscal year. An environmental infrastructure
37 project or a project sponsor thereof not identified on the Disaster
38 Relief Emergency Financing Program Eligibility List submitted to
39 the Legislature shall not be eligible for a short-term or temporary
40 loan from the Disaster Relief Emergency Financing Program Fund.
41 (cf: P.L.2015, c.106, s.6)

42

43 23. Section 1 of P.L.2014, c.28 (C.58:11B-9.6) is amended to
44 read as follows:

45 1. a. The trust shall create and establish a special fund
46 **[(hereinafter referred] to be known as the "Equipment Loan**
47 **Fund" [)]** for the short-term or temporary equipment loan program

1 of the trust [(hereinafter referred] to be known as the "Equipment
2 Loan Program." [)].]

3 The Equipment Loan Fund shall be credited with:

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

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

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

10 (4) such other moneys as the Legislature may appropriate to the
11 trust for deposit into the fund at any time to finance or refinance
12 short-term or temporary loans pursuant to the Equipment Loan
13 Program;

14 (5) the proceeds of any bonds, notes or other obligations that
15 may be issued by the trust from time to time in any principal
16 amounts as in the judgment of the trust shall be necessary or
17 appropriate to provide sufficient funds for deposit into the fund to
18 finance or refinance short-term or temporary loans pursuant to the
19 Equipment Loan Program; and

20 (6) any other source of available funds that may be deemed by
21 the trust to be necessary or appropriate to provide sufficient funds
22 for deposit into the fund to finance or refinance short-term or
23 temporary loans pursuant to the Equipment Loan Program,
24 including, without limitation, any funds drawn by the trust from a
25 revolving line of credit or other similar financial vehicle, that may
26 be procured by the trust, either through a competitive or negotiated
27 process, pursuant to the provisions of section 5 of P.L.1985, c.334
28 (C.58:11B-5), for deposit into the fund to finance or refinance
29 short-term or temporary loans pursuant to the Equipment Loan
30 Program.

31 b. Notwithstanding any provision of P.L.1985, c.334
32 (C.58:11B-1 et seq.) [or], P.L.1997, c.224 (C.58:11B-10.1 et al.),
33 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
34 before the Legislature as this bill) to the contrary, the trust may
35 make short-term or temporary equipment loans to: (1) local
36 government units to finance wastewater treatment system
37 equipment projects not included on the project priority list for the
38 ensuing fiscal year or eligible for approval pursuant to section 20 of
39 P.L.1985, [c.332] c.334 (C.58:11B-20); or (2) public water utilities
40 or private persons to finance water supply equipment projects not
41 included on the project priority list for the ensuing fiscal year or
42 eligible for approval pursuant to section 24 of P.L.1997, c.224
43 (C.58:11B-20.1).

44 The loans may be made without regard to any other provisions of
45 P.L.1985, c.334 [or] (C.58:11B-1 et seq.), P.L.1997, c.224
46 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
47 c. (C.) (pending before the Legislature as this bill),
48 including, without limitation, the provisions of section 20 of

1 P.L.1985, c.334 (C.58:11B-20), section 24 of P.L.1997, c.224
2 (C.58:11B-20.1), the Interim Environmental Financing Program
3 Eligibility List pursuant to subsection d. of section 9 of P.L.1985,
4 c.334 (C.58:11B-9), or any administrative or legislative approvals.
5 (cf: P.L.2015, c.106, s.7)

6
7 24. Section 10 of P.L.1985, c.334 (C.58:11B-10) is amended to
8 read as follows:

9 10. The trust shall create and establish a special fund to be
10 known as the "wastewater treatment system general loan fund."

11 Subject to the provisions of the legislation appropriating moneys
12 to the trust, subject to any other provision of P.L.1985, c.334
13 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
14 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
15 before the Legislature as this bill) providing otherwise, and subject
16 to agreements with the holders of bonds, notes and other obligations
17 of the trust, the trust shall deposit into the wastewater treatment
18 system general loan fund all revenues and receipts of the trust,
19 including moneys received by the trust as payment of the principal
20 of and the interest or premium on loans made from moneys in any
21 wastewater treatment system fund or account held by the trust under
22 P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224
23 (C.58:11B-10.1 et al.), or 27 and sections 39 through 43 of P.L. ,
24 c. (C.) (pending before the Legislature as this bill), and the
25 earnings on the moneys in any wastewater treatment system fund or
26 account of the trust, and all grants, appropriations, other than those
27 referred to in section 11 of P.L.1985, c.334 (C.58:11B-11),
28 contributions, or other moneys from any source, available for the
29 making of loans to local government units. The amounts in the
30 wastewater treatment system general loan fund shall be available
31 for application by the trust for loans to local government units for
32 the cost of wastewater treatment system projects, and for other
33 corporate purposes of the trust related to wastewater treatment
34 systems, subject to agreements with the holders of bonds, notes or
35 other obligations of the trust.

36 (cf: P.L.1997, c.224, s.10)

37

38 25. Section 23 of P.L.1997, c.224 (C.58:11B-10.1) is amended
39 to read as follows:

40 23. The trust shall create and establish a special fund to be
41 known as the "water supply facilities general loan fund."

42 Subject to the provisions of the legislation appropriating moneys
43 to the trust, subject to any other provision of P.L.1985, c.334
44 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
45 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
46 before the Legislature as this bill) providing otherwise, and subject
47 to agreements with the holders of bonds, notes and other obligations
48 of the trust, the trust shall deposit into the water supply facilities

1 general loan fund all revenues and receipts of the trust, including
2 moneys received by the trust as payment of the principal of and the
3 interest or premium on loans made from moneys in any fund or
4 account held by the trust under the provisions of P.L.1985, c.334
5 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
6 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
7 before the Legislature as this bill), and the earnings on the moneys
8 in any fund or account of the trust, and all grants, appropriations,
9 other than those referred to in section 11 of P.L.1985, c.334
10 (C.58:11B-11), contributions, or other moneys from any source,
11 available for the making of loans to local government units, public
12 water utilities, or to any other person or local government unit on
13 behalf of a public water utility, for water supply projects. The
14 amounts in the water supply facilities general loan fund shall be
15 available for application by the trust for loans to local government
16 units, public water utilities or any other person for the cost of water
17 supply projects, and for other corporate purposes of the trust,
18 subject to agreements with the holders of bonds, notes or other
19 obligations of the trust.

20 (cf: P.L.1999, c.175, s.4)

21

22 26. Section 1 of P.L.2005, c.202 (C.58:11B-10.2) is amended to
23 read as follows:

24 1. a. There is established in the New Jersey **【Environmental】**
25 **Infrastructure 【Trust】 Bank** a special fund to be known as the
26 Department of Environmental Protection Loan Origination Fee
27 Fund.

28 The Department of Environmental Protection Loan Origination
29 Fee Fund shall be credited with:

30 (1) moneys deposited into the fund as loan origination fees
31 received by the Department of Environmental Protection and paid
32 by project sponsors of wastewater treatment system projects or
33 water supply projects financed under the New Jersey Environmental
34 Infrastructure Financing Program; and

35 (2) any interest accumulated on the amounts of the Department
36 of Environmental Protection loan origination fees.

37 b. Moneys in the Department of Environmental Protection
38 Loan Origination Fee Fund shall be used by the Department of
39 Environmental Protection for administrative and operating expenses
40 incurred by the department in administering the New Jersey
41 Environmental Infrastructure Financing Program, except that the
42 total amount utilized by the department for administrative and
43 operating expenses in any fiscal year shall not exceed \$5,000,000.
44 The amounts in the Department of Environmental Protection Loan
45 Origination Fee Fund shall also be available for application by the
46 department for State matching funds or loans to local government
47 units for the cost of wastewater treatment system or water supply

1 projects. Amounts in excess of revenue anticipation shall be carried
2 forward into the following year.

3 c. As used in this section, "Department of Environmental
4 Protection loan origination fee" means the fee charged by the
5 Department of Environmental Protection and financed under the
6 trust loan to pay a portion of the costs incurred by the department in
7 the implementation of the New Jersey Environmental Infrastructure
8 Financing Program.

9 (cf: P.L.2015, c.106, s.8)

10

11 27. (New section) a. There is established in the New Jersey
12 Infrastructure Bank a special fund to be known as the Department
13 of Transportation Loan Origination Fee Fund.

14 The Department of Transportation Loan Origination Fee Fund
15 shall be credited with:

16 (1) moneys deposited into the fund as loan origination fees
17 received by the Department of Transportation and paid by project
18 sponsors of transportation projects financed under the New Jersey
19 Transportation Infrastructure Financing Program; and

20 (2) any interest accumulated on the amounts of the Department
21 of Transportation loan origination fees.

22 b. Moneys in the Department of Transportation Loan
23 Origination Fee Fund shall be used by the Department of
24 Transportation for administrative and operating expenses incurred
25 by the department in administering the New Jersey Transportation
26 Infrastructure Financing Program, except that the total amount
27 utilized by the department for administrative and operating
28 expenses in any fiscal year shall not exceed \$8,000,000. The
29 amounts in the Department of Transportation Loan Origination Fee
30 Fund shall also be available for application by the department for
31 State matching funds or loans to local government units for the cost
32 of transportation projects. Amounts in excess of revenue
33 anticipation shall be carried forward into the following year.

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

39

40 28. Section 12 of P.L.1985, c.334 (C.58:11B-12) is amended to
41 read as follows:

42 12. a. To assure the continued operation and solvency of the
43 trust, the trust may require that if a local government unit fails or is
44 unable to pay to the trust in full when due any obligations of the
45 local government unit to the trust, an amount sufficient to satisfy
46 the deficiency shall be paid by the State Treasurer to the trust from
47 State aid payable to the local government unit. As used in this
48 section, obligations of the local government unit include the

1 principal of or interest on bonds, notes or other obligations of a
2 local government unit issued to or guaranteed by the trust, including
3 the subrogation of the trust to the right of the holders of those
4 obligations, any fees or charges payable to the trust, and any
5 amounts payable by a local government unit under any service
6 contract or other contractual arrangement the payments under which
7 are pledged to secure any bonds or notes issued to the trust by
8 another local government unit. State aid includes business personal
9 property tax replacement revenues, State urban aid and State
10 revenue sharing, as these terms are defined in section 2 of
11 **【P.L.1976, c.138 (C.40A:3-3)】** P.L.1976, c.38 (C.40A:3-3), or
12 other similar forms of State aid payable to the local government
13 unit and to the extent permitted by federal law, federal moneys
14 appropriated or apportioned to the local government unit by the
15 State, and for loans made in support of transportation projects, State
16 aid shall also include county and municipal transportation aid
17 issued pursuant to section 25 of P.L.1984, c.73 (C.27:1B-25).

18 (1) If the trust requires, and there has been a failure or inability
19 by a local government unit to pay its obligations to the trust
20 remaining uncured for a period of 30 days, the chairman of the trust
21 shall certify to the State Treasurer, with written notice to the fiscal
22 officer of the local government unit and to the Legislature, the
23 amount remaining unpaid, and the State Treasurer shall pay that
24 amount to the trust, or if the right to receive those payments has
25 been pledged or assigned to a trustee for benefit of the holders of
26 bonds, notes or other obligations of the trust, to that trustee, out of
27 the State aid payable to the local government unit, until the amount
28 so certified is paid.

29 (2) The amount paid over to the trust shall be deducted from the
30 corresponding appropriation or apportionment of State aid payable
31 to the local government unit and shall not obligate the State to
32 make, nor entitle the local government unit to receive, any
33 additional appropriation or apportionment. The obligation of the
34 State Treasurer to make payments to the trust or trustee and the
35 right of the trust or trustee to receive those payments shall be
36 subject and subordinate to the rights of holders of qualified bonds
37 issued or to be issued pursuant to **【P.L.1976, c.38 (C.40A:3-1 et**
38 **seq.)】** P.L.1976, c.38 (C.40A:3-1 et seq.).

39 (3) In those instances where the local government units are
40 municipal or county sewerage, utility or improvement authorities
41 created pursuant to **【P.L. 1946, c. 138 (C. 40:14A-1 et seq.)】**
42 P.L.1946, c.138 (C.40:14A-1 et seq.) or **【P.L.1957, c.183**
43 **(C.40:14B-1 et seq.)】** P.L.1957, c.183 (C.40:14B-1 et seq.), the
44 trust may require the municipalities or counties which receive
45 service or other benefits from the districts or authorities to enter
46 into service contracts or other contractual arrangements under
47 which they would be required to make payments which would
48 satisfy any deficiencies in the revenues of the districts or authorities

1 to repay the loans made by the trust, which contracts would be
2 pledged to secure the payment of the loans of the trust.

3 b. Whenever a local government unit covenants or pledges to
4 or secures the payment of its obligations to the trust by, in whole or
5 in part, certain revenues of the local government unit derived by the
6 local government unit from the imposition of rates, fees and
7 charges, and the local government unit, and if payments by another
8 local government unit under a service contract or other contractual
9 arrangement are pledged to the payment of the obligations, the other
10 local government unit, fails or is unable to pay in full when due any
11 of the obligations and the State aid revenues for any reason have not
12 been made available for the payment of the obligations or have not
13 been made available in sufficient amounts to pay the obligations in
14 full, the trust is authorized during the period of such failure to cause
15 the local government unit, in accordance with the covenants or
16 pledges established in any loan or other agreement relating thereto,
17 to establish and collect rates, fees and charges in the amounts
18 required to pay the obligations in accordance with the covenants or
19 pledges established in the loan or other agreement relating thereto.

20 c. In the event that a local government unit, consortia thereof
21 or private entity receiving a loan from the trust fails or is unable to
22 pay to the trust in full when due any obligations of the local
23 government unit, consortia thereof, or private entity to the trust, the
24 trust shall have the authority to exercise any and all recourses
25 available to it under the law in an effort to recover any amounts
26 owed to the trust.

27 (cf: P.L.1985, c.334, s.12)

28

29 29. Section 13 of P.L.1985, c.334 (C.58:11B-13) is amended to
30 read as follows:

31 13. Neither the directors of the trust nor any person executing
32 bonds, notes or other obligations of the trust issued pursuant to
33 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
34 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill) shall be
36 liable personally on the bonds, notes or other obligations by reason
37 of the issuance thereof.

38 (cf: P.L.1997, c.224, s.11)

39

40 30. Section 14 of P.L.1985, c.334 (C.58:11B-14) is amended to
41 read as follows:

42 14. The State does pledge to and covenant and agree with the
43 holders of any bonds, notes or other obligations of the trust issued
44 pursuant to authorization of P.L.1985, c.334 (C.58:11B-1 et seq.)
45 **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
46 through 43 of P.L. , c. (C.) (pending before the Legislature
47 as this bill) that the State shall not limit or alter the rights or powers
48 vested in the trust to perform and fulfill the terms of any agreement

1 made with the holders of the bonds, notes or other obligations or to
2 fix, establish, charge and collect any rents, fees, rates, payments or
3 other charges as may be convenient or necessary to produce
4 sufficient revenues to meet all expenses of the trust and to fulfill the
5 terms of any agreement made with the holders of bonds, notes or
6 other obligations, including the obligations to pay the principal of
7 and interest and premium on those bonds, notes or other
8 obligations, with interest on any unpaid installments of interest, and
9 all costs and expenses in connection with any action or proceedings
10 by or on behalf of the holders, and shall not limit or alter the rights
11 and powers of any local government unit to pay and perform its
12 obligations owed to the trust in connection with loans received from
13 the trust, until the bonds, notes and other obligations of the trust,
14 together with interest thereon, are fully met and discharged or
15 provided for.

16 (cf: P.L.1997, c.224, s.12)

17

18 31. Section 15 of P.L.1985, c.334 (C.58:11B-15) is amended to
19 read as follows:

20 15. The State and all public officers, governmental units and
21 agencies thereof, all banks, trust companies, savings banks and
22 institutions, building and loan associations, savings and loan
23 associations, investment companies, and other persons carrying on a
24 banking business, all insurance companies, insurance associations
25 and other persons carrying on an insurance business, and all
26 executors, administrators, guardians, trustees and other fiduciaries
27 may legally invest any sinking funds, moneys or other funds
28 belonging to them or within their control in any bonds, notes or
29 other obligations issued pursuant to P.L.1985, c.334 (C.58:11B-1 et
30 seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27
31 and 39 through 43 of P.L. , c. (C.) (pending before the
32 Legislature as this bill), and those bonds, notes or other obligations
33 shall be authorized security for any and all public deposits.

34 (cf: P.L.1997, c.224, s.13)

35

36 32. Section 17 of P.L.1985, c.334 (C.58:11B-17) is amended to
37 read as follows:

38 17. All property of the trust is declared to be public property
39 devoted to an essential public and governmental function and
40 purpose and the revenues, income and other moneys received or to
41 be received by the trust shall be exempt from all taxes of the State
42 or any political subdivision thereof. All bonds, notes and other
43 obligations of the trust issued pursuant to P.L.1985, c.334
44 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
45 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
46 before the Legislature as this bill) are declared to be issued by a
47 body corporate and politic of the State and for an essential public
48 and governmental purpose and those bonds, notes and other

1 obligations, and interest thereon and the income therefrom and from
2 the sale, exchange or other transfer thereof shall at all times be
3 exempt from taxation, except for transfer inheritance and estate
4 taxes.

5 (cf: P.L.1997, c.224, s.14)

6

7 33. Section 18 of P.L.1985, c.334 (C.58:11B-18) is amended to
8 read as follows:

9 18. a. If the trust defaults in the payment of principal of, or
10 interest on, any issue of its bonds, notes or other obligations after
11 these are due, whether at maturity or upon call for redemption, and
12 the default continues for a period of 30 days or if the trust defaults
13 in any agreement made with the holders of any issue of bonds, notes
14 or other obligations, the holders of **【25%】** 25 percent in aggregate
15 principal amount of the bonds, notes or other obligations of the
16 issue then outstanding, by instrument or instruments filed in the
17 office of the clerk of any county in which the trust operates and has
18 an office and proved or acknowledged in the same manner as
19 required for a deed to be recorded, may direct a trustee to represent
20 the holders of the bonds, notes or other obligations of the issuers for
21 the purposes herein provided.

22 b. Upon default, the trustee may, and upon written request of
23 the holders of **【25%】** 25 percent in principal amount of the bonds,
24 notes or other obligations of the trust of a particular issue then
25 outstanding shall, in **【his or its】** the trustee's own name:

26 (1) By suit, action or proceeding enforce all rights of the holders
27 of bonds, notes or other obligations of the issue, to require the trust
28 to carry out any other agreements with the holders of the bonds,
29 notes or other obligations of the issue and to perform its duties
30 under P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
31 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. . . .
32 c. (C. . . .) (pending before the Legislature as this bill);

33 (2) Bring suit upon the bonds, notes or other obligations of the
34 issue;

35 (3) By action or suit, require the trust to account as if it were the
36 trustee of an express trust for the holders of the bonds, notes or
37 other obligations of the issue;

38 (4) By action or suit, enjoin any acts or things which may be
39 unlawful or in violation of the rights of the holders of the bonds,
40 notes or other obligations of the issue;

41 (5) Sell or otherwise dispose of bonds and notes of local
42 government units pledged pursuant to resolution or trust indenture
43 for benefit of holders of bonds, notes, or other obligations of the
44 issue on any terms as resolution or trust indenture may provide;

45 (6) By action or suit, foreclose any mortgage pledged pursuant
46 to the resolution or trust indenture for the benefit of the holders of
47 the bonds, notes or other obligations of the issue;

1 (7) Declare all bonds, notes or other obligations of the issue due
2 and payable, and if all defaults are made good, then with the
3 consent of the holders of **【50%】** 50 percent of the principal amount
4 of the bonds, notes or other obligations of the issue then
5 outstanding, to annul the declaration and its consequences.

6 c. The trustee shall, in addition to the foregoing, have those
7 powers necessary or appropriate for the exercise of any function
8 specifically set forth herein or incident to the general representation
9 of holders of bonds, notes or other obligations of the trust in the
10 enforcement and protection of their rights.

11 d. The Superior Court shall have jurisdiction over any suit,
12 action or proceeding by the trustees on behalf of the holders of
13 bonds, notes or other obligations of the trust. The venue of any suit,
14 action or proceeding shall be in the county in which the principal
15 office of the trust is located.

16 e. Before declaring the principal of bonds, notes or other
17 obligations of the trust due and payable as a result of a trust default
18 on any of its bonds, notes or other obligations, the trustee shall first
19 give 30 days' notice in writing to the trust and to the Governor,
20 State Treasurer, President of the Senate and Speaker of the General
21 Assembly.

22 (cf: P.L.1997, c.224, s.15)

23
24 34. Section 19 of P.L.1985, c.334 (C.58:11B-19) is amended to
25 read as follows:

26 19. Sums of money received pursuant to the authority of
27 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
28 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. __,
29 c. (C. _____) (pending before the Legislature as this bill), whether
30 as proceeds from the sale of particular bonds, notes or other
31 obligations of the trust or as particular revenues or receipts of the
32 trust, are deemed to be trust funds, to be held and applied solely as
33 provided in the resolution or trust indenture under which the bonds,
34 notes or obligations are authorized or secured. Any officer with
35 whom or any bank or trust company with which those sums of
36 money are deposited as trustee thereof shall hold and apply the
37 same for the purposes thereof, subject to any provision as the
38 aforementioned acts and the resolution or trust indenture
39 authorizing or securing the bonds, notes or other obligations of the
40 trust may provide.

41 (cf: P.L.1997, c.224, s.16)

42
43 35. Section 23 of P.L.1985, c.334 (C.58:11B-23) is amended to
44 read as follows:

45 23. a. No funds from State sources or State bond issues used to
46 capitalize the trust shall be available for use by the trust unless
47 appropriated by law to the trust.

1 b. No funds shall be expended by the trust for its annual
 2 operating expenses unless appropriated by law to the trust. Unless
 3 required to be otherwise applied pursuant to law, funds generated
 4 by the operation of the trust, including, but not limited to: proceeds
 5 from the sale of the trust's bonds, notes or other obligations;
 6 revenues derived from investments by the trust; loan repayments
 7 from local government units; and fees and charges levied by the
 8 trust, may thereafter be applied in accordance with the provisions of
 9 P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224
 10 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
 11 c. (C.) (pending before the Legislature as this bill) for any
 12 corporate purpose of the trust without appropriation; except that the
 13 funds shall only be used to make loans or guarantees approved by
 14 the Legislature in accordance with the provisions of sections 20, 21,
 15 and 22 of P.L.1985, c.334 (C.58:11B-20, C.58:11B-21 and
 16 C.58:11B-22), **[or]** sections 24, 25, and 26 of P.L.1997, c.224
 17 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1), or section 40
 18 through 42 of P.L. , c. (C.) (pending before the Legislature
 19 as this bill).

20 c. The trust shall not apply for any federal funds, including
 21 funds which are authorized pursuant to the "Federal Water Pollution
 22 Control Act Amendments of 1972," Pub.L. 92-500 (33 U.S.C.
 23 s.1251 et al.), and any amendatory or supplementary acts thereto.

24 The trust, with the concurrence of the Commissioner of
 25 Environmental Protection, may receive, accept or utilize moneys
 26 received from local government units as repayments of principal
 27 and interest on loans made from the State Revolving Fund Accounts
 28 established pursuant to section 1 of P.L.1988, c.133.

29 (cf: P.L.1997, c.224, s.20)

30

31 36. Section 25 of P.L.1985, c.334 (C.58:11B-25) is amended to
 32 read as follows:

33 25. The trust shall establish the rules and regulations governing
 34 the making and use of loans or guarantees, including, but not
 35 limited to, procedures for the submission of loan guarantee
 36 requests, standards for the evaluation of requests, provisions
 37 implementing priority systems for projects, reporting requirements
 38 of the recipient of any loan or guarantee concerning the progress
 39 and the expenditure of funds, and limitations, restrictions or
 40 requirements concerning the use of loan funds as the trust shall
 41 prescribe; provided that the rules and regulations shall be in
 42 compliance with the terms and provisions of P.L.1985, c.334
 43 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
 44 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
 45 before the Legislature as this bill) relating to the making of or
 46 eligibility for loans or guarantees for environmental infrastructure
 47 projects generally or for any particular type or class of wastewater
 48 treatment system or water supply projects.

1 (cf: P.L.1997, c.224, s.21)

2

3 37. Section 26 of P.L.1985, c.334 (C.58:11B-26) is amended to
4 read as follows:

5 26. a. The trust shall adopt **【the】** rules and regulations requiring
6 a local government unit which receives a loan or guarantee for a
7 project to establish an affirmative action program for the hiring of
8 minority workers in the performance of any construction contract
9 for that project and to establish a program to provide opportunities
10 for socially and economically disadvantaged contractors and
11 vendors to supply materials and services for the contract, consistent
12 with the provisions of the "Law Against Discrimination,"
13 **【P.L.1945, c.169 (C.10:5-1 et seq.)】** P.L.1945, c.169 (C.10:5-1 et
14 seq.). Not less than **【10%】** 10 percent of the amount of any
15 contract for construction, materials or services for a project shall be
16 awarded to small business concerns owned and controlled by
17 socially and economically disadvantaged individuals as defined in
18 **【section 8(a) and 8(d) of】** the "Small Business Act," **【Pub.L. 75-**
19 **536 (15 U.S.C. s. 637(a) and (d))】** Pub.L.85-536 (15 U.S.C. s.631 et
20 seq.), and any regulations promulgated pursuant thereto.

21 b. The trust shall adopt **【the】** rules and regulations requiring **【a**
22 **local government unit】** any entity, which receives a loan, grant, or
23 guarantee for a project to pay not less than the prevailing wage rate
24 to workers employed in the performance of any construction
25 contract for that project, in accordance with the rate determined by
26 the Commissioner of Labor and Workforce Development pursuant
27 to **【P.L.1963, c.150 (C.34:11-56.25 et seq.)】** P.L.1963, c.150
28 (C.34:11-56.25 et seq.).

29 ⁴【c. Every contract subject to the provisions of P.L.1985, c.334
30 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or
31 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
32 before the Legislature as this bill), procured pursuant to the "Local
33 Public Contracts Law," P.L.1971, c.198, (C.40A:11-1 et seq.), shall
34 provide that every worker employed in the performance of that
35 contract is an apprentice participating in a registered apprenticeship
36 program or has completed a registered apprenticeship, unless the
37 contractor or subcontractor certifies that every worker shall be paid
38 not less than the journeyworker's rate established for the
39 apprenticeable trade performed pursuant to P.L.1963, c.150
40 (C.34:11-56.25 et seq.). "Registered apprenticeship program"
41 means an apprenticeship program which is registered with and
42 approved by the United States Department of Labor and which
43 provides each trainee with combined classroom and on-the-job
44 training under the direct and close supervision of a highly skilled
45 worker in an occupation recognized as an apprenticeable trade and
46 meets the program performance standards of enrollment and
47 graduation under 29 C.F.R. s.29.6.】⁴

1 (cf: P.L.1985, c.334, s.26)

2

3 38. Section 27 of P.L.1985, c.334 (C.58:11B-27) is amended to
4 read as follows:

5 27. The trust shall adopt such rules and regulations as it deems
6 necessary to effectuate the purposes of P.L.1985, c.334 (C.58:11B-1
7 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including those
8 required pursuant to sections 25 and 26 of P.L.1985, c.334
9 (C.58:11B-25 and C.58:11B-26), and sections 27 and 39 through 43
10 of P.L. _____, c. _____ (C. _____) (pending before the Legislature as this
11 bill), in accordance with the "Administrative Procedure Act,"
12 P.L.1968, c.410 (C.52:14B-1 et seq.).
13 (cf: P.L.1997, c.224, s.22)

14

15 39. (New section) a. There is established in the New Jersey
16 Infrastructure Bank a special fund to be known as the State
17 Transportation Infrastructure Bank Fund. There shall be established
18 within the fund, two subaccounts: (1) a federally-funded subaccount
19 that shall be approved to receive federal funds and related State
20 matching funds pursuant to the federal infrastructure bank program
21 provided for in section 350 of Pub.L.104-59 and Pub.L.102-240 as
22 amended or superseded, and (2) a State-funded subaccount that
23 shall be approved to receive only State funds in excess of those
24 required to be deposited in the federally-funded subaccount. The
25 State-funded subaccount shall be ineligible to receive any federal
26 funds. However, funds in the State-funded subaccount shall be
27 eligible for transfer into the federally-funded subaccount in the
28 discretion of the trust for the purpose of related match funding of
29 the federally-funded subaccount.

30 The State Transportation Infrastructure Bank Fund shall be
31 credited with:

32 (1) (a) State and federal funds appropriated to a federal
33 subaccount of the State Transportation Infrastructure Bank Fund
34 pursuant to the federal infrastructure bank program provided for in
35 section 350 of Pub.L.104-59 and Pub.L.102-240 as amended or
36 superseded, and

37 (b) State funds in excess of any minimum State match required
38 under the federal infrastructure bank program, appropriated to the
39 State-funded subaccount of the State Transportation Infrastructure
40 Bank Fund;

41 (2) monetary donations made available to the State to support
42 the State Transportation Infrastructure Bank Fund;

43 (3) moneys received as repayment of the principal of and the
44 interest or premium on loans made from the State Transportation
45 Infrastructure Bank Fund;

46 (4) any interest earnings received on the moneys in the State
47 Transportation Infrastructure Bank Fund; and

1 (5) such other moneys as the Legislature may appropriate to the
2 trust for deposit into the State Transportation Infrastructure Bank
3 Fund at any time to finance or refinance transportation loans issued
4 from the State Transportation Infrastructure Bank Fund.

5 b. Notwithstanding any provision of P.L.1985, c.334
6 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.) or
7 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
8 before the Legislature as this bill) to the contrary, all moneys placed
9 into the State Transportation Infrastructure Bank Fund shall be held
10 separate from other funds of the trust, and no transportation funds
11 shall be combined or comingled with any funds that finance (1)
12 wastewater treatment system projects, (2) water supply projects, or
13 (3) other environmental infrastructure projects, that are not
14 transportation projects.

15 c. All moneys placed into the State-funded subaccount of the
16 State Transportation Infrastructure Bank Fund shall be held separate
17 from any federal funds provided for the federally-funded
18 subaccount of the State Transportation Infrastructure Bank Fund.

19 d. Notwithstanding any provision of P.L.1985, c.334
20 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.) or
21 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
22 before the Legislature as this bill) to the contrary, the trust may
23 provide loans or other assistance to one or more local government
24 units or consortia thereof for the purpose of financing all or a
25 portion of the costs incurred for the planning, acquisition,
26 engineering, construction, reconstruction, repair, and rehabilitation
27 of a transportation project, provided that monies from the federally-
28 funded subaccount are limited to the purposes permitted under the
29 federal infrastructure bank program.

30 e. In addition to the financing described in subsection d. of this
31 section, a portion, not to exceed 10 percent, of the assistance
32 provided from the State-funded sub-account of the State
33 Transportation Infrastructure Bank Fund may be issued in the form
34 of grants.

35 f. Loans or other assistance granted pursuant to this section
36 shall be considered an investment or reinvestment by the State
37 Transportation Infrastructure Bank Fund, provided that monies from
38 the federally-funded subaccount are limited to the purposes
39 permitted under the federal infrastructure bank program, and not a
40 loan within the meaning of section 12 of P.L.1995, c.108 (C.27:1B-
41 21.5).

42 g. The refinancing of debt relating to an existing transportation
43 project shall not be an eligible form of assistance from the State
44 Transportation Infrastructure Bank Fund, and a loan shall not be
45 granted unless the applicant can demonstrate to the satisfaction of
46 the trust that the assistance being sought is not for the refinancing
47 of debt relating to an existing transportation project.

1 h. Any project, the use or purpose of which is private and for
2 which no public benefit is created, shall not be eligible for financial
3 assistance from the trust.

4 i. The trust shall consider the following factors when setting an
5 interest rate on a loan provided pursuant to this section: (1) the
6 current market rates for comparable obligations; (2) the nature of
7 the project; (3) the financing structure of the project; (4) the
8 creditworthiness of the borrower; and (5) the term of the proposed
9 obligation.

10 j. The long term loan repayment schedule for each project
11 shall require: (1) the repayment of the loan commencing six months
12 after construction completion, the date the facility has opened to
13 traffic, or three years after execution of the long term financing
14 obligation, whichever is first, however, in the case of a highway
15 project, it shall be whichever is later; and (2) a final maturity date
16 of not more than 35 years following the completion of the project.

17 k. The trust may establish or direct the establishment of federal
18 and State accounts or subaccounts as may be necessary to meet any
19 applicable federal law requirements or desirable for the efficient
20 administration of the trust.

21

22 40. (New section) a. The trust shall maintain the administrative
23 responsibilities for financing projects approved for assistance
24 through the State Transportation Infrastructure Bank Fund, in
25 accordance with any applicable federal laws regarding the use of
26 federal funds on transportation projects, as well as any provision of
27 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
28 10.1 et al.) and sections 27 and 39 through 43 of P.L. ,
29 c. (C.) (pending before the Legislature as this bill), and
30 provided that monies from the federally-funded subaccount are
31 limited by the provisions of the federal infrastructure bank program.
32 The trust is authorized to enter into agreements with one or more
33 local government units or consortia thereof for the use of monies
34 from the State Transportation Infrastructure Bank Fund to provide
35 loans or other assistance for the purpose of financing all or a
36 portion of the costs incurred for the planning, acquisition,
37 engineering, construction, reconstruction, repair, and rehabilitation
38 of a transportation project, provided that monies from the federally-
39 funded subaccount are limited to the purposes permitted under the
40 federal infrastructure bank program. The terms of the federally-
41 funded subaccount agreements shall be consistent with the
42 requirements of the federal infrastructure bank program and the
43 trust may adopt rules and regulations to carry out these functions.

44 b. The trust shall also develop a formal relationship with the
45 Department of Transportation for purposes, including, but not
46 limited to, the evaluation of potential transportation projects,
47 fulfilling federal regulations regarding capital projects, coordinating
48 with metropolitan planning organizations, ensuring that any projects

1 obtaining assistance are consistent with the Statewide capital
2 investment strategy, monitoring borrower creditworthiness
3 standards, and advancing local, regional, and Statewide
4 transportation objectives.

5
6 41. (New section) a. The Commissioner of Transportation
7 shall, for each fiscal year, develop a priority system for
8 transportation projects. The Commissioner of Transportation shall
9 set forth a Transportation Financing Program Project Priority List
10 for long-term funding by the trust for each fiscal year and shall
11 include the aggregate amount of funds of the trust to be authorized
12 for these purposes. The Commissioner of Transportation may
13 include a transportation project on the Transportation Financing
14 Program Project Priority List if it meets the eligibility requirements
15 for funding pursuant to Pub.L.114-94, the “Fixing America’s
16 Transportation Act,” or any successor legislation. The
17 Transportation Financing Program Project Priority List shall include
18 a description of each project and an explanation of the manner in
19 which projects are ranked. The Transportation Financing Program
20 Project Priority List for the ensuing fiscal year shall be submitted to
21 the Legislature on or before January 15 of each year.

22 b. The Commissioner of Transportation shall set forth an
23 Interim Transportation Financing Program Project Eligibility List
24 for short-term funding by the trust and shall include the aggregate
25 amount of funds to be authorized for these purposes. The Interim
26 Transportation Financing Program Project Eligibility List shall
27 consist of Transportation Financing Program Project Priority List
28 projects certified by the Department of Transportation that have
29 commenced construction and demonstrated to the department a high
30 likelihood of construction completion on or before the end of the
31 ensuing fiscal year. The Interim Transportation Financing Program
32 Project Eligibility List established pursuant to this subsection shall
33 be considered by the budget committees of each House of the
34 Legislature for inclusion in the annual appropriations act. On or
35 before June 30 of each year, the Legislature shall include the
36 Interim Transportation Financing Program Project Eligibility List
37 with any modifications in the annual appropriations act, including
38 any amendatory or supplementary provisions thereto, which act
39 shall include the authorization of an aggregate amount of funds of
40 the trust to be expended for loans and guarantees for the specific
41 transportation projects, including the individual amounts therefor,
42 on the list. The initial Interim Transportation Financing Program
43 Project Eligibility List for the ensuing fiscal year shall be submitted
44 to the Legislature on or before July 1 of each year. The Secretary
45 and the Clerk shall cause the date of submission to be entered upon
46 the Senate Journal and the Minutes of the General Assembly,
47 respectively. Incremental revisions or supplements to the Interim
48 Transportation Financing Program Project Eligibility List may be

1 submitted to the Legislature as provided in subsection e. of section
2 9 of P.L.1985 c.334 (C.58:11B-9).

3 c. On or before October 15 of each year, the trust may submit
4 an amended Interim Transportation Financing Program Project
5 Eligibility List to be introduced in each House in the form of
6 legislative appropriations bills for approval by the Legislature on or
7 before January 15 of the following calendar year in the manner set
8 forth in subsection a. and subsection b. of this section.

9 d. The trust shall not expend any money for a long-term loan or
10 guarantee during a fiscal year for any transportation project unless
11 the expenditure is authorized pursuant to a State annual
12 appropriations act of the current or three immediate preceding fiscal
13 years as provided in the provisions of this section, or as otherwise
14 set forth in the State's annual appropriations act.

15 e. The trust shall submit to the Secretary of the Senate and the
16 Clerk of the General Assembly on or before January 15 of each year
17 a report which shall identify the transportation projects financed
18 during the prior fiscal year, including a project description, the
19 amount of the loan provided for each project, and the duration of
20 each loan.

21 f. The source of projects for the Transportation Financing
22 Program Project Priority List and the Interim Transportation
23 Financing Program Project Eligibility List shall be: (1) applications
24 made by counties and municipalities seeking aid through the State
25 Transportation Infrastructure Bank Fund in accordance with section
26 25 of P.L.1984, c.73 (C.27:1B-25) and the procedures established
27 therein for the allocation of State aid to counties and municipalities
28 through the local aid program, and (2) eligible projects within the
29 most recent 10-year Statewide Transportation Improvement
30 Program as issued by the Department of Transportation. Projects
31 deriving from either of these sources shall identify a consistent
32 source of revenue that will be utilized to repay any loan financing
33 provided by the trust either from the project itself or from the
34 sponsoring local government unit or consortia thereof that will be
35 receiving assistance.

36
37 42. (New section) a. On or before May 15 of each year, the
38 trust shall submit to the Speaker of the General Assembly and the
39 President of the Senate a financial plan designed to implement the
40 financing of the transportation projects either on the Transportation
41 Financing Program Project Priority List or the Interim
42 Transportation Financing Program Project Eligibility List approved
43 pursuant to P.L. , c. (C.) (pending before the Legislature as
44 this bill) or as otherwise approved by the Legislature. The financial
45 plan shall list the bonds, notes or other obligations of the trust
46 which the trust intends to issue, including the amounts thereof and
47 the terms and conditions thereof, a list of loans to be made to local
48 government units or private persons, including the terms and

1 conditions thereof and the anticipated rate of interest per annum and
2 repayment schedule therefor, and a list of loan guarantees or
3 contracts to guarantee the payment of all or a portion of the
4 principal and interest on bonds, notes or other obligations issued by
5 a local government unit to finance the cost of a transportation
6 project, and the terms and conditions thereof.

7 The financial plan shall also set forth a complete operating and
8 financial statement covering proposed operations through the fund
9 during the forthcoming fiscal year, including amounts of income
10 from all sources, and the uniform schedule of fees and charges
11 established by the trust pursuant to subsection o. of section 5 of
12 P.L.1985, c.334 (C.58:11B-5), and the amounts to be derived
13 therefrom, and shall summarize the status of each transportation
14 project for which loans or guarantees have been made by the trust,
15 and shall describe major impediments to the accomplishment of the
16 planned transportation projects.

17 b. On or before June 30 of each year the Legislature may reject
18 the financial plan through the adoption by both houses of a
19 concurrent resolution. If the Legislature rejects the financial plan,
20 the project list shall be removed from the annual appropriations act
21 and the trust shall not undertake any of the proposed activities
22 contained therein. If the Legislature takes no action on or before
23 June 30, the financial plan shall be deemed approved.

24 c. The financial plan for the State Transportation Infrastructure
25 Bank Fund shall not be eligible for inclusion in a consolidated
26 financial plan as established in section 27 of P.L.1997, c.224
27 (C.58:11B-22.2).

28
29 43. (New section) Nothing in this act shall decrease, diminish,
30 lessen, or otherwise reduce allocations made to counties and
31 municipalities pursuant to section 25 of P.L.1984, c.73 (C.27:1B-25
32 et seq.), except for amounts above \$7,500,000 each year allocated
33 into the Local Aid Infrastructure Fund, which may be used to
34 capitalize the State Transportation Infrastructure Bank.

35
36 44. Sections 1 through 4 of P.L.1997, c.142 (C.27:1B-21.10
37 through C.27:1B-21.13) are repealed.

38
39 ³45. Section 24 of P.L.1984, c.73 (C.27:1B-24) is amended to read
40 as follows:

41 24. a. All construction contracts funded, in whole or in part, by
42 State appropriations from the revenues and other funds of the New
43 Jersey Transportation Trust Fund Authority for capital purposes shall
44 comply with the federal Disadvantaged Business Enterprise Program,
45 administered by the United States Department of Transportation, in the
46 same manner as the programs administered for federally-assisted
47 contracts funded, in whole or in part, by federal-aid highway dollars.

1 Subject to those definitions and procedures as [the commissioner
2 may prescribe] prescribed by regulation and 49 C.F.R. s.26.1 et seq.,
3 with respect to moneys appropriated or authorized pursuant to this act
4 and expended with private firms for construction and professional
5 services, [not less than 10% of] the department shall adopt a goal for
6 the expenditure of State capital transportation funds equal to the goal
7 for the expenditure of federal funds for federally-assisted
8 transportation projects approved by the United States Department of
9 Transportation, which shall apply to the department, the New Jersey
10 Transit Corporation, counties, and municipalities, for the moneys that
11 shall be expended, either directly or through subcontracting
12 requirements, with business concerns owned and controlled by socially
13 and economically disadvantaged individuals [and, in addition to and
14 exclusive of this requirement, not less than 4% of the moneys shall be
15 expended, either directly or through subcontracting requirements, with
16 business concerns owned and controlled by women].

17 b. All construction contracts funded, in whole or in part, by State
18 appropriations from the revenues and other funds of the New Jersey
19 Transportation Trust Fund Authority for capital purposes shall include
20 mandatory equal employment opportunity and affirmative action
21 contract provisions that require contractors to make a good faith effort
22 to recruit and employ minority and women applicants, as required by
23 the provisions of the regulations promulgated in the New Jersey
24 Administrative Code including, but not limited to N.J.A.C.17:27-3.6 to
25 N.J.A.C.17:27-3.8, and N.J.A.C.17:27-7.3 to N.J.A.C.17:27-7.4, and,
26 where feasible, to interview and hire minority and women applicants
27 that reside near the transportation project.

28 As to the portion of each contract that is funded by State
29 appropriations from the revenues and other funds of the New Jersey
30 Transportation Trust Fund Authority for capital purposes, the contract
31 shall provide that payment may be withheld for failure by the
32 contractor to demonstrate to the satisfaction of the reporting agency
33 that the required good faith effort was made. The Division of Public
34 Contracts Equal Employment Opportunity Compliance in the
35 Department of the Treasury shall, within 90 days of the
36 commencement of each contract, issue a report on its website as to
37 whether a contractor, pursuant to the contract provisions, has made a
38 good faith effort to, where feasible, interview and hire applicants that
39 reside near the transportation project and to recruit and employ
40 minority and women applicants, as required by the provisions of the
41 regulations promulgated in the New Jersey Administrative Code
42 including, but not limited to N.J.A.C.17:27-3.6 to N.J.A.C.17:27-3.8,
43 and N.J.A.C.17:27-7.3 to N.J.A.C.17:27-7.4. Failure by a contractor
44 to satisfy the good faith effort requirement of its contract may also
45 subject it to assessments imposed by the Division of Public Contracts
46 Equal Employment Opportunity Compliance in the Department of the
47 Treasury, pursuant to administrative regulation.

1 c. The department shall submit annually, to the Governor and,
2 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the
3 Legislature, a report which shall contain: the data provided to the
4 United States Department of Transportation pursuant to the provisions
5 of 49 C.F.R. s.26.11; information concerning the progress of the
6 department, the New Jersey Transit Corporation, counties, and
7 municipalities towards the achievement of the goals established
8 pursuant to subsection a. of this section; and the recruitment,
9 interview, and employment data concerning minority applicants,
10 women applicants, minority applicants that reside near a transportation
11 project, and women applicants that reside near a transportation
12 project.³

13 (cf: P.L.1984, c.73, s.24)

14
15 ³[45.] ^{46.}³ This act shall take effect ⁴[on July 1, 2016]
16 immediately⁴, but sections 10 through 44 shall remain inoperative
17 until the appropriation by the State of eligible federal or State funds
18 into the State ⁴Transportation⁴ Infrastructure Bank Fund pursuant to
19 section 39 of P.L. , c. (C.) (pending before the Legislature
20 as this bill) and funds are appropriated to the trust to cover
21 administrative and operational expenses related to the State
22 Transportation Infrastructure Bank, and section 2 shall take effect
23 on the same day that Assembly Concurrent Resolution No. 1 of
24 2015, a constitutional amendment to Article VIII, section II,
25 paragraph 4 of the New Jersey Constitution, takes effect.

26

27

28

29

30 Revises “New Jersey Transportation Trust Fund Authority Act”;
31 establishes State Transportation Infrastructure Bank within NJ
32 Environmental Infrastructure Trust; renames NJ Environmental
33 Infrastructure Trust.

ASSEMBLY, No. 10

STATE OF NEW JERSEY

217th LEGISLATURE

INTRODUCED JUNE 20, 2016

Sponsored by:

Assemblyman VINCENT PRIETO

District 32 (Bergen and Hudson)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

Assemblyman RALPH R. CAPUTO

District 28 (Essex)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Assemblyman TROY SINGLETON

District 7 (Burlington)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex)

SYNOPSIS

Revises “New Jersey Transportation Trust Fund Authority Act”; establishes State Transportation Infrastructure Bank within NJ Environmental Infrastructure Trust; renames NJ Environmental Infrastructure Trust.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 6/24/2016)

1 AN ACT concerning the financing and construction of transportation
2 infrastructure in the State and amending various parts of the
3 statutory law, supplementing Title 27 and 58 of the Revised
4 Statutes, and repealing P.L.1997, c.142.

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

8
9 1. Section 3 of P.L.1984, c.73 (C.27:1B-3) is amended to read as
10 follows:

11 3. The following words or terms as used in this act shall have
12 the following meaning unless a different meaning clearly appears
13 from the context:

14 **[a.]** "Act" means this New Jersey Transportation Trust Fund
15 Authority Act of 1984 as amended and supplemented.

16 **[b.]** "Authority" means the New Jersey Transportation Trust
17 Fund Authority created by section 4 of this act.

18 **[c.]** "Bonds" means bonds issued by the authority pursuant to
19 the act and includes prior bonds and transportation program bonds.

20 "Circle of Mobility" means an essential group of related transit
21 projects that include (1) the New Jersey Urban Core Project, as
22 defined in section 3031 of the "Intermodal Surface Transportation
23 Efficiency Act of 1991," Pub.L.102-240, and consisting of the
24 following elements: Secaucus Transfer, Kearny Connection,
25 Waterfront Connection, Northeast Corridor Signal System, Hudson
26 River Waterfront Transportation System, Newark-Newark
27 International Airport-Elizabeth Transit Link, a rail connection
28 between Penn Station Newark and Broad Street Station, Newark,
29 New York Penn Station Concourse, and the equipment needed to
30 operate revenue service associated with improvements made by the
31 project, and (2) the modification and reconstruction of the West
32 Shore Line in Bergen County connected to Allied
33 Junction/Secaucus Transfer Meadowlands Rail Center; the
34 construction of a rail station and associated components at the
35 Meadowlands Sports Complex; the modification and reconstruction
36 of the Susquehanna and Western Railway, as defined and provided
37 in section 3035 (a) of the "Intermodal Surface Transportation
38 Efficiency Act of 1991"; the modification and reconstruction of the
39 Lackawanna Cutoff Commuter Rail Line connecting Morris, Sussex
40 and Warren Counties to the North Jersey Transportation Rail
41 Centers; and commuter rail service in the central New Jersey region
42 terminating at the proposed Lakewood Transportation Center in
43 Ocean County or other location, as determined by the Board of the
44 New Jersey Transit Corporation, pursuant to a resolution of the
45 board providing for the achievement of a consensus among the

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 interested parties as to the direction of the proposed rail line;
2 provided, however, that this 2000 amendatory act shall not be
3 construed as affecting any priorities which may have been assigned
4 to any other project in the Circle of Mobility.

5 **【d.】**“Commissioner” means the Commissioner of Transportation.

6 **【e.】** “Department” means the Department of Transportation.

7 **【f.】** “Federal aid highway” means any highway within the State
8 in connection with which the State receives payment or
9 reimbursement from the federal government under the terms of
10 Title 23, United States Code or any amendment, successor, or
11 replacement thereof, for the purposes contained in the act.

12 **【g.】** “Federal government” means the United States of America,
13 and any **【officer】** office, department, board, commission, bureau,
14 division, corporation, agency, or instrumentality thereof.

15 **【h.】** “South Jersey Transportation Authority” means the public
16 corporation created by section 4 of P.L.1991, c.252 (C.27:25A-4) or
17 its successor.

18 **【i.】** “New Jersey Highway Authority” means the public
19 corporation created by section 4 of P.L.1952, c.16 (C.27:12B-4) or
20 its successor.

21 **【j.】** “New Jersey Turnpike Authority” means the public
22 corporation created by section 3 of P.L.1948, c.454 (C.27:23-3) or
23 its successor.

24 **【k.】** “Notes” means the notes issued by the authority pursuant to
25 the act.

26 “Permitted maintenance” means, in relation to public
27 transportation projects and transportation projects, direct costs of
28 work necessary for preserving or maintaining the useful life of
29 public transportation projects and transportation projects,
30 respectively, provided the work performed is associated with the
31 acquisition, installation, and rehabilitation of components which are
32 not included in the normal operating maintenance of equipment and
33 facilities or replaced on a scheduled basis. The work shall ensure
34 the useful life of the public transportation project or transportation
35 project for not less than five years and shall not include routine
36 maintenance or inspection of equipment and facilities that is
37 conducted on a scheduled basis. This definition shall not apply to
38 the term “maintenance” as used in the definition of “public
39 highways.” In relation to public highways, “permitted
40 maintenance” means the direct costs of work necessary for
41 preserving or maintaining the useful life of public highways,
42 provided the work is not associated with the regular and routine
43 maintenance of public highways and their components. The work
44 shall ensure the useful life of the transportation project for not less
45 than five years.

46 “Prior bonds” means bonds issued pursuant to the authorization
47 contained in P.L.1995, c.108 and P.L.2006, c.3 and any bonds
48 issued to refund such prior bonds.

1 **[l.]** "Public highways" means public roads, streets, expressways,
2 freeways, parkways, motorways and boulevards, including bridges,
3 tunnels, overpasses, underpasses, interchanges, rest areas, express
4 bus roadways, bus pullouts and turnarounds, park-ride facilities,
5 traffic circles, grade separations, traffic control devices, the
6 elimination or improvement of crossings of railroads and highways,
7 whether at grade or not at grade, bicycle and pedestrian pathways
8 and pedestrian and bicycle bridges traversing public highways and
9 any facilities, equipment, property, rights of way, easements and
10 interests therein needed for the construction, improvement, and
11 maintenance of highways.

12 **[m.]** "Public transportation project" means, in connection with
13 public transportation service, passenger stations, shelters and
14 terminals, automobile parking facilities, ferries and ferry facilities,
15 including capital projects for ferry terminals, approach roadways,
16 pedestrian accommodations, parking, docks, and other necessary
17 land-side improvements, ramps, track connections, signal systems,
18 power systems, information and communication systems, roadbeds,
19 transit lanes or rights of way, equipment storage, pedestrian
20 walkways and bridges connecting to passenger stations and
21 servicing facilities, bridges, grade crossings, rail cars, locomotives,
22 motorbuses and other motor vehicles, maintenance and garage
23 facilities, revenue handling equipment and any other equipment,
24 facility, or property useful for or related to the provision of public
25 transportation service.

26 "South Jersey Transportation Authority" means the public
27 corporation created by section 4 of P.L.1991, c.252 (C.27:25A-4) or
28 its successor.

29 **[n.]** "State agency" means any **[officer]** office, department,
30 board, commission, bureau, division, agency, or instrumentality of
31 the State.

32 **[o.]** "Toll road authorities" means and includes the New Jersey
33 Turnpike Authority, the New Jersey Highway Authority, or its
34 successor, and the South Jersey Transportation Authority.

35 "Transportation program bonds" means bonds issued pursuant to
36 the authorization contained in P.L.2012, c.13, P.L. , c. (pending
37 before the Legislature as this bill), and any bonds issued to refund
38 such transportation program bonds.

39 **[p.]** "Transportation project" means, in addition to public
40 highways and public transportation projects, any equipment, facility
41 or property useful or related to the provision of any ground,
42 waterborne, or air transportation for the movement of people and
43 goods including rail freight infrastructure, which equipment,
44 facility, or property may be acquired by purchase or lease.

45 **[q.]** "Transportation system" means public highways, public
46 transportation projects, other transportation projects, and all other
47 surface, airborne, and waterborne methods of transportation for the
48 movement of people and goods.

1 [r. "Permitted maintenance" means, in relation to public
2 transportation projects, direct costs of work necessary for
3 preserving or maintaining the useful life of public transportation
4 projects, provided the work performed is associated with the
5 acquisition, installation and rehabilitation of components which are
6 not included in the normal operating maintenance of equipment and
7 facilities or replaced on a scheduled basis. The work shall ensure
8 the useful life of the project for not less than five years and shall not
9 include routine maintenance or inspection of equipment and
10 facilities that is conducted on a scheduled basis. This definition
11 shall not apply to the term "maintenance" as used in subsection l. of
12 this section. For purposes of this subsection, "permitted
13 maintenance" means, in relation to public highways, the direct costs
14 of work necessary for preserving or maintaining the useful life of
15 public highways, provided the work is not associated with the
16 regular and routine maintenance of public highways and their
17 components. The work shall ensure the useful life of the project for
18 not less than five years.

19 s. "Circle of Mobility" means an essential group of related transit
20 projects that include (1) the New Jersey Urban Core Project, as
21 defined in section 3031 of the "Intermodal Surface Transportation
22 Efficiency Act of 1991," Pub.L.102-240, and consisting of the
23 following elements: Secaucus Transfer, Kearny Connection,
24 Waterfront Connection, Northeast Corridor Signal System, Hudson
25 River Waterfront Transportation System, Newark-Newark
26 International Airport-Elizabeth Transit Link, a rail connection
27 between Penn Station Newark and Broad Street Station, Newark,
28 New York Penn Station Concourse, and the equipment needed to
29 operate revenue service associated with improvements made by the
30 project, and (2) the modification and reconstruction of the West
31 Shore Line in Bergen County connected to Allied
32 Junction/Secaucus Transfer Meadowlands Rail Center; the
33 construction of a rail station and associated components at the
34 Meadowlands Sports Complex; the modification and reconstruction
35 of the Susquehanna and Western Railway, as defined and provided
36 in section 3035 (a) of the "Intermodal Surface Transportation
37 Efficiency Act of 1991"; the modification and reconstruction of the
38 Lackawanna Cutoff Commuter Rail Line connecting Morris, Sussex
39 and Warren Counties to the North Jersey Transportation Rail
40 Centers; and commuter rail service in the central New Jersey region
41 terminating at the proposed Lakewood Transportation Center in
42 Ocean County or other location, as determined by the Board of the
43 New Jersey Transit Corporation, pursuant to a resolution of the
44 board providing for the achievement of a consensus among the
45 interested parties as to the direction of the proposed rail line;
46 provided, however, that this 2000 amendatory act shall not be
47 construed as affecting any priorities which may have been assigned
48 to any other project in the Circle of Mobility.

1 t. "Prior bonds" means bonds issued pursuant to the authorization
2 contained in P.L.1995, c.108 and P.L.2006, c.3 and any bonds
3 issued to refund such prior bonds.

4 u. "Transportation program bonds" means bonds issued pursuant
5 to the authorization contained in P.L.2012, c.13, and any bonds
6 issued to refund such transportation program bonds.】
7 (cf: P.L.2012, c.13, s.1)
8

9 2. Section 9 of P.L.1984, c.73 (C.27:1B-9) is amended to read as
10 follows:

11 9. a. The authority shall have the power and is hereby authorized
12 after November 15, 1984 and from time to time thereafter to issue
13 its bonds, notes or other obligations in principal amounts as in the
14 opinion of the authority shall be necessary to provide for any of its
15 corporate purposes, including the payment, funding or refunding of
16 the principal of, or interest or redemption premiums on, any bonds,
17 notes or other obligations issued by it, whether the bonds, notes,
18 obligations or interest to be funded or refunded have or have not
19 become due; and to provide for the security thereof and for the
20 establishment or increase of reserves to secure or to pay the bonds,
21 notes or other obligations or interest thereon and all other reserves
22 and all costs or expenses of the authority incident to and necessary
23 or convenient to carry out its corporate purposes and powers; and in
24 addition to its bonds, notes and other obligations, the authority shall
25 have the power to issue subordinated indebtedness, which shall be
26 subordinate in lien to the lien of any or all of its bonds or notes. No
27 resolution or other action of the authority providing for the issuance
28 of bonds, refunding bonds, notes, or other obligations shall be
29 adopted or otherwise made effective by the authority without the
30 prior approval in writing of the Governor and the State Treasurer.

31 b. Except as may be otherwise expressly provided in the act or
32 by the authority:

33 (1) Every issue of bonds or notes shall be general obligations
34 payable out of any revenues or funds of the authority, subject only
35 to any agreements with the holders of particular bonds or notes
36 pledging any particular revenues or funds. The authority may
37 provide the security and payment provisions for its bonds or notes
38 as it may determine, including (without limiting the generality of
39 the foregoing) bonds or notes as to which the principal and interest
40 are payable from and secured by all or any portion of the revenues
41 of and payments to the authority, and other moneys or funds as the
42 authority shall determine, provided that for transportation program
43 bonds or notes issued in anticipation of such transportation program
44 bonds, only revenues dedicated pursuant to the New Jersey
45 Constitution, including Article VIII, Section II, paragraph 4, and
46 deposited into the "Transportation Trust Fund Account -
47 Subaccount for Debt Service for Transportation Program Bonds,"
48 may be used for such payment;

1 (2) In addition, the authority may issue notes, in anticipation of
2 the issuance of the bonds, provided that the issuance of such notes
3 shall be subject to the bonding limitations as provided in subsection
4 i. of this section, and the payment of such notes if issued in
5 anticipation of the issuance of transportation program bonds shall
6 be paid solely from revenues dedicated pursuant to the New Jersey
7 Constitution, including Article VIII, Section II, paragraph 4, and
8 deposited into the "Transportation Trust Fund Account -
9 Subaccount for Debt Service for Transportation Program Bonds."
10 The authority may also issue notes in anticipation of the receipt of
11 appropriations, grants, reimbursements or other funds, including
12 without limitation grants from the federal government for federal
13 aid highways or public transportation systems, the principal of or
14 interest on which, or both, shall be payable out of the proceeds of
15 appropriations, grants, reimbursements or other funds, including
16 without limitation grants from the federal government for federal
17 aid highways or public transportation systems. Such notes shall not
18 be subject to the bonding limitations as provided in subsection i. of
19 this section; and

20 (3) The authority may also enter into bank loan agreements,
21 lines of credit and other security agreements as authorized pursuant
22 to subsection h. of section 6 of P.L.1984, c.73 (C.27:1B-6) and
23 obtain for or on its behalf letters of credit in each case for the
24 purpose of securing its bonds, notes or other obligations or to
25 provide direct payment of any costs which the authority is
26 authorized to pay by this act and to secure repayment of any
27 borrowings under the loan agreement, line of credit, letter of credit
28 or other security agreement by its bonds, notes or other obligations
29 or the proceeds thereof or by any or all of the revenues of and
30 payments to the authority or by any appropriation, grant or
31 reimbursement to be received by the authority and other moneys or
32 funds as the authority shall determine, provided that for any such
33 agreements entered into in connection with transportation program
34 bonds issued pursuant to the authorization contained in subsection i.
35 of this section, or notes issued in anticipation of such transportation
36 program bonds, only revenues dedicated pursuant to the New Jersey
37 Constitution, including Article VIII, Section II, paragraph 4, and
38 deposited into the "Transportation Trust Fund Account -
39 Subaccount for Debt Service for Transportation Program Bonds,"
40 may be used for such payment.

41 c. Whether or not the bonds and notes are of the form and
42 character as to be negotiable instruments under the terms of Title
43 12A, Commercial Transactions, New Jersey Statutes, the bonds and
44 notes are hereby made negotiable instruments within the meaning of
45 and for all the purposes of Title 12A of the New Jersey Statutes.

46 d. Bonds or notes of the authority shall be authorized by a
47 resolution or resolutions of the authority and may be issued in one
48 or more series and shall bear the date, or dates, mature at the time

1 or times, bear interest at the rate or rates of interest per annum, be
2 in the denomination or denominations, be in the form, carry the
3 conversion or registration privileges, have the rank or priority, be
4 executed in the manner, be payable from the sources, in the medium
5 of payment, at the place or places within or without the State, and
6 be subject to the terms of redemption (with or without premium) as
7 the resolution or resolutions may provide. Bonds or notes may be
8 further secured by a trust indenture between the authority and a
9 corporate trustee within or without the State. All other obligations
10 of the authority shall be authorized by resolution containing terms
11 and conditions as the authority shall determine.

12 e. Bonds, notes or other obligations of the authority may be
13 sold at public or private sale at a price or prices and in a manner as
14 the authority shall determine, either on a negotiated or on a
15 competitive basis. Every bond, or refunding bond, issued on or
16 after the effective date of P.L.2006, c.3 (C.27:1B-22.2 et al.) shall
17 mature and be paid no later than 31 years from the date of the
18 issuance of that bond or refunding bond.

19 f. Bonds or notes may be issued and other obligations incurred
20 under the provisions of the act without obtaining the consent of any
21 department, division, commission, board, bureau or agency of the
22 State, other than the approval as required by subsection a. of this
23 section, and without any other proceedings or the happening of any
24 other conditions or other things than those proceedings, conditions
25 or things which are specifically required by the act.

26 g. Bonds, notes and other obligations of the authority issued or
27 incurred under the provisions of the act shall not be in any way a
28 debt or liability of the State or of any political subdivision thereof
29 other than the authority and shall not create or constitute any
30 indebtedness, liability or obligation of the State or of any political
31 subdivision or be or constitute a pledge of the faith and credit of the
32 State or of any political subdivision, but all bonds, notes and
33 obligations, unless funded or refunded by bonds, notes or other
34 obligations of the authority, shall be payable solely from revenues
35 or funds pledged or available for their payment as authorized in the
36 act. Each bond, note or other obligation shall contain on its face a
37 statement to the effect that the authority is obligated to pay the
38 principal thereof or the interest thereon only from revenues or funds
39 of the authority, and for transportation program bonds and
40 agreements securing such transportation program bonds only from
41 revenues dedicated pursuant to the New Jersey Constitution,
42 including Article VIII, Section II, paragraph 4, and deposited into
43 the "Transportation Trust Fund Account - Subaccount for Debt
44 Service for Transportation Program Bonds," and that neither the
45 State nor any political subdivision thereof is obligated to pay the
46 principal or interest and that neither the faith and credit nor the
47 taxing power of the State or any political subdivision thereof is
48 pledged to the payment of the principal of or the interest on the

1 bonds, notes or other obligations. For the purposes of this
2 subsection, political subdivision does not include the authority.

3 h. All expenses incurred in carrying out the provisions of the
4 act shall be payable solely from the revenues or funds provided or
5 to be provided under or pursuant to the provisions of the act and
6 nothing in the act shall be construed to authorize the authority to
7 incur any indebtedness or liability on behalf of or payable by the
8 State or any political subdivision thereof.

9 i. **【The authority shall minimize debt incurrence by first**
10 **relying on appropriations and other revenues available to the**
11 **authority before incurring debt secured by State revenues to meet its**
12 **statutory purposes.】** Commencing with the fiscal year beginning
13 July 1, 1995 and ending within the fiscal year beginning July 1,
14 2005, the authority shall not incur debt in any fiscal year in excess
15 of \$650,000,000, except that if that permitted amount of debt, or
16 any portion thereof, is not incurred in a fiscal year it may be
17 incurred in a subsequent fiscal year. Commencing with the fiscal
18 year beginning July 1, 2006 and ending with the fiscal year
19 beginning on July 1, 2010, the authority shall not incur debt for any
20 fiscal year in excess of \$1,600,000,000, reduced in each of those
21 fiscal years by the amount by which the appropriation of State funds
22 to the Transportation Trust Fund Account for that fiscal year shall
23 exceed \$895,000,000; provided, however, that if a portion of that
24 permitted amount of debt, less any reduction as provided above, is
25 not incurred in a fiscal year, an amount not greater than the unused
26 portion may be incurred in a subsequent fiscal year in addition to
27 the amount otherwise permitted. Debt permitted for the fiscal year
28 beginning July 1, 2006 may be incurred prior to July 1, 2006. The
29 authority shall not issue transportation program bonds in excess of
30 \$1,247,000,000 for the fiscal year beginning July 1, 2012, in excess
31 of \$849,200,000 for the fiscal year beginning July 1, 2013, in
32 excess of \$735,300,000 for the fiscal year beginning July 1, 2014,
33 and in excess of \$626,800,000 for the fiscal year beginning July 1,
34 2015, except that (1) if that permitted amount of transportation
35 program bonds, or any portion thereof, is not incurred in a fiscal
36 year, it may be issued in a subsequent fiscal year and (2) 30 percent
37 of the permitted amount of transportation program bonds for a fiscal
38 year may be issued in the fiscal year preceding such fiscal year
39 provided that (a) any transportation program bonds issued pursuant
40 to this paragraph shall be deducted from the authorization for the
41 fiscal year from which it was taken, and (b) the proceeds of any
42 such transportation program bonds shall not be encumbered until
43 the fiscal year from which the deduction of the authorization was
44 taken pursuant to this paragraph. Transportation program bonds
45 authorized to be issued for the fiscal year beginning July 1, 2012
46 may be issued prior to July 1, 2012. Commencing on the day that
47 Assembly Concurrent Resolution No.1 of 2015, a constitutional
48 amendment to Article VIII, section II, paragraph 4 of the New

1 Jersey Constitution, takes effect, and ending June 30, 2026, the
2 authority shall not issue transportation program bonds in excess of
3 \$15,000,000,000. Any increase in this limitation shall only occur if
4 so provided for by law. In computing the foregoing limitation as to
5 the amount of bonds the authority may issue, the authority may
6 exclude any bonds, notes or other obligations, including
7 subordinated obligations of the authority, issued for refunding
8 purposes; except that, any premiums received in connection with
9 the issuance of transportation program bonds shall count against
10 any limitation as to the amount of transportation program bonds the
11 authority may issue. The payment of debt service on transportation
12 program bonds and any agreements issued in connection with such
13 transportation program bonds shall be paid solely from revenues
14 dedicated pursuant to the New Jersey Constitution, including
15 Article VIII, Section II, paragraph 4, and deposited into the
16 "Transportation Trust Fund Account - Subaccount for Debt Service
17 for Transportation Program Bonds."

18 j. Upon the decision by the authority to issue refunding bonds
19 pursuant to this section, and prior to the sale of those bonds, the
20 authority shall transmit to the Joint Budget Oversight Committee, or
21 its successor, a report that a decision has been made, reciting the
22 basis on which the decision was made, including an estimate of the
23 debt service savings to be achieved and the calculations upon which
24 the authority relied when making the decision to issue refunding
25 bonds. The report shall also disclose the intent of the authority to
26 issue and sell the refunding bonds at public or private sale and the
27 reasons therefor.

28 k. The Joint Budget Oversight Committee, or its successor,
29 shall have authority to approve or disapprove the sale of refunding
30 bonds as included in each report submitted in accordance with
31 subsection j. of this section. The committee shall approve or
32 disapprove the sale of refunding bonds within 10 business days
33 after physical receipt of the report. The committee shall notify the
34 authority in writing of the approval or disapproval as expeditiously
35 as possible.

36 l. No refunding bonds shall be issued unless the report has
37 been submitted to and approved by the Joint Budget Oversight
38 Committee, or its successor, as set forth in subsection k. of this
39 section.

40 m. Within 30 days after the sale of the refunding bonds, the
41 authority shall notify the Joint Budget Oversight Committee, or its
42 successor, of the result of that sale, including the prices and terms,
43 conditions and regulations concerning the refunding bonds, and the
44 actual amount of debt service savings to be realized as a result of
45 the sale of refunding bonds.

46 n. The Joint Budget Oversight Committee, or its successor,
47 shall, however, review all information and reports submitted in
48 accordance with this section and may, on its own initiative, make

1 observations and recommendations to the authority or to the
2 Legislature, or both, as it deems appropriate.

3 o. No refunding bonds shall be issued unless the authority shall
4 first determine that the present value of the aggregate principal of
5 and interest on the refunding bonds is less than the present value of
6 the aggregate principal of and interest on the outstanding bonds to
7 be refinanced, except that, for the purposes of this limitation,
8 present value shall be computed using a discount rate equal to the
9 yield of those refunding bonds, and yield shall be computed using
10 an actuarial method based upon a 360-day year with semiannual
11 compounding and upon the prices paid to the authority by the initial
12 purchasers of those refunding bonds.

13 (cf: P.L.2012, c.13, s.3)

14

15 3. Section 20 of P.L.1984, c.73 (C.27:1B-20) is amended to read
16 as follows:

17 20. There is hereby established in the General Fund an account
18 entitled "Transportation Trust Fund Account," which shall consist
19 of **[two]** three subaccounts entitled: "Transportation Trust Fund
20 Account - Subaccount for Debt Service for Prior Bonds," **[and]**
21 "Transportation Trust Fund Account - Subaccount for Debt Service
22 for Transportation Program Bonds," and "Transportation Trust
23 Fund Account - Subaccount for Capital Reserves." During the
24 fiscal year beginning July 1, 1984 and during each succeeding fiscal
25 year in which the authority has bonds, notes or other obligations
26 outstanding, the treasurer shall credit to the "Transportation Trust
27 Fund Account - Subaccount for Debt Service for Prior Bonds" a
28 portion of the revenues derived from the following, as determined
29 by the treasurer, and to the "Transportation Trust Fund Account -
30 Subaccount for Debt Service for Transportation Program Bonds"
31 and "Transportation Trust Fund Account - Subaccount for Capital
32 Reserves" only revenues dedicated pursuant to the New Jersey
33 Constitution, including Article VIII, Section II, paragraph 4, which
34 are also derived under subsection a. of this section and from the
35 petroleum products gross receipts and sales tax as set forth in
36 subsection d. of this section:

37 a. An amount equivalent to **[the]** all revenue derived from
38 **[\$0.105 per gallon from]** the collection of the tax imposed on the
39 sale of motor fuels pursuant to chapter 39 of Title 54 of the Revised
40 Statutes, as provided in Article VIII, Section II, paragraph 4 of the
41 State Constitution**],** provided, however, such amount during any
42 fiscal year shall not be less than \$483,000,000**];**

43 b. (Deleted by amendment, P.L.2000, c.73).

44 c. An amount equivalent to moneys received by the State in
45 accordance with contracts entered into with toll road authorities or
46 other State agencies, provided that effective with the fiscal year
47 beginning July 1, 1988 the amount so credited shall not be less than
48 **[\$24,500,000.00]** \$24,500,000 in any fiscal year.

1 The treasurer shall also credit to the "Transportation Trust Fund
2 Account - Subaccount for Debt Service for Prior Bonds," in
3 accordance with a contract between the treasurer and the authority,
4 an amount equivalent to the sum of the revenues due from the
5 increase of fees for motor vehicle registrations collected pursuant to
6 the amendment to R.S.39:3-20 made by section 32 of P.L.1984,
7 c.73 [and from the increase in the tax on diesel fuels imposed
8 pursuant to the amendment to R.S.54:39-27 made by section 35 of
9 P.L.1984, c.73 and by P.L.1987, c.460, and as amended by section
10 18 of P.L.1992, c.23, and repealed by section 56 of P.L.2010, c.22
11 and now imposed pursuant to section 3 of P.L.2010, c.22 (C.54:39-
12 103)], provided that the total amount credited during the fiscal year
13 beginning July 1, 1984 shall not be less than **[\$20,000,000.00]**
14 \$20,000,000 and that the total amount credited during the fiscal
15 year beginning July 1, 1985 and during every fiscal year thereafter
16 shall not be less than **[\$30,000,000.00]** \$30,000,000.

17 In addition to the amounts credited to the account by this section,
18 commencing with the fiscal year beginning July 1, 1995 and every
19 fiscal year thereafter, there shall be appropriated from the General
20 Fund such additional amounts as are necessary to carry out the
21 provisions of this act and beginning July 1, 2000 the fees collected
22 pursuant to subsection a. of section 68 of P.L.1990, c.8 (C.17:33B-
23 63) shall be credited to the account for the purposes of this act,
24 provided, however, the amount credited from such fees during any
25 fiscal year shall not be less than \$60,000,000.

26 d. In addition to the amount credited in subsection a. of this
27 section~~[,]~~: beginning January 1 following approval by the voters an
28 amount equivalent to the revenue derived from the tax imposed on
29 the sale of petroleum products pursuant to P.L.1990, c.42
30 (C.54:15B-1 et seq.), provided, however, such amount shall not be
31 less than \$100,000,000 in the period January 1 through June 30
32 following approval by the voters and shall not be less than
33 \$200,000,000 in any fiscal year through the fiscal year commencing
34 July 1, 2015; and in the fiscal year commencing July 1, 2016, an
35 amount equivalent to all revenue derived from the sale of petroleum
36 products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) and in
37 each year thereafter; and for the fiscal year commencing July 1,
38 2001 and for each fiscal year thereafter an amount equivalent to the
39 revenue derived from the tax imposed under the "Sales and Use Tax
40 Act," P.L.1966, c.30 (C.54:32B-1 et seq.) on the sale of new motor
41 vehicles, provided, however, that such amount shall not be less than
42 \$200,000,000 for the fiscal year commencing July 1, 2003 and for
43 each fiscal year thereafter, as provided in Article VIII, Section II,
44 paragraph 4 of the State Constitution.

45 No later than the fifth business day of the month following the
46 month in which a credit has been made, the treasurer shall pay to
47 the authority, for its purposes as provided herein, the amounts then
48 credited to the "Transportation Trust Fund Account - Subaccount

1 for Debt Service for Prior Bonds," **[and]** "Transportation Trust
2 Fund Account - Subaccount for Debt Service for Transportation
3 Program Bonds," and "Transportation Trust Fund Account -
4 Subaccount for Capital Reserves," provided that the payments to the
5 authority shall be subject to and dependent upon appropriations
6 being made from time to time by the Legislature of the amounts
7 thereof for the purposes of the act, and further provided that the
8 revenues deposited into the "Transportation Trust Fund Account -
9 Subaccount for Debt Service for Transportation Program Bonds"
10 and "Transportation Trust Fund Account - Subaccount for Capital
11 Reserves" shall consist solely of revenues which are dedicated
12 pursuant to the New Jersey Constitution, including Article VIII,
13 Section II, paragraph 4, and subsections a. and d. of this section.

14 Commencing with the fiscal year beginning July 1, 2018 through
15 the fiscal year commencing July 1, 2025, of the amounts credited
16 from the tax imposed on the sale of petroleum products pursuant to
17 P.L.1990, c.42 (C.54:15B-1 et seq.) pursuant to this subsection, any
18 amount of revenue collected per year that exceeds the amount
19 collected in the fiscal year beginning July 1, 2017, shall only be
20 appropriated for: (1) expanding the State's mass transit system; or
21 (2) making payments on authority debt, and further provided that an
22 appropriation made pursuant to paragraph (1) shall be in addition to
23 the appropriations already provided for in the State's appropriation
24 for mass transit.

25 In the event that the amount of appropriations and other revenues
26 made available to the authority are greater than the amount of
27 appropriations and other revenues needed to meet the statutory
28 purposes of the authority in a fiscal year, any of those additional
29 amounts, which are dedicated pursuant to the New Jersey
30 Constitution, including Article VIII, Section II, paragraph 4, and
31 subsections a. and d. of this section, may be deposited into the
32 "Transportation Trust Fund Account - Subaccount for Capital
33 Reserves." Monies deposited in the "Transportation Trust Fund
34 Account - Subaccount for Capital Reserves" shall be held in reserve
35 as a means of ensuring the adequacy of funding to meet the future
36 statutory needs of the authority, and may be transferred to the other
37 subaccounts of the "Transportation Trust Fund Account" or to the
38 "Special Transportation Fund" through appropriation by the
39 Legislature for any statutory need of the authority.

40 (cf: P.L.2012, c.13, s.5)

41

42 4. Section 21 of P.L.1984, c.73 (C.27:1B-21) is amended to read
43 as follows:

44 21. a. There is hereby established a separate fund entitled
45 "Special Transportation Fund." This fund shall be maintained by the
46 State Treasurer and may be held in depositories as may be selected
47 by the treasurer and invested and reinvested as other funds in the
48 custody of the treasurer, in the manner provided by law. The

1 commissioner may from time to time (but not more frequently than
2 monthly) certify to the authority an amount necessary to fund
3 payments made, or anticipated to be made by or on behalf of the
4 department, from appropriations established for or made to the
5 department from revenues or other funds of the authority. The
6 commissioner's certification shall be deemed conclusive for
7 purposes of the act. The authority shall, within 15 days of receipt
8 of the certificate, transfer from available funds of the authority to
9 the treasurer for deposit in the Special Transportation Fund the
10 amount certified by the commissioner, provided that all funds
11 transferred shall only be expended by the department by project
12 pursuant to appropriations made from time to time by the
13 Legislature for the purposes of the act.

14 b. The department shall not expend any money except as
15 appropriated by law. Commencing with appropriations for the
16 fiscal years beginning on July 1, 1988, the department shall not
17 expend any funds, other than for permitted maintenance, except as
18 are appropriated by specific projects identified by a description of
19 the projects, the county or counties within which they are located,
20 and amounts to be expended on each project, in the annual
21 appropriations act. Funds expended for permitted maintenance may
22 be appropriated as one item of appropriation and subject to
23 allocation at the commissioner's discretion.

24 c. No funds appropriated, authorized, or expended pursuant to
25 this act shall be used to finance the resurfacing of highways by
26 department personnel, where that resurfacing would require the use
27 of more than 100,000 tons of bituminous concrete for that purpose
28 in any calendar year, except that the commissioner may waive this
29 provision when **[he]** the commissioner determines the existence of
30 emergency conditions requiring the use of department personnel for
31 the resurfacing of highways, after the department has effectively
32 reached the 100,000 ton limit.

33 d. In order to provide the department with flexibility in
34 administering the specific appropriations by project identified in the
35 annual appropriations act, the commissioner may transfer a part of
36 any item to any other item subject to the approval of the Director of
37 the Division of Budget and Accounting and of the Joint Budget
38 Oversight Committee or its successor. Upon approval of the
39 director and the committee, the transfer shall take effect.

40 e. Any federal funds which become available to the State for
41 transportation projects which have not been appropriated to the
42 department in the annual appropriations act, shall be deemed
43 appropriated to the department and may, subject to approval by the
44 Joint Budget Oversight Committee and the State Treasurer, be
45 expended for any purpose for which such funds are qualified.

46 f. There shall be no appropriations from the revenues and other
47 funds of the authority for regular and routine maintenance of public
48 highways and components thereof, or operational activities of the

1 department unrelated to the implementation of, and indirect costs
2 associated with, the capital program. The commissioner shall
3 include in his annual budget request sufficient funding to effectuate
4 the purposes of P.L.2000, c.73 (C.27:1B-21.14 et al.).

5 g. To the extent that salaries or overhead of the department or
6 the New Jersey Transit Corporation are charged to transportation
7 projects, each agency shall keep adequate and truthful personnel
8 records, and time charts to adequately justify each such charge, and
9 shall make those records available to the external auditor to the
10 authority.

11 h. The commissioner shall annually, on or before January 1 of
12 each fiscal year, report to the Governor and the Legislature how
13 much money was expended in the previous fiscal year for salaries
14 and overhead of the department and the New Jersey Transit
15 Corporation. However, the amount expended from the revenues
16 and other funds of the authority for salaries and overhead of the
17 department and the New Jersey Transit Corporation for the fiscal
18 year beginning July 1, 2006 **【and each fiscal year thereafter】**
19 through the fiscal year beginning July 1, 2015 shall not exceed 13
20 percent of the total funds appropriated from the revenues and other
21 nonfederal funds of the authority for those fiscal years, and shall
22 not exceed \$208,000,000 for the fiscal year beginning July 1, 2016
23 and each fiscal year thereafter.

24 i. No revenues or other funds of the authority shall be
25 expended for emergency response operations, the review of
26 applications for access permits under the State highway access
27 management code and membership fees or other fees connected
28 with membership in TRANSCOM, the Transportation Operations
29 Coordinating Committee.

30 j. Every project in which revenues or other funds of the
31 authority are expended shall be included on a website created by the
32 authority whose exclusive purpose shall be reporting on the status
33 of State and federal projects and serving as a singular location for
34 State and federal public documentation concerning those projects.
35 The website shall document the status of each project, presented in
36 tabular form outlining the budgeted amount, the amount spent and
37 committed, and the amount necessary to complete each project. The
38 website shall include a chart which compares the planned and actual
39 quarterly and cumulative expenditures for each project. The
40 website shall chronicle actions which have a bearing on the
41 progress of projects, including, but not limited to, awards for legal,
42 insurance, and engineering services, environmental review, public
43 involvement and outreach, property acquisitions, and construction
44 contracts. The website shall also include a description of any action
45 by an external regulatory agency such as the Department of
46 Environmental Protection, or any other party, which occurred
47 during the reporting period that affected the cost or timely
48 completion of any project in any manner. If information concerning

1 a project is not included and updated, at minimum, once per month,
2 then no revenues or other funds of the authority may be expended
3 upon that project.

4 k. There shall be a minimum appropriation from the revenues
5 and other funds of the authority of \$25,000,000 each fiscal year,
6 commencing with the fiscal year beginning July 1, 2016 for the
7 design, construction, reconstruction, rehabilitation, land acquisition,
8 and environmental mitigation of freight rail projects that: are
9 significant to port commerce connectivity; eliminate rail freight
10 missing links to port facilities; or upgrade freight rail trackage to a
11 286,000 pound load carrying capacity. The amount appropriated
12 pursuant to this subsection shall be inclusive of all amounts
13 annually appropriated for the New Jersey Rail Freight Assistance
14 Program.

15 (cf: P.L.2012, c.13, s.6)

16

17 5. Section 8 of P.L.1987, c.460 (C.27:1B-21.1) is amended to
18 read as follows:

19 8. a. Commencing with the **[report]** reports of the
20 commissioner, which shall include the Transportation Master Plan,
21 Statewide Capital Investment Strategy, Annual Transportation
22 Capital Program, Transportation Trust Fund Authority Financial
23 Plan, and Five-Year Capital Plan, as may be amended, required to
24 be submitted pursuant to section 22 of P.L.1984, c.73 (C.27:1B-22)
25 on or before March 1, 2006 and on each succeeding March 1
26 thereafter through March 1, 2015, the annual amount so reported by
27 the commissioner for proposed projects shall not exceed
28 \$1,600,000,000 exclusive of federal funds, and beginning with the
29 reports due March 1, 2016, and on each succeeding March
30 thereafter through March 1, 2025, the amount so reported by the
31 commissioner for proposed projects shall not exceed an aggregate
32 \$20,000,000,000 over that 10 year period, plus any appropriations
33 for mass transit expansion from the additional annual amount of
34 revenue derived from the tax imposed on the sale of petroleum
35 products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) which is
36 greater than the amount collected in the fiscal year beginning on
37 July 1, 2017, and not used for making payments on authority debt.

38 b. For the fiscal year beginning on July 1, 2006 and for each
39 fiscal year thereafter through the fiscal year beginning on July 1,
40 2011, the total annual amount authorized to be appropriated from
41 the revenues and other nonfederal funds of the New Jersey
42 Transportation Trust Fund Authority for the projects listed in the
43 appropriations act pursuant to section 21 of P.L.1984, c.73
44 (C.27:1B-21) shall not exceed \$1,600,000,000, all amounts
45 exclusive of federal funds. The total amount authorized to be
46 appropriated from the revenues and other nonfederal funds of the
47 New Jersey Transportation Trust Fund Authority for the projects
48 listed in the appropriations act pursuant to section 21 of P.L.1984,

1 c.73 (C.27:1B-21) shall not exceed: \$1,247,000,000 for the fiscal
2 year beginning on July 1, 2012; \$1,224,000,000 for the fiscal year
3 beginning on July 1, 2013; \$1,225,000,000 for the fiscal year
4 beginning on July 1, 2014; and \$1,247,000,000 for the fiscal year
5 beginning on July 1, 2015. The total amount authorized to be
6 appropriated from the revenues and other nonfederal funds of the
7 New Jersey Transportation Trust Fund Authority for the projects
8 listed in the appropriations act pursuant to section 21 of P.L.1984,
9 c.73 (C.27:1B-21) shall not exceed an aggregate \$20,000,000,000 in
10 total for the fiscal years beginning on July 1, 2016 through the
11 fiscal year beginning on July 1, 2025. The total amount authorized
12 pursuant to this subsection shall be increased by any additional
13 annual amount of revenue derived from the tax imposed on the sale
14 of petroleum products pursuant to P.L.1990, c.42 (C.54:15B-1 et
15 seq.) which is greater than the amount collected in the fiscal year
16 beginning on July 1, 2017, provided that the additional amount
17 collected is appropriated for mass transit expansion and not for
18 making payments on authority debt.

19 c. (Deleted by amendment, P.L.1991, c.40.)

20 d. (Deleted by amendment, P.L.1992, c.10).

21 e. The State Auditor shall provide for a unified annual audit of
22 expenditures from the "Special Transportation Fund," established
23 by section 21 of P.L.1984, c.73 (C.27:1B-21), in order to determine
24 that these funds are expended for costs eligible for funding from the
25 authority and in a manner consistent with appropriations made by
26 the Legislature. The findings of such audits shall be transmitted to
27 the presiding officer of each House of the Legislature, and to the
28 Chair of the Senate Budget and Appropriations Committee, the
29 Senate Transportation Committee, the Assembly Appropriations
30 Committee, and the Assembly Transportation and
31 **【Communications】** Independent Authorities Committee or their
32 successors.

33 f. The State Auditor shall review bond issuances of the
34 authority and report to the Joint Budget Oversight Committee and
35 to the members of the Senate Budget and Appropriations
36 Committee and the Assembly Appropriations Committee, or their
37 successors, on the status of the bonds of the authority and projects
38 financed from the proceeds of the bonds. The report shall include
39 the investment status of all unexpended bond proceeds and provide
40 a description of any bond issues expected during a fiscal year,
41 including type of issue, estimated amount of bonds to be issued and
42 the expected month of sale.

43 g. Commencing with the fiscal year beginning July 1, 2018
44 through the fiscal year beginning July 1, 2025, if in any fiscal year,
45 the amount of revenue collected from the tax imposed on the sale of
46 petroleum products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.)
47 exceeds the amount collected in the fiscal year beginning on July 1,
48 2017, then in that subsequent fiscal year the amount of that

1 difference shall be appropriated by the Legislature for
2 transportation projects that expand the mass transit system in this
3 State or for payments on authority debt. Any amount appropriated
4 for transportation projects that expand the mass transit system in
5 this State shall also increase the total amount that may be
6 appropriated pursuant to subsection b. of this section by that same
7 amount.

8 (cf: P.L.2012, c.13, s.7)

9
10 6. Section 22 of P.L.1984, c.73 (C.27:1B-22) is amended to read
11 as follows:

12 22. The commissioner shall prepare and submit the following
13 reports to the Governor, the Legislature, and the **【Financial】**
14 Transportation Policy Review Board, established pursuant to
15 section 6 of P.L.2006, c.3 (C.27:1B-22.2) under the terms set forth
16 below: a Transportation Master Plan, a Statewide Capital
17 Investment Strategy, an Annual Transportation Capital Program, a
18 Transportation Trust Fund Authority Financial Plan, and a Five-
19 Year Capital Plan.

20 a. To the end that the transportation system of the State shall
21 be planned in an orderly and efficient manner and that the
22 Legislature shall be advised of the nature and extent of public
23 highways, public transportation projects and other transportation
24 projects contemplated to be financed under this act, the department
25 shall submit a master plan, as provided in subsection (a) of section
26 5 of P.L.1966, c.301 (C.27:1A-5). Notwithstanding the provisions
27 of that act, the plan shall be for a period of five years and shall be
28 submitted to the Commission on Capital Budgeting and Planning,
29 the Chairman of the Senate Transportation Committee and the
30 Chairman of the Assembly Transportation and **【Communications】**
31 Independent Authorities Committee, or their successors, and the
32 Legislative Budget and Finance Officer, and the metropolitan
33 planning organizations, on or before March 1, 2001, and at five-
34 year intervals thereafter. The master plan shall set the direction for
35 the department's overall Capital Investment Strategy and subsequent
36 annual Transportation Capital Programs submitted to the
37 Legislature for approval pursuant to this section. This master plan
38 shall, to the extent practicable, conform to all federal requirements
39 for Statewide transportation planning.

40 b. The Department of Transportation, in conjunction with the
41 New Jersey Transit Corporation, the New Jersey Turnpike
42 Authority, and the South Jersey Transportation Authority, shall
43 prepare a "Statewide Capital Investment Strategy" for at least a
44 five-year period which shall contain, at a minimum, a statement of
45 the goals of the department, the corporation, and the toll road
46 authorities in major selected policy areas and the means by which
47 the goals are to be attained during that period, using quantitative
48 measures where appropriate. The Statewide Capital Investment

1 Strategy may be updated and submitted no later than March 1 of
2 each year. The Statewide Capital Investment Strategy shall provide
3 for a multi-modal, intermodal, seamless, technologically advanced,
4 and secure transportation system. It shall recommend investment
5 for major program categories, set overall goals for investment in the
6 State's infrastructure, and develop program targets and performance
7 measures. It may rely on infrastructure management systems as
8 developed by the department to assess bridge conditions, pavement
9 conditions, bridge, traffic and pedestrian safety, traffic congestion
10 and public transit facilities. With respect to pavement conditions,
11 the department shall set as a priority the utilization of efficient cost-
12 effective materials and treatments as stated in section 9 of
13 P.L.2000, c.73 (C.27:1B-21.22). In the event that there exist
14 appropriate circumstances for the use of micro-surfacing and cold-
15 in-place recycling, the department shall establish as a special
16 priority the use of these materials and surface treatments. The goals
17 of the Capital Investment Strategy shall include, but not be limited
18 to, reduction of vehicular and pedestrian accidents, reduction in the
19 backlog of projects, including one-half of the structurally deficient
20 bridge repair projects and pavement deficiencies, and an increase in
21 lane miles of bicycle paths, with a goal of constructing an additional
22 1,000 lane miles of bicycle paths in five years to reduce traffic
23 congestion and for recreational uses. The construction of bicycle
24 and pedestrian lanes, paths and facilities shall be subject to no
25 stricter environmental requirements than are provided pursuant to
26 federal law and regulations for such lanes, paths and facilities,
27 notwithstanding the provisions to the contrary of State law and
28 regulations, including State Executive Order No. 215 of 1989. With
29 respect to the New Jersey Transit Corporation, the Statewide
30 Capital Investment Strategy shall deal with the corporation's overall
31 goal to keep the public transportation system in a state of good
32 repair and, more specifically, in the area of bus transportation,
33 present a strategy and a preliminary timetable for the replacement
34 of the current diesel bus fleet with a fleet of buses which have
35 reduced emission of air pollutants. The corporation shall consider
36 the feasibility of buses with improved pollution controls and that
37 reduce particulate emissions and buses powered by fuel other than
38 conventional diesel fuel, such as compressed natural gas vehicles,
39 hybrid vehicles, fuel cell vehicles, biodiesel vehicles, vehicles
40 operated on ultra low sulfur fuel, and vehicles operated on any other
41 bus fuel approved by the United States Environmental Protection
42 Agency[, and the like]. The corporation may consider as part of its
43 strategy, cooperative efforts with bus manufacturers, and the
44 solicitation of federal support, in developing a "clean bus" with air
45 pollution controls superior to currently available technology. For
46 the fiscal year beginning July 1, 2007 and each fiscal year
47 thereafter, all buses purchased by the New Jersey Transit
48 Corporation shall be buses with improved pollution controls and

1 that reduce particulate emissions, or buses powered by fuel other
2 than conventional diesel fuel, such as compressed natural gas
3 vehicles, hybrid vehicles, fuel cell vehicles, biodiesel vehicles,
4 vehicles operated on ultra low sulfur fuel, or vehicles operated on
5 any other bus fuel approved by the United States Environmental
6 Protection Agency~~], and the like~~. In the event that the corporation
7 is not able to meet the bus purchase requirements set forth in this
8 section with respect to any fiscal year, prior to the commencement
9 of the fiscal year, the board of the corporation shall, by resolution,
10 submit a report to the Legislature detailing its inability to meet the
11 requirements and the reasons therefor and shall submit the report to
12 the Senate and General Assembly when both houses are in session,
13 including therein a request to be exempted from the bus purchase
14 requirements of this section with regard to the fiscal year in
15 question. The President of the Senate and the Speaker of the
16 General Assembly shall cause the date of submission to be entered
17 upon the Senate Journal and the Minutes of the General Assembly.
18 If a joint resolution approving the exemption is passed by the
19 Legislature and signed by the Governor prior to the commencement
20 of the fiscal year in question, the corporation shall be exempt from
21 the requirements for that fiscal year.

22 In the fiscal year beginning on July 1, 2007 and in each fiscal
23 year thereafter, in the year prior to the year in which final
24 engineering is anticipated to start on any project which extends the
25 reach of the New Jersey Transit rail or light rail system, the New
26 Jersey Transit Corporation shall be required to identify and include
27 in the annual Statewide Capital Investment Strategy the required
28 State financial assistance to support operation of the incremental
29 service for the first three years and the projected fare box recovery
30 ratio at the commencement of the fourth year of operation of each
31 project.

32 The Statewide Capital Investment Strategy shall also detail the
33 planned investment of capital funds for public transportation
34 projects of companies other than the New Jersey Transit
35 Corporation engaged in the business of providing motor bus
36 transportation. The Statewide Capital Investment Strategy shall
37 demonstrate that such investment adequately addresses the finding
38 in section 2 of P.L.1979, c.150 (C.27:25-2) that in the provision of
39 public transportation services it is desirable to encourage to the
40 maximum extent feasible the participation of private enterprise.

41 c. On or before March 1 of each year, the commissioner shall
42 submit a report of general project categories and proposed projects
43 thereunder to be financed in the ensuing fiscal year, including
44 therewith a description of the projects, the county or counties and
45 municipality or municipalities within which they are to be located, a
46 distinction between State and local projects, ~~and~~ an identification
47 number for each project that can be used to cross reference any
48 project in the State's federal Statewide Transportation Improvement

1 Program, the project phase of work, investment category, project
2 sponsor, governmental entity with jurisdiction over the project and
3 associated infrastructure, the amount estimated to be expended on
4 each project in the year of appropriation, and an estimate of the
5 total project cost. This report shall be known as the "Annual
6 Transportation Capital Program" for the upcoming fiscal year. It
7 shall include proposed projects of both the Department of
8 Transportation and the New Jersey Transit Corporation. The
9 program shall be consistent with, and reflective of, the goals and
10 priorities of the Capital Investment Strategy and the program shall
11 include an explanation which demonstrates how it is consistent
12 with, and reflective of, the goals and priorities.

13 d. On or before March 1 of each year, the commissioner shall
14 also submit a "Transportation Trust Fund Authority Financial Plan"
15 designed to implement the financing of the proposed projects. The
16 financial plan shall contain an enumeration of the bonds, notes or
17 other obligations of the authority which the authority intends to
18 issue, including the amounts thereof and the conditions therefor.
19 The financial plan shall set forth a complete operating and financial
20 statement covering the authority's proposed operations during the
21 ensuing fiscal year, including amounts of income from all sources,
22 including but not limited to the proceeds of bonds, notes or other
23 obligations to be issued, as well as interest earned. In addition, the
24 plan shall contain proposed amounts to be appropriated and
25 expended, as well as amounts for which the department anticipates
26 to obligate during the ensuing fiscal year for any future
27 expenditures.

28 e. The Statewide Capital Investment Strategy, the Annual
29 Transportation Capital Program, and the Transportation Trust Fund
30 Authority Financial Plan shall be submitted to the Senate and
31 General Assembly. Within 45 days of the receipt thereof, the
32 Senate or the General Assembly may object in writing to the
33 commissioner in regard to any project or projects in the Annual
34 Transportation Capital Program it disapproves or which it is of the
35 opinion should be modified or added to or any additional or
36 alternative projects considered or in regard to any element of the
37 financial plan. The commissioner shall consider the objections and
38 recommendations and resubmit the report within 10 days,
39 containing therein any modifications based upon the commissioner's
40 consideration of the objections or recommendations.

41 f. In order that the Legislature shall be advised of the nature
42 and extent of public highways, public transportation projects, and
43 other transportation projects contemplated to be financed under this
44 act, the commissioner shall submit annually, together with the
45 Annual Transportation Capital Program, a Five-Year Capital Plan,
46 which shall set forth projects and programs anticipated to be funded
47 over the five-year period. The Five-Year Capital Plan shall, to the

1 extent practicable, conform to all federal requirements for Statewide
2 transportation capital programming.

3 (cf: P.L.2006, c.3, s.5)

4

5 7. Section 6 of P.L.2006, c.3 (C.27:1B-22.2) is amended to
6 read as follows:

7 6. There is hereby created in the Executive Branch of the State
8 Government, a body corporate and politic, with corporate
9 succession, to be known as the **【Financial】** Transportation Policy
10 Review Board. For the purpose of complying with the provisions of
11 Article V, Section IV, paragraph 1 of the New Jersey Constitution,
12 the board is hereby allocated within the Department of
13 Transportation, but, notwithstanding that allocation, the board shall
14 be independent of any supervision or control by the department or
15 by any body or officer thereof. The board is hereby constituted as
16 an instrumentality of the State exercising public and essential
17 governmental functions, and the exercise by the board of the powers
18 conferred by this act shall be deemed and held to be an essential
19 governmental function of the State.

20 The board shall be comprised of **【five】** nine public members
21 with experience in transportation finance and policy. The Governor
22 shall appoint three of the members with the advice and consent of
23 the Senate, two of whom shall be experts that perform academic
24 research in the areas of transportation and public transportation
25 policy, planning, or engineering, and one of whom shall be an
26 expert in the area of transportation capital finance. The remaining
27 members shall be appointed by the Governor as follows: **【one】** two
28 upon the **【joint】** recommendation of the President of the Senate
29 **【and】**, one upon the recommendation of the Minority Leader of the
30 Senate, **【and one】** two upon the **【joint】** recommendation of the
31 Speaker of the General Assembly, and one upon the
32 recommendation of the Minority **【leader】** Leader of the General
33 Assembly. Each member shall have a professional background in
34 passenger rail service, freight rail management, transportation
35 capital planning, transportation and public transportation capital
36 construction, federal transportation policy, State transportation
37 policy, or transportation capital finance. Each member shall serve
38 for a four-year term and shall serve until the member's successor is
39 appointed and qualified; provided, however, that in order to achieve
40 non-concurrent terms, of the members first appointed pursuant to
41 this section, two members appointed by the Governor shall serve for
42 four years; while the **【two】** three members appointed upon the
43 **【joint recommendation】** recommendations of the President of the
44 Senate and the Minority Leader of the Senate and the three
45 members appointed upon the **【joint recommendation】**
46 recommendations of the Speaker of the General Assembly and the
47 Minority Leader of the General Assembly shall serve for three years

1 each, and the remaining member appointed by the Governor shall
2 serve for two years; and further provided that any member serving
3 on the effective date of P.L. , c. (C.) (pending before the
4 Legislature as this bill) shall serve until the expiration of that
5 member's term, notwithstanding the criteria for appointment
6 established pursuant to P.L. , c. . The [Financial]
7 Transportation Policy Review Board shall be deemed to be
8 constituted immediately upon appointment and qualification in the
9 manner provided in this section of at least [three] five members.

10 The purpose of the board is to assure fiscal discipline through
11 evaluating the financing of transportation; independently analyzing
12 and reporting on the cost effectiveness of spending in the
13 transportation capital program; conducting and commissioning
14 research on best practices in the areas of transportation and public
15 transportation construction, planning, finance, and engineering;
16 providing policy recommendations to the Legislature on the best
17 ways to organize the capital program and appropriate capital
18 program funds; and preparing an annual State of Condition of
19 Transportation Financing certification.

20 The board shall annually appear before the Senate Budget and
21 Appropriations Committee, or its successor, and the Assembly
22 Budget Committee, or its successor, and provide independent
23 analysis of the transportation capital program, provide comments on
24 the cost effectiveness of the program, evaluate the condition of the
25 State transportation system, and identify needed infrastructure
26 investments. The board shall annually appear before the Senate
27 Transportation Committee, or its successor, and the Assembly
28 Transportation and Independent Authorities Committee, or its
29 successor, and report on best practices in areas related to
30 transportation and public transportation construction, planning,
31 finance, infrastructure, and governance. The board shall also make
32 itself available to the aforementioned budget and transportation
33 committees to conduct research and provide recommendations on
34 policy issues that those committees request of the board. The board
35 shall issue an annual report on or before June 1 of each year which
36 summarizes the work of the board for the prior year, evaluates the
37 reports issued by the department pursuant to section 22 of P.L.1984,
38 c.73 (27:1B-22), and provides independent recommendations for
39 administering the annual capital program.

40 The board shall be provided with a budget each year to be funded
41 through the capital program, and the budget shall be sufficient to
42 allow the board to commission independent research from academic
43 and other experts in the area of research to be conducted, to avail
44 itself of any professional or consultant services necessary to
45 perform its functions, and to complete the reports and certifications
46 required pursuant to this section.

47 The board may call to its assistance and avail itself of the
48 services of the employees of any State, county, or municipal

1 department, board, bureau, task force, or agency as it may require
2 and as may be available to it for its purposes, and to employ
3 stenographic and clerical assistance and incur traveling and other
4 miscellaneous expenses necessary to perform its duties, with the
5 limits of funds appropriated or otherwise made available to it for its
6 purposes.

7 The board shall submit reports to the Governor, and to the
8 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1)
9 no later than April 1, 2017 concerning the:

10 a. taxation of motor vehicles that are powered by a fuel source
11 that is not subject to the motor fuels tax P.L.2010, c.22 (C.54:39-
12 101 et seq.) or the petroleum products gross receipts tax P.L.1990,
13 c.42 (C.54:15B-1 et seq.), including, but not limited to electric
14 vehicles and hydrogen fuel cell vehicles. The report required
15 pursuant to this subsection shall include recommendations to the
16 Legislature for a new system of taxation that mandates that all
17 vehicles operating on the highways of this State contribute
18 equitably to the cost of maintaining the State transportation system.

19 b. relocation of utility company facilities that are located in,
20 on, along, over or under an infrastructure project, and require
21 relocation in order to accommodate the infrastructure project. The
22 board shall recommend a system that allows for optimal
23 coordination between the Department of Transportation and utility
24 companies in a manner that minimizes project delays that increase
25 utility costs and infrastructure project costs. The board shall
26 investigate and report on utility relocation process best practices in
27 other states and the report required pursuant to this subsection shall
28 include a proposal for legislation amending or replacing P.L.1983,
29 c.283 (C.27:7-44.9).

30 The State of Condition of Transportation Financing certification
31 shall ensure that the financing and expenditures of the New Jersey
32 Transportation Trust Fund Authority (the "authority") adhere to
33 certain standards. The standards are: a. The bonding limitation as
34 provided in subsection i. of section 9 of P.L.1984, c.73 (C.27:1B-9).
35 b. For the fiscal year commencing July 1, 2007, the amount
36 expended from the revenues and other funds of the authority for
37 permitted maintenance shall not exceed the amount expended for
38 permitted maintenance in the fiscal year commencing July 1, 2006.
39 c. The total amount authorized to be appropriated from the revenues
40 and other funds of the authority for project costs commencing with
41 the fiscal year beginning July 1, 2007 through the fiscal year
42 beginning July 1, 2015 shall not exceed \$1,600,000,000 annually,
43 and for the fiscal year beginning on July 1, 2016 through the fiscal
44 year beginning on July 1, 2025 shall not exceed an aggregate
45 \$20,000,000,000 over that 10 year period, plus any additional
46 annual amount of revenue derived from the tax imposed on the sale
47 of petroleum products pursuant to P.L.1990, c.42 (C.54:15B-1 et
48 seq.) which is greater than the amount collected in the fiscal year

1 beginning on July 1, 2017, and not used for making payments on
2 authority debt.

3 Commencing with the fiscal year beginning July 1, 2007, the
4 board shall submit to the Governor, the Legislature, and the
5 commissioner on an annual basis the State of Condition of
6 Transportation Financing certification as to the requirements of
7 **【subsection a. of this section】** certification standard a. referencing
8 therein a certification with regard to **【subsections b. and c. of this**
9 **section】** certification standards b. and c. to the extent feasible,
10 given the other provisions of this section. The certifications shall
11 be based on the board's review of the State's fiscal year final
12 expenditures from the preceding fiscal year, including bonding and
13 expenditures from the annual independent audit of the authority,
14 and the amount of authority funds programmed for permitted
15 maintenance. If the capital program and its financing are found to
16 be in compliance, the first annual certification required by this
17 paragraph shall be submitted by February 1, 2008, after the
18 certification is concurred with by the members of the authority, and
19 by February 1 of each year thereafter. The board shall advise the
20 commissioner and the authority on February 1, 2008 and on each
21 succeeding February 1, if the board finds that the authority is not in
22 compliance with the bonding requirements as provided in
23 subsection a. of the section, and that a corrective action plan is
24 needed. The authority shall submit a corrective action plan that
25 would reduce its future bond sales to offset the amount of excess
26 bonding or to reduce future debt service payments, or both, as the
27 case may be. Upon approval of the corrective action plan by the
28 board, the certification shall be issued with certain conditions. The
29 Annual Transportation Capital Program submitted to the Legislature
30 for the forthcoming year shall be in compliance with the provisions
31 of the corrective action plan. If the board does not approve the
32 corrective action plan, the authority shall submit a financial plan
33 showing bonding only for existing projects, noting that no bonds
34 shall be issued for new projects shown in the department's Annual
35 Transportation Capital Program. The board shall advise the
36 commissioner on February 1, 2008 and on each succeeding
37 February 1, if the board finds that the Department of Transportation
38 has exceeded the limitation for the amount of authority funds spent
39 on permitted maintenance pursuant to **【subsection】** certification
40 standard b. of this section, or for the amount authorized to be
41 appropriated for project costs pursuant to **【subsection】** certification
42 standard c. of this section and that a corrective action plan is
43 needed. The department shall submit a corrective action plan that
44 would offset the excess amount spent, or the excess amount
45 appropriated, in the prior year with less funding for permitted
46 maintenance or for projects, as the case may be, in the proposed
47 capital budget request. Upon approval of the corrective action plan
48 by the board, a certification as to these matters shall be issued with

1 certain conditions. The Annual Transportation Capital Program
2 submitted to the Legislature for the forthcoming year shall be in
3 compliance with the provisions of the corrective action plan. If the
4 board does not approve the corrective action plan, the authority
5 shall submit a financial plan showing bonding only for existing
6 projects, noting that no bonds shall be issued for new projects
7 shown in the department's Annual Transportation Capital Program.

8 (cf: P.L.2006, c.3, s.6)

9
10 8. (New section) a. There is hereby established in but not of the
11 Department of Transportation, a body corporate and politic, with
12 corporate succession, to be known as the Annual Transportation
13 Capital Program Approval Committee. For the purpose of
14 complying with the provisions of Article V, Section IV, paragraph 1
15 of the New Jersey Constitution, the committee is hereby allocated
16 within the Department of Transportation, but, notwithstanding that
17 allocation, the committee shall be independent of any supervision or
18 control by the department or by any body or officer thereof. The
19 committee is hereby constituted as an instrumentality of the State
20 exercising public and essential governmental functions, and the
21 exercise by the committee of the powers conferred by P.L. , c.
22 (C.) (pending before the Legislature as this bill) shall be
23 deemed and held to be an essential governmental function of the
24 State.

25 b. (1) The committee shall be comprised of four members. One
26 member shall be the Commissioner of Transportation, or the
27 commissioner's designee, who shall serve ex-officio, and the
28 remaining three members shall be public members, each of whom is
29 to be appointed by the Governor upon the joint recommendation of
30 the President of the Senate and Speaker of the General Assembly;
31 one of whom shall be a resident of Salem, Cumberland, Cape May,
32 Atlantic, Gloucester, Camden, Burlington, or Ocean county; one of
33 whom shall be a resident of Monmouth, Mercer, Middlesex,
34 Hunterdon, Somerset, or Union county; and one of whom shall be a
35 resident of Warren, Sussex, Essex, Passaic, Morris, Hudson, or
36 Bergen county. Each public member shall serve a term of three
37 years, which shall run from August 1, of the year of appointment
38 until July 31 of the third year following appointment. The Annual
39 Transportation Capital Program Approval Committee shall be
40 deemed to be constituted immediately upon appointment and
41 qualification in the manner provided in this section of the three
42 public members.

43 (2) The purpose of the committee is to ensure that Legislative
44 input is provided in the process of selecting the transportation
45 capital projects to be funded annually through the Transportation
46 Trust Fund Account pursuant to P.L.1984, c.73 (C.27:1B-20), and
47 to prepare an Annual Transportation Capital Program Approval
48 Certification.

1 (3) Commencing with the fiscal year beginning July 1, 2017, the
2 board shall submit to the Governor and the Legislature on an annual
3 basis the Annual Transportation Capital Program Approval
4 Certification referencing therein a certification attested to by all
5 members of the committee that for the proposed projects of both the
6 Department of Transportation and the New Jersey Transit
7 Corporation included in the Annual Transportation Capital
8 Program, required pursuant to section 22 of P.L.1984, c.73 (27:1B-
9 22) and the list of projects proposed by the department for inclusion
10 in the State budget to be appropriated from the revenues and other
11 funds of the New Jersey Transportation Trust Fund Authority: (a)
12 the projects were developed with input from each member of the
13 committee; (b) that every member of the committee has been
14 granted access to all available information of the department
15 concerning each project; and that (c) each member of the committee
16 approves the inclusion of each project in the Annual Transportation
17 Capital Program and recommends that the project be included in the
18 list of projects to be appropriated from the revenues and other funds
19 of the New Jersey Transportation Trust Fund Authority in the
20 Annual Appropriations Act. The first annual certification required
21 by this subsection shall be submitted to the Governor and the
22 Legislature by March 1, 2017, after the certification has been
23 approved by every member of the committee, and by March 1 of
24 each year thereafter. The committee shall advise the authority on
25 July 1, 2017 and on each succeeding July 1, if members of the
26 committee have failed to unanimously approve the Annual
27 Transportation Capital Program Approval Certification. If no
28 Annual Transportation Capital Program Approval Certification has
29 been approved for a fiscal year, the Legislature shall not make any
30 appropriation from the revenues and other funds of the authority for
31 the financing of transportation projects in that fiscal year until the
32 certification has been unanimously approved. Prior to approval of
33 the certification, appropriations shall only be made for existing
34 projects and for debt service on authority bonds.

35
36 9. Section 25 of P.L.1984, c.73 (C.27:1B-25) is amended to read
37 as follows:

38 25. a. Notwithstanding the provisions of subtitle 4 of Title 27 of
39 the Revised Statutes and P.L.1946, c.301 (C.27:15A-1 et seq.), the
40 commissioner may, pursuant to appropriations or authorizations
41 being made from time to time by the Legislature according to law,
42 allocate to counties and municipalities funds for the planning,
43 acquisition, engineering, construction, reconstruction, repair,
44 resurfacing and rehabilitation of public highways and the planning,
45 acquisition, engineering, construction, reconstruction, repair,
46 maintenance and rehabilitation of public transportation projects and
47 of other transportation projects which a county or municipality may
48 be authorized by law to undertake.

1 b. The commissioner shall, pursuant to appropriations or
 2 authorizations being made from time to time by the Legislature
 3 according to law, allocate at his discretion State aid to counties and
 4 municipalities for transportation projects, except that the amount to
 5 be appropriated for this program shall be ~~10%~~ seven percent of
 6 the total amount appropriated ~~for the total county and municipal~~
 7 ~~aid programs~~ pursuant to subsection d. of this section. This State
 8 aid shall be set aside prior to any formula allocations provided for
 9 in subsections c., d., ~~and~~ e., f., and g. of this section, and shall be
 10 known as the "Local Aid Infrastructure Fund." In the fiscal year
 11 commencing July 1, 2016, any amount appropriated to the Local
 12 Aid Infrastructure Fund above \$7,500,000 shall be deposited into
 13 the State Transportation Infrastructure Bank Fund, established
 14 pursuant to section 39 of P.L. , c. (C.) (pending before the
 15 Legislature as this bill).

16 c. The commissioner shall, pursuant to appropriations or
 17 authorizations being made from time to time by the Legislature
 18 according to law and pursuant to the provisions of subsections b.
 19 and d. of this section, allocate State aid to municipalities for public
 20 highways under their jurisdiction. The amount to be appropriated
 21 shall be allocated on the basis of the following distribution factor:

$$22 \qquad \qquad \qquad \text{Pc} \qquad \qquad \text{Cm}$$

$$23 \qquad \text{DF} = \qquad \frac{\qquad}{\text{Ps}} \qquad + \qquad \frac{\qquad}{\text{Sm}}$$

$$24 \qquad \qquad \qquad \text{Ps} \qquad \qquad \text{Sm}$$

- 25 where, DF equals the distribution factor
 26 Pc equals county population
 27 Ps equals State population
 28 Cm equals municipal road mileage within the county
 29 Sm equals municipal road mileage within the State.

30 After the amount of aid has been allocated based on the above
 31 formula, the commissioner shall determine priority for the funding
 32 of municipal projects within each county, based upon criteria
 33 relating to volume of traffic, safety considerations, growth
 34 potential, readiness to obligate funds, and local taxing capacity. In
 35 addition to the above criteria used in determining priority of
 36 funding of municipal projects in each county, the commissioner
 37 shall consider whether a project is intended to remedy hazardous
 38 conditions as identified for the purposes of providing transportation
 39 pursuant to N.J.S.18A:39-1.2 for school pupils or to improve
 40 pedestrian safety.

41 For the purposes of this subsection, (1) "population" means the
 42 official population count as reported by the New Jersey Department
 43 of Labor and Workforce Development; and (2) "municipal road
 44 mileage" means that road mileage under the jurisdiction of
 45 municipalities, as determined by the department.

46 d. There shall be appropriated at least \$175,000,000 for ~~the~~
 47 each fiscal year commencing July 1, 2006 through the fiscal year
 48 commencing July 1, 2015, and \$400,000,000 for each fiscal year

1 commencing July 1, 2016 and for each fiscal year thereafter, for the
2 purposes provided herein and in subsections b., c. [and], e., f., and
3 g. of this section. (1) Of that appropriation, the commissioner shall
4 allocate [\$5,000,000.00] 37.5 percent of the total appropriation as
5 State aid for municipalities pursuant to the provisions of subsection
6 c. of this section, provided that \$5,000,000 for each fiscal year
7 commencing July 1, 2006 through the fiscal year commencing July
8 1, 2015, and \$10,000,000 for each fiscal year commencing July 1,
9 2016 and for each fiscal year thereafter of the amount allocated as
10 State aid for municipalities shall be set aside and sub-allocated as
11 State aid to any municipality qualifying for aid pursuant to the
12 provisions of P.L.1978, c.14 (C.52:27D-178 et seq.). The
13 commissioner shall allocate the aid to each municipality in the same
14 proportion that the municipality receives aid under P.L.1978, c.14
15 (C.52:27D-178 et seq.). (2) [The remaining amount of the
16 appropriation shall be allocated pursuant to the provisions of
17 subsection c. of this section.] The commissioner shall allocate 37.5
18 percent of the total appropriation pursuant to the provisions of
19 subsection e. of this section for the Local County Aid Program. (3)
20 The commissioner shall allocate seven percent of the total
21 appropriation pursuant to the provisions of subsection b. of this
22 section for the “Local Aid Infrastructure Fund.” (4) The
23 commissioner shall allocate seven percent of the appropriation
24 pursuant to the provisions of subsection f. of this section for the
25 “Local Freight Impact Fund.” (5) The remaining 11 percent of the
26 appropriation shall be allocated pursuant to the provisions of
27 subsection g. of this section for the “Local Bridges Fund.”

28 e. The commissioner may, pursuant to appropriations or
29 authorizations being made from time to time by the Legislature
30 according to law, allocate additional funding to the Local County
31 Aid Program for public highway projects, in accordance with a
32 formula similar to that provided for in subsection c. of this section,
33 except that Cm equals road mileage under county jurisdiction and
34 Sm equals total county road mileage within the State.

35 f. The commissioner shall, pursuant to appropriations or
36 authorizations being made from time to time by the Legislature
37 according to law, allocate at the commissioner’s discretion, State
38 aid to counties and municipalities for transportation projects that
39 address the impacts of freight travel in local communities and on
40 local transportation infrastructure, except that the amount to be
41 appropriated for this program shall be seven percent of the total
42 amount appropriated pursuant to subsection d. of this section. This
43 State aid shall be set aside prior to any formula allocations provided
44 for in subsections c., d., e., and g. of this section, and shall be
45 known as the “Local Freight Impact Fund.”

46 g. The commissioner shall, pursuant to appropriations or
47 authorizations being made from time to time by the Legislature
48 according to law, allocate at the commissioner’s discretion, State

1 aid to counties and municipalities for transportation projects that
2 address the condition of bridges under the jurisdiction of counties
3 with an emphasis on repair and reconstruction of those with the
4 greatest structural deficiencies, except that the amount to be
5 appropriated for this program shall be 11 percent of the total
6 amount appropriated pursuant to subsection d. of this section. This
7 State aid shall be set aside prior to any formula allocations provided
8 for in subsections c., d., e., and f. of this section, and shall be
9 known as the "Local Bridges Fund."
10 (cf: P.L.2012, c.13, s.9)

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

14 1. This act shall be known and may be cited as the "New Jersey
15 **【Environmental】** Infrastructure Trust Act."
16 (cf: P.L.1997, c.224, s.2)

17
18 11. Section 2 of P.L.1985, c.334 (C.58:11B-2) is amended to
19 read as follows:

20 2. a. The Legislature finds that the steady deterioration of older
21 sewage and sewer systems and wastewater treatment plants
22 endangers the availability and quality of uncontaminated water
23 resources of the State, thereby posing a grave danger to the health,
24 safety and welfare of the residents of the concerned communities
25 and the State; that the construction, rehabilitation, operation, and
26 maintenance of modern and efficient sewer systems and wastewater
27 treatment plants are essential to protecting and improving the State's
28 water quality; that in addition to protecting and improving water
29 quality, adequate wastewater treatment systems are essential to
30 economic growth and development; that many of the wastewater
31 treatment systems in New Jersey must be replaced or upgraded if an
32 inexorable decline in water quality is to be avoided during the
33 coming decades; that the United States Congress in recognition of
34 the crucial role wastewater treatment systems and plants play in
35 maintaining and improving water quality, and with an
36 understanding that the cost of financing and constructing these
37 systems must be borne by local governments and authorities with
38 limited sources of revenues, established in the "Federal Water
39 Pollution Control Act Amendments of 1972," Pub.L.92-500 (33
40 U.S.C. s.1251 et al.) a program to provide local governments with
41 grants for constructing these systems; that during the last several
42 years the amount of federal grant money available to states and
43 local governments for assistance in constructing and improving
44 wastewater treatment systems has sharply diminished; that the
45 current level of federal grant funding is inadequate to meet the cost
46 of upgrading the State's wastewater treatment capacity to comply
47 with State water quality standards; that the collective needs of the
48 State and local governments for capital financing of wastewater

1 treatment systems far exceed the sums of money presently available
2 through revenue initiatives and State and federal aid programs; and
3 that it is fitting and proper for the State to encourage local
4 governments to undertake wastewater treatment projects through
5 the establishment of a State mechanism to provide loans at the
6 lowest reasonable interest rates and to guarantee or insure local
7 capital improvement bonds.

8 b. The Legislature finds that stormwater runoff and combined
9 sewer overflows are among the major sources of ocean pollution,
10 contributing to beach closings; that combined sewer systems
11 discharge untreated wastewater and stormwater into rivers, streams
12 and coastal waters during wet weather, resulting in water pollution;
13 that some combined sewer systems have deteriorated to the point
14 that overflows occur regularly, even during dry weather; that many
15 sewer systems are on inadequate repair and replacement programs,
16 which may cause disturbances at sewage treatment plants; that
17 many municipalities are under building moratoriums due to the
18 inadequacy of their sewage and stormwater collection systems,
19 which severely affect municipal budgets; and that large unmet
20 capital expenses exist for combined sewer system separation and
21 abatement projects.

22 The Legislature further finds that funding at the federal level for
23 wastewater treatment, stormwater management and combined sewer
24 system rehabilitation projects is insufficient; that State funds
25 available for these projects are inadequate to meet current needs;
26 that local revenues are insufficient to meet these expenses; and that
27 additional funding at the State level is necessary to meet this
28 financial obligation.

29 c. The Legislature finds that construction, rehabilitation,
30 operation and maintenance of modern and efficient water supply
31 facilities are essential to protecting and improving the State's water
32 quality; that the citizens of this State, in recognition of the crucial
33 role the construction of new and the upgrading of existing water
34 supply facilities play in maintaining and augmenting the natural
35 water resources of the State, and with an understanding that the cost
36 of financing and constructing these systems is beyond the limited
37 financial resource capabilities of local governments and authorities
38 and must be subsidized by the State and repaid through a system of
39 water supply user charges, approved the enactment of the "Water
40 Supply Bond Act of 1981" (P.L.1981, c.261); that the water supply
41 needs of the State are so great that the funds allocated for this
42 purpose from the "Water Supply Fund" established by that 1981
43 bond act should be augmented and maximized, to the extent
44 practicable, through the use of alternative methods of State
45 financing to offset the costs of water supply projects and for the
46 construction of new or the rehabilitation of antiquated or inadequate
47 existing water supply facilities; that the United States Congress in
48 recognition of the essential role that safe drinking water plays in

1 protecting the public health, and with an understanding that
2 financing, constructing and maintaining water systems that meet the
3 requirements of the "Safe Drinking Water Act," 42 U.S.C. s.300f et
4 seq. exceed the financial and technical capacity of the operators of
5 some water systems, has established in the "Safe Drinking Water
6 Act Amendments of 1996," P.L.104-182, a program to provide
7 public water systems with financial assistance to meet national
8 primary drinking water regulations or to otherwise further the
9 health protection objectives of the federal law and that the State
10 must, in order to make use of the federal funds, provide State funds
11 for the program; and therefore, State funding for the program is
12 necessary to meet this financial obligation.

13 d. The Legislature finds that the transportation infrastructure of
14 the State is among the most heavily used in the nation and has
15 deteriorated in recent years, with parts of the highway system
16 reaching the end of their useful lives.

17 e. The Legislature finds that capital projects for roadways and
18 bridges are essential to protecting and improving the State's
19 transportation system; that construction of new and the upgrading of
20 existing roadways and bridges play a critical role in the
21 transportation needs of the State, and with an understanding that the
22 cost of financing and constructing these systems is beyond the
23 limited financial resource capabilities of local governments and
24 authorities and must be subsidized by the State and Federal
25 government; that the United States Congress has established "State
26 Infrastructure Bank" programs to provide funding for transportation
27 systems (23 U.S.C. 610) and that the State must, in order to make
28 use of the federal funds, provide State funds for the program; and
29 therefore, State funding for the program is necessary to meet this
30 financial obligation.

31 f. The Legislature therefore determines that it is in the public
32 interest to establish a State authority authorized to issue bonds,
33 notes and other obligations and to establish any reserve funds
34 necessary therefor, and to make loans to and guarantee debt
35 incurred by local government units for environmental and
36 transportation infrastructure projects.

37 (cf: P.L.1997, c.224, s.3)

38

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

41 3. As used in sections 1 through 27 of P.L.1985, c.334
42 (C.58:11B-1 through C.58:11B-27) **[and]**, sections 23 through 27
43 of P.L.1997, c.224 (C.58:11B-10.1 et al.), and sections 27 and 39
44 through 43 of P.L. , c. (C.) (pending before the Legislature
45 as this bill):

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

1 **["Combined sewer system"** means a sewer system designed to
2 carry sanitary wastewater at all times, which is also designed to
3 collect and transport stormwater runoff from streets and other
4 sources, thereby serving a combined purpose; **]**

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

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

12 "Commissioner" means the Commissioner of the Department of
13 Environmental Protection;

14 "Cost" means the cost of all labor, materials, machinery and
15 equipment, lands, property, rights and easements, financing
16 charges, interest on bonds, notes or other obligations, plans and
17 specifications, surveys or estimates of costs and revenues,
18 engineering and legal services, and all other expenses necessary or
19 incident to all or part of an environmental infrastructure project;

20 "Department" means the Department of Environmental
21 Protection;

22 "Environmental infrastructure project" means the acquisition,
23 construction, improvement, repair or reconstruction of all or part of
24 any structure, facility or equipment, or real or personal property
25 necessary for or ancillary to any: (1) wastewater treatment system
26 project, including any stormwater management or combined sewer
27 overflow abatement projects; or (2) water supply project, as
28 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or
29 P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water
30 resources project, as authorized pursuant to P.L.2003, c.162;

31 "Federal infrastructure bank program" means the United States
32 Department of Transportation State Infrastructure Bank Program
33 provided for in section 350 of Pub.L.104-59 and Pub.L.102-240 as
34 amended or superseded;

35 "Local government unit" means (1) a State authority, county,
36 municipality, municipal, county or regional sewerage or utility
37 authority, municipal sewerage district, joint meeting, improvement
38 authority, or any other political subdivision of the State authorized
39 to construct, operate, and maintain wastewater treatment systems;
40 **[or]** (2) a State authority, district water supply commission, county,
41 municipality, municipal, county or regional utilities authority,
42 municipal water district, joint meeting, or any other political
43 subdivision of the State authorized pursuant to law to operate or
44 maintain a public water supply system or to construct, rehabilitate,
45 operate, or maintain water supply facilities or otherwise provide
46 water for human consumption; or (3) a county, municipality,
47 municipal, county or regional transportation authority, or any other
48 political subdivision of the State authorized to construct, operate,

1 and maintain public highways or transportation projects as defined
2 pursuant to this section;

3 "Notes" means notes issued by the trust pursuant to P.L.1985,
4 c.334 (C.58:11B-1 et seq.) **【or】** P.L.1997, c.224 (C.58:11B-10.1 et
5 al.), or sections 27 and 39 through 43 of P.L. , c. (C.)
6 (pending before the Legislature as this bill);

7 "Onsite septic system ordinance or regulation" means an
8 ordinance adopted by a municipality or county or regulation
9 adopted by a regional planning agency establishing the
10 requirements for construction, maintenance and repair of onsite
11 wastewater treatment and disposal systems;

12 "Onsite wastewater treatment and disposal system" means an on-
13 site system designed to treat and dispose of domestic sewage;

14 "Other assistance" means forms of financial assistance, in
15 addition to loans, authorized by the New Jersey Infrastructure Bank
16 from the State Transportation Infrastructure Bank Fund, including,
17 but not limited to, use of funds to: provide credit enhancements;
18 serve as a capital reserve for bond or other debt instrument
19 financing; subsidize interest rates; ensure the issuance of letters of
20 credit and credit instruments; finance purchase and lease
21 agreements with respect to transit projects; and provide bond or
22 other debt financing instrument security;

23 "Project" **【or "environmental infrastructure project"】** means the
24 acquisition, construction, improvement, repair or reconstruction of
25 all or part of any structure, facility, or equipment, or real or
26 personal property necessary for or ancillary to any: (1) wastewater
27 treatment system project, including any stormwater management or
28 combined sewer overflow abatement projects; **【or】** (2) water supply
29 project, as authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et
30 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water
31 resources project, as authorized pursuant to P.L.2003, c.162**【,】**; or
32 (3) transportation project authorized pursuant to sections 27 and 39
33 through 43 of P.L. , c. (C.) (pending before the Legislature
34 as this bill);

35 "Public highway" means public roads, streets, expressways,
36 freeways, parkways, motorways and boulevards, including bridges,
37 tunnels, overpasses, underpasses, interchanges, express bus
38 roadways, bus pullouts and turnarounds, park-ride facilities, traffic
39 circles, grade separations, traffic control devices, the elimination or
40 improvement of crossings of railroads and highways, whether at-
41 grade or not at-grade, bicycle and pedestrian pathways and
42 pedestrian and bicycle bridges, and any property, rights of way,
43 easements and interests therein needed for the construction,
44 improvement, and maintenance of highways;

45 "Public water utility" means any investor-owned water company
46 or small water company;

47 "Small water company" means any company, purveyor or entity,
48 other than a governmental agency, that provides water for human

1 consumption and which regularly serves less than 1,000 customer
2 connections, including nonprofit, noncommunity water systems
3 owned or operated by a nonprofit group or organization;

4 "Stormwater management system" means any equipment, plants,
5 structures, machinery, apparatus, management practices, or land, or
6 any combination thereof, acquired, used, constructed, implemented
7 or operated to prevent nonpoint source pollution, abate improper
8 cross-connections and interconnections between stormwater and
9 sewer systems, minimize stormwater runoff, reduce soil erosion, or
10 induce groundwater recharge, or any combination thereof;

11 "Transportation project" means capital projects for public
12 highways, approach roadways and other necessary land-side
13 improvements, ramps, signal systems, roadbeds, transit lanes or
14 rights of way, pedestrian walkways and bridges connecting to
15 passenger stations and servicing facilities, bridges, and grade
16 crossings;

17 "Trust" means the New Jersey **【Environmental】** Infrastructure
18 **【Trust】** Bank created pursuant to section 4 of P.L.1985, c.334
19 (C.58:11B-4);

20 "Wastewater" means residential, commercial, industrial, or
21 agricultural liquid waste, sewage, septage, stormwater runoff, or
22 any combination thereof, or other liquid residue discharged or
23 collected into a sewer system or stormwater management system, or
24 any combination thereof;

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

39 "Wastewater treatment system project" means any work relating
40 to the acquisition, construction, improvement, repair or
41 reconstruction of all or part of any structure, facility or equipment,
42 or real or personal property necessary for or ancillary to any
43 wastewater treatment system that meets the requirements set forth
44 in sections 20, 21, and 22 of P.L.1985, c.334 (C.58:11B-20,
45 C.58:11B-21, and C.58:11B-22); or any work relating to any of the
46 stormwater management or combined sewer overflow abatement
47 projects identified in the stormwater management and combined
48 sewer overflow abatement project priority list adopted by the

1 commissioner pursuant to section 28 of P.L.1989, c.181; or any
2 work relating to the purposes set forth in section 6 of P.L.2003,
3 c.162; or any work relating to any other project eligible for
4 financing under the “Federal Water Pollution Control Act
5 Amendments of 1972” (33 U.S.C. s.1251 et seq.), or any
6 amendatory or supplementary acts thereto;

7 "Water resources project" means any work related to transferring
8 water between public water systems during a state of water
9 emergency, to avert a drought emergency in all or any part of the
10 State, to plan, design or construct interconnections of existing water
11 supplies, or to extend water supplies to areas with contaminated
12 ground water supplies;

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

29 "Water supply project" means any work relating to the
30 acquisition, construction, improvement, repair or reconstruction of
31 all or part of any structure, facility or equipment, or real or personal
32 property necessary for or ancillary to water supply facilities that
33 meets the requirements set forth in sections 24, 25, and 26 of
34 P.L.1997, c.224 (C.58:11B-20.1, C.58:11B-21.1, and C.58:11B-
35 22.1); or any work relating to the purposes set forth in section 4 of
36 P.L.1981, c.261; or any work relating to the purposes set forth in
37 section 6 of P.L.2003, c.162; or any work relating to any other
38 project eligible for funding pursuant to the federal "Safe Drinking
39 Water Act Amendments of 1996," Pub.L.104-182, and any
40 amendatory and supplementary acts thereto.

41 (cf: P.L.2009, c.103, s.1)

42

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

45 4. a. There is established in, but not of, the Department of
46 **【Environmental Protection】** the Treasury a body corporate and
47 politic, with corporate succession, to be known as the "New Jersey
48 **【Environmental】** Infrastructure **【Trust】** Bank." The trust is

1 constituted as an instrumentality of the State exercising public and
2 essential governmental functions, no part of whose revenues shall
3 accrue to the benefit of any individual, and the exercise by the trust
4 of the powers conferred by the provisions of P.L.1985, c.334
5 (C.58:11B-1 et seq.) **【or】** , P.L.1997, c.224 (C.58:11B-10.1 et al.),
6 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
7 before the Legislature as this bill), shall be deemed and held to be
8 an essential governmental function of the State.

9 b. The trust shall consist of a **【seven-member】** 10 member
10 board of directors composed of the State Treasurer, the
11 Commissioner of the Department of Community Affairs, the
12 Commissioner of the Department of Transportation, and the
13 Commissioner of the Department of Environmental Protection, who
14 shall be members ex officio; **【one person】** two people appointed by
15 the Governor upon the recommendation of the President of the
16 Senate, and **【one person】** two people appointed by the Governor
17 upon the recommendation of the Speaker of the General Assembly,
18 who shall serve during the two-year legislative term in which they
19 are appointed; and two residents of the State appointed by the
20 Governor with the advice and consent of the Senate, who shall serve
21 for terms of four years, except that the first two appointed shall
22 serve terms of two and three years respectively. Each appointed
23 director shall serve until **【his】** that director's successor has been
24 appointed and qualified. A director is eligible for reappointment.
25 Any vacancy shall be filled in the same manner as the original
26 appointment, but for the unexpired term only.

27 With respect to those public members first appointed by the
28 Governor, the appointment of each of the two members upon the
29 advice and consent of the Senate shall become effective 30 days
30 after their nomination by the Governor if the Senate has not given
31 advice and consent on those nominations within that time period;
32 the President of the Senate and the Speaker of the General
33 Assembly each shall recommend to the Governor a public member
34 for appointment within 20 days following the effective date of
35 **【this act】** P.L.1985, c.334 (C.58:11B-1 et seq.) and a public
36 member for appointment within 20 days following the effective date
37 of P.L. c. (pending before the Legislature as this bill), and a
38 recommendation made in this manner shall become effective if the
39 Governor makes the appointment in accordance with the
40 recommendation, in writing, within 10 days of the Governor's
41 receipt thereof. In each instance where the Governor fails to make
42 the appointment, the President of the Senate and the Speaker of the
43 General Assembly shall make new recommendations subject to
44 appointment by the Governor as determined in this section.

45 c. Each appointed director may be removed from office by the
46 Governor for cause, upon the Governor's consideration of the
47 findings and recommendations of an administrative law judge after
48 a public hearing before the judge, and may be suspended by the

1 Governor pending the completion of the hearing. Each director,
2 before entering upon **【his】** the director's duties, shall take and
3 subscribe an oath to perform the duties of **【his】** the director's office
4 faithfully, impartially and justly to the best of **【his】** the director's
5 ability. A record of oaths shall be filed in the office of the Secretary
6 of State.

7 d. The Governor shall designate one of the appointed members
8 to be the **【chairman】** chairperson and chief executive officer of the
9 trust and the directors shall biannually elect a **【vice-chairman】**
10 vice-chairperson from among the appointed directors. The
11 **【chairman】** chairperson shall serve as such for a term of two years
12 and until a successor has been designated. A **【chairman】**
13 chairperson shall be eligible **【to succeed himself】** for one additional
14 two-year term as chairperson. The directors shall elect a secretary
15 and treasurer, who need not be directors, and the same person may
16 be elected to serve as both secretary and treasurer.

17 The powers of the trust are vested in the directors in office from
18 time to time and **【four】** six directors shall constitute a quorum at
19 any meeting. Action may be taken and motions and resolutions
20 adopted by the trust by the affirmative majority vote of those
21 directors present, but in no event shall any action be taken or
22 motions or resolutions adopted without the affirmative vote of at
23 least **【four members】** six directors. No vacancy on the board of
24 directors of the trust shall impair the right of a quorum of the
25 directors to exercise the powers and perform the duties of the trust.

26 e. Each director and the treasurer of the trust shall execute a
27 bond to be conditioned upon the faithful performance of the duties
28 of the director or treasurer in a form and amount as may be
29 prescribed by the State Treasurer. Bonds shall be filed in the office
30 of the Secretary of State. At all times thereafter, the directors and
31 treasurer shall maintain these bonds in full effect. All costs of the
32 bonds shall be borne by the trust.

33 f. The directors of the trust shall serve without compensation,
34 but the trust shall reimburse the directors for actual and necessary
35 expenses incurred in the performance of their duties.
36 Notwithstanding the provisions of any other law to the contrary, no
37 officer or employee of the State shall be deemed to have forfeited or
38 shall forfeit **【his】** the officer's or employee's office or employment
39 or any benefits or emoluments thereof by reason of **【his】** the
40 officer's or employee's acceptance of the office of ex officio
41 director of the trust or **【his】** the ex officio director's services
42 thereon.

43 g. Each ex officio director may designate an officer of **【his】**
44 the ex officio director's department to represent **【him】** the ex
45 officio director at meetings of the trust. Each designee may lawfully
46 vote and otherwise act on behalf of the director for whom **【he】** the
47 person constitutes the designee. The designation shall be delivered

1 in writing to the trust and shall continue in effect until revoked or
2 amended in writing and delivered to the trust.

3 h. The trust may be dissolved by law; provided the trust has no
4 debts or obligations outstanding or that provision has been made for
5 the payment or retirement of these debts or obligations. The trust
6 shall continue in existence until dissolved by act of the Legislature.
7 Upon any dissolution of the trust, all property, funds and assets of
8 the trust shall be vested in the State.

9 i. A true copy of the minutes of every meeting of the trust shall
10 be forthwith delivered by and under the certification of the secretary
11 thereof to the Governor and at the same time to the Senate and
12 General Assembly. The time and act of this delivery shall be duly
13 recorded on a delivery receipt. No action taken or motion or
14 resolution adopted at a meeting by the trust shall have effect until
15 10 days, exclusive of Saturdays, Sundays and public holidays, after
16 a copy of the minutes has been delivered to the Governor, unless
17 during the 10-day period the Governor shall approve all or part of
18 the actions taken or motions or resolutions adopted, in which case
19 the action or motion or resolution shall become effective upon the
20 approval.

21 If, in the 10-day period, the Governor returns the copy of the
22 minutes with a veto of any action taken by the trust or any member
23 thereof at that meeting, the action shall be of no effect. The Senate
24 or General Assembly shall have the right to provide written
25 comments concerning the minutes to the Governor within the 10-
26 day period, which comments shall be returned to the trust by the
27 Governor with **[his]** the Governor's approval or veto of the
28 minutes.

29 The powers conferred in this subsection upon the Governor shall
30 be exercised with due regard for the rights of the holders of bonds,
31 notes and other obligations of the trust at any time outstanding, and
32 nothing in, or done pursuant to, this subsection shall in any way
33 limit, restrict or alter the obligation or powers of the trust or any
34 representative or officer of the trust to carry out and perform each
35 covenant, agreement, or contract made or entered into by or on
36 behalf of the trust with respect to its bonds, notes, or other
37 obligations or for the benefit, protection or security of the holders
38 thereof.

39 j. No resolution or other action of the trust providing for the
40 issuance of bonds, refunding bonds, notes or other obligations shall
41 be adopted or otherwise made effective by the trust without the
42 prior approval in writing of the Governor and the State Treasurer.
43 The trust shall provide the Senate and General Assembly with
44 written notice of any request for approval of the Governor and State
45 Treasurer at the time the request is made, and shall also provide the
46 Senate and General Assembly written notice of the response of the

1 Governor and State Treasurer at the time that the response is
2 received by the trust.

3 (cf: P.L.1997, c.224, s.5)

4

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

7 5. Except as otherwise limited by the provisions of P.L.1985,
8 c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et
9 al.), or sections 27 and 39 through 43 of P.L. , c. (C.)
10 (pending before the Legislature as this bill), the trust may:

11 a. Make and alter bylaws for its organization and internal
12 management and, subject to agreements with holders of its bonds,
13 notes or other obligations, make rules and regulations with respect
14 to its operations, properties and facilities;

15 b. Adopt an official seal and alter it;

16 c. Sue and be sued;

17 d. Make and enter into all contracts, leases and agreements
18 necessary or incidental to the performance of its duties and the
19 exercise of its powers under the provisions of P.L.1985, c.334
20 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
21 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
22 before the Legislature as this bill), and subject to any agreement
23 with the holders of the trust's bonds, notes or other obligations,
24 consent to any modification, amendment or revision of any contract,
25 lease or agreement to which the trust is a party;

26 e. Enter into agreements or other transactions with and accept,
27 subject to the provisions of section 23 of P.L.1985, c.334
28 (C.58:11B-23), grants, appropriations and the cooperation of the
29 State, or any State agency, in furtherance of the purposes of
30 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
31 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
32 c. (C.) (pending before the Legislature as this bill), and do
33 anything necessary in order to avail itself of that aid and
34 cooperation;

35 f. Receive and accept aid or contributions from any source of
36 money, property, labor or other things of value, to be held, used and
37 applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et
38 seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27
39 and 39 through 43 of P.L. , c. (C.) (pending before the
40 Legislature as this bill), subject to the conditions upon which that
41 aid and those contributions may be made, including, but not limited
42 to, gifts or grants from any department or agency of the State, or
43 any State agency, for any purpose consistent with the provisions of
44 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
45 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
46 c. (C.) (pending before the Legislature as this bill), subject to
47 the provisions of section 23 of P.L.1985, c.334 (C.58:11B-23);

- 1 g. Acquire, own, hold, construct, improve, rehabilitate,
2 renovate, operate, maintain, sell, assign, exchange, lease, mortgage
3 or otherwise dispose of real and personal property, or any interest
4 therein, in the exercise of its powers and the performance of its
5 duties under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.)
6 【or】, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
7 through 43 of P.L. , c. (C.) (pending before the Legislature
8 as this bill);
- 9 h. Appoint and employ an executive director and any other
10 officers or employees as it may require for the performance of its
11 duties, without regard to the provisions of Title 11A of the New
12 Jersey Statutes;
- 13 i. Borrow money and issue bonds, notes and other obligations,
14 and secure the same, and provide for the rights of the holders
15 thereof as provided in the provisions of P.L.1985, c.334 (C.58:11B-
16 1 et seq.) 【or】, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections
17 27 and 39 through 43 of P.L. , c. (C.) (pending before the
18 Legislature as this bill);
- 19 j. Subject to any agreement with holders of its bonds, notes or
20 other obligations, invest moneys of the trust not required for
21 immediate use, including proceeds from the sale of any bonds, notes
22 or other obligations, in any obligations, securities and other
23 investments in accordance with the rules and regulations of the
24 State Investment Council or as may otherwise be approved by the
25 Director of the Division of Investment in the Department of the
26 Treasury upon a finding that such investments are consistent with
27 the corporate purposes of the trust;
- 28 k. Procure insurance to secure the payment of its bonds, notes
29 or other obligations or the payment of any guarantees or loans made
30 by it in accordance with the provisions of P.L.1985, c.334
31 (C.58:11B-1 et seq.) 【or】, P.L.1997, c.224 (C.58:11B-10.1 et al.),
32 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
33 before the Legislature as this bill), or against any loss in connection
34 with its property and other assets and operations, in any amounts
35 and from any insurers as it deems desirable;
- 36 l. Engage the services of attorneys, accountants, engineers, and
37 financial experts and any other advisors, consultants, experts and
38 agents as may be necessary in its judgment and fix their
39 compensation;
- 40 m. (1) Make and contract to make loans to local government
41 units, or to a local government unit on behalf of another local
42 government unit, to finance the cost of wastewater treatment system
43 projects or water supply projects and acquire and contract to acquire
44 notes, bonds or other obligations issued or to be issued by any local
45 government units to evidence the loans, all in accordance with the
46 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
47 c.224 (C.58:11B-10.1 et al.);

1 (2) Make and contract to make loans to public water utilities, or
2 to any other person or local government unit on behalf of a public
3 water utility, to finance the cost of water supply projects in
4 accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et
5 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

6 (3) Make and contract to make loans to private persons other
7 than local government units, or to any other person or local
8 government unit on behalf of a private person, to finance the cost of
9 onsite wastewater treatment and disposal systems or stormwater
10 management systems in accordance with the provisions of
11 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-
12 10.1 et al.);

13 (4) Make and contract to make loans and provide other
14 assistance to one or more local government units or consortia
15 thereof to finance the cost of transportation projects in accordance
16 with the provisions of the federal infrastructure bank program and
17 pursuant to sections 27 and 39 through 43 of P.L. , c. (C.)
18 (pending before the Legislature as this bill);

19 n. Subject to any agreement with holders of its bonds, notes or
20 other obligations, purchase bonds, notes and other obligations of the
21 trust and hold the same for resale or provide for the cancellation
22 thereof, all in accordance with the provisions of 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 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
25 before the Legislature as this bill);

26 o. (1) Charge to and collect from local government units,
27 private persons or public water utilities any fees and charges in
28 connection with the trust's loans, guarantees or other services,
29 including, but not limited to, fees and charges sufficient to
30 reimburse the trust for all reasonable costs necessarily incurred by it
31 in connection with its financings and the establishment and
32 maintenance of reserve or other funds, as the trust may determine to
33 be reasonable. The fees and charges shall be in accordance with a
34 uniform schedule published by the trust for the purpose of
35 providing actual cost reimbursement for the services rendered;

36 (2) Any fees and charges collected by the trust pursuant to this
37 subsection may be deposited and maintained in a special fund
38 separate from any other funds held by the trust pursuant to section
39 10 of P.L.1985, c.334 (C.58:11B-10) or section 23 of P.L.1997,
40 c.224 (C.58:11B-10.1), including the Emergency Loan Fund
41 established pursuant to section 4 of P.L.2007, c.138 (C.58:11B-9.1),
42 and shall be available for any corporate purposes of the trust,
43 including the Emergency Financing Program pursuant to section 4
44 of P.L.2007, c.138 (C.58:11B-9.1);

45 p. Subject to any agreement with holders of its bonds, notes or
46 other obligations, obtain as security or to provide liquidity for
47 payment of all or any part of the principal of and interest and
48 premium on the bonds, notes and other obligations of the trust or

1 for the purchase upon tender or otherwise of the bonds, notes or
2 other obligations, lines of credit, letters of credit and other security
3 agreements or instruments in any amounts and upon any terms as
4 the trust may determine, and pay any fees and expenses required in
5 connection therewith;

6 q. Provide to local government units any financial and credit
7 advice as these local government units may request;

8 r. Make payments to the State from any moneys of the trust
9 available therefor as may be required pursuant to any agreement
10 with the State or act appropriating moneys to the trust; and

11 s. Take any action necessary or convenient to the exercise of
12 the foregoing powers or reasonably implied therefrom.

13 (cf: P.L.2009, c.103, s.2)

14
15 15. Section 6 of P.L.1985, c.334 (C.58:11B-6) is amended to
16 read as follows:

17 6. a. Except as may be otherwise expressly provided in the
18 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997,
19 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
20 P.L. , c. (C.) (pending before the Legislature as this bill),
21 the trust may from time to time issue its bonds, notes, or other
22 obligations in any principal amounts as in the judgment of the trust
23 shall be necessary to provide sufficient funds for any of its
24 corporate purposes, including the payment, funding, or refunding of
25 the principal of, or interest or redemption premiums on, any bonds,
26 notes, or other obligations issued by it, whether the bonds, notes, or
27 other obligations or the interest or redemption premiums thereon to
28 be funded or refunded have or have not become due, the
29 establishment or increase of reserves or other funds to secure or to
30 pay the bonds, notes, or other obligations or interest thereon and all
31 other costs or expenses of the trust incident to and necessary to
32 carry out its corporate purposes and powers.

33 b. Whether or not the bonds, notes or other obligations of the
34 trust are of a form and character as to be negotiable instruments
35 under the terms of Title 12A of the New Jersey Statutes, the bonds,
36 notes and other obligations are made negotiable instruments within
37 the meaning of and for the purposes of Title 12A of the New Jersey
38 Statutes, subject only to the provisions of the bonds, notes and other
39 obligations for registration.

40 c. Bonds, notes or other obligations of the trust shall be
41 authorized by a resolution or resolutions of the trust and may be
42 issued in one or more series and shall bear any date or dates, mature
43 at any time or times, bear interest at any rate or rates of interest per
44 annum, be in any denomination or denominations, be in any form,
45 either coupon, registered or book entry, carry any conversion or
46 registration privileges, have any rank or priority, be executed in any
47 manner, be payable in any coin or currency of the United States
48 which at the time of payment is legal tender for the payment of

1 public and private debts, at any place or places within or without
2 the State, and be subject to any terms of redemption by the trust or
3 the holders thereof, with or without premium, as the resolution or
4 resolutions may provide. A resolution of the trust authorizing the
5 issuance of bonds, notes or other obligations may provide that the
6 bonds, notes or other obligations be secured by a trust indenture
7 between the trust and a trustee, vesting in the trustee any property,
8 rights, powers and duties in trust consistent with the provisions of
9 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
10 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
11 c. (C.)(pending before the Legislature as this bill) as the trust
12 may determine.

13 d. Bonds, notes or other obligations of the trust may be sold at
14 any price or prices and in any manner as the trust may determine.
15 Each bond, note or other obligation shall mature and be paid not
16 later than 30 years for environmental infrastructure projects, and 31
17 years for transportation projects, from the effective date thereof, or
18 the certified useful life of the project or projects to be financed by
19 the bonds, whichever is less, or a shorter period of time as may be
20 applicable to any companion loan issued pursuant to federal law or
21 regulation.

22 All bonds of the trust shall be sold at **【such】** the price or prices
23 and in **【such】** the manner as the trust shall determine, after notice
24 of sale, a summary of which shall be published at least once in at
25 least three newspapers published in the State of New Jersey and at
26 least once in a publication carrying municipal bond notices and
27 devoted primarily to financial news published in New Jersey or the
28 city of New York, the first summary notice to be at least five days
29 prior to the day of bidding. The notice of sale may contain a
30 provision to the effect that any or all bids made in pursuance thereof
31 may be rejected. In the event of such rejection or of failure to
32 receive any acceptable bid, the trust, at any time within 60 days
33 from the date of such advertised sale, may sell such bonds at private
34 sale upon terms not less favorable to the State than the terms
35 offered by any rejected bid. The trust may sell all or part of the
36 bonds of any series as issued to any State fund or to the federal
37 government or any agency thereof, at private sale, without
38 advertisement.

39 e. Bonds, notes or other obligations of the trust may be issued
40 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**,
41 P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
42 through 43 of P.L. , c. (C.) (pending before the Legislature
43 as this bill) without obtaining the consent of any department,
44 division, board, bureau or agency of the State, and without any
45 other proceedings or the happening of any other conditions or
46 things, other than those consents, proceedings, conditions or things
47 which are specifically required by P.L.1985, c.334 (C.58:11B-1 et
48 seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27

1 and 39 through 43 of P.L. , c. (C.) (pending before the
2 Legislature as this bill).

3 f. Bonds, notes or other obligations of the trust issued under
4 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**,
5 P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
6 through 43 of P.L. , c. (C.) (pending before the Legislature
7 as this bill) shall not be a debt or liability of the State or of any
8 political subdivision thereof other than the trust and shall not create
9 or constitute any indebtedness, liability or obligation of the State or
10 any political subdivision, but all these bonds, notes and other
11 obligations, unless funded or refunded by bonds, notes or other
12 obligations, shall be payable solely from revenues or funds pledged
13 or available for their payment as authorized in 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 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
16 before the Legislature as this bill). Each bond, note and obligation
17 shall contain on its face a statement to the effect that the trust is
18 obligated to pay the principal thereof or the interest thereon only
19 from its revenues, receipts or funds pledged or available for their
20 payment as authorized in P.L.1985, c.334 (C.58:11B-1 et seq.)
21 **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
22 through 43 of P.L. , c. (C.) (pending before the Legislature
23 as this bill), and that neither the State, nor any political subdivision
24 thereof, is obligated to pay the principal or interest and that neither
25 the faith and credit nor the taxing power of the State, or any
26 political subdivision thereof, is pledged to the payment of the
27 principal of or the interest on the bonds, notes or other obligations.

28 g. The aggregate principal amount of bonds, notes or other
29 obligations, including subordinated indebtedness of the trust, shall
30 not exceed (1) \$5,000,000,000 with respect to bonds, notes, or other
31 obligations issued to finance the Disaster Relief Emergency
32 Financing Program established pursuant to section 1 of P.L.2013,
33 c.93 (C.58:11B-9.5), and (2) **【\$2,800,000,000】** \$3,800,000,000
34 with respect to bonds, notes, or other obligations issued for all other
35 purposes of the trust. In computing the foregoing limitations there
36 shall be excluded all the bonds, notes or other obligations, including
37 subordinated indebtedness of the trust, which shall be issued for
38 refunding purposes, whenever the refunding shall be determined to
39 result in a savings.

40 (1) Upon the decision by the trust to issue refunding bonds,
41 except for current refunding, and prior to the sale of those bonds,
42 the trust shall transmit to the Joint Budget Oversight Committee, or
43 its successor, a report that a decision has been made, reciting the
44 basis on which the decision was made, including an estimate of the
45 debt service savings to be achieved and the calculations upon which
46 the trust relied when making the decision to issue refunding bonds.
47 The report shall also disclose the intent of the trust to issue and sell

1 the refunding bonds at public or private sale and the reasons
2 therefor.

3 (2) The Joint Budget Oversight Committee or its successor shall
4 have the authority to approve or disapprove the sales of refunding
5 bonds as included in each report submitted in accordance with
6 paragraph (1) of this subsection. The committee shall notify the
7 trust in writing of the approval or disapproval within 30 days of
8 receipt of the report. Should the committee not act within 30 days
9 of receipt of the report, the trust may proceed with the sale of the
10 refunding bonds, provided that the sale of refunding bonds shall
11 realize not less than **[3.00%]** three percent net present value debt
12 service savings.

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

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

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

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

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

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

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

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

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

9 i. The trust shall not issue any bonds, notes or other
10 obligations, or otherwise incur any additional indebtedness, on or
11 after June 30, 2033.

12 j. (Deleted by amendment, P.L.1996, c.88).
13 (cf: P.L.2015, c.106, s.1)

14
15 16. Section 7 of P.L.1985, c.334 (C.58:11B-7) is amended to
16 read as follows:

17 7. In any resolution of the trust authorizing or relating to the
18 issuance of any of its bonds, notes or other obligations, the trust, in
19 order to secure the payment of the bonds, notes or other obligations
20 and in addition to its other powers, may by provisions therein which
21 shall constitute covenants by the trust and contracts with the holders
22 of the bonds, notes or other obligations:

23 a. Secure the bonds, notes or other obligations as provided in
24 section 6 of P.L.1985, c.334 (C.58:11B-6);

25 b. Covenant against pledging all or part of its revenues or
26 receipts;

27 c. Covenant with respect to limitations on any right to sell,
28 mortgage, lease or otherwise dispose of any notes, bonds or other
29 obligations of local government units, or any part thereof, or any
30 property of any kind;

31 d. Covenant as to any bonds, notes or other obligations to be
32 issued by the trust, and the limitations thereon, and the terms and
33 conditions thereof, and as to the custody, application, investment
34 and disposition of the proceeds thereof;

35 e. Covenant as to the issuance of additional bonds, notes or
36 other obligations of the trust or as to limitations on the issuance of
37 additional bonds, notes or other obligations and on the incurring of
38 other debts by it;

39 f. Covenant as to the payment of the principal of or interest on
40 bonds, notes or other obligations of the trust, as to the sources and
41 methods of payment, as to the rank or priority of the bonds, notes or
42 other obligations with respect to any lien or security or as to the
43 acceleration of the maturity of the bonds, notes or other obligations;

44 g. Provide for the replacement of lost, stolen, destroyed or
45 mutilated bonds, notes or other obligations of the trust;

46 h. Covenant against extending the time for the payment of
47 bonds, notes or other obligations of the trust or interest thereon;

- 1 i. Covenant as to the redemption of bonds, notes and other
2 obligations by the trust or the holders thereof and privileges of
3 exchange thereof for other bonds, notes or other obligations of the
4 trust;
- 5 j. Covenant to create or authorize the creation of special funds
6 or accounts to be held in trust or otherwise for the benefit of holders
7 of bonds, notes and other obligations of the trust, or reserves for
8 other purposes and as to the use, investment, and disposition of
9 moneys held in those funds, accounts or reserves;
- 10 k. Provide for the rights and liabilities, powers and duties
11 arising upon the breach of any covenant, condition or obligation and
12 prescribe the events of default and terms and conditions upon which
13 any or all of the bonds, notes or other obligations of the trust shall
14 become or may be declared due and payable before maturity and the
15 terms and conditions upon which the declaration and its
16 consequences may be waived;
- 17 l. Vest in a trustee or trustees within or without the State any
18 property, rights, powers and duties in trust as the trust may
19 determine, which may include any or all of the rights, powers and
20 duties of any trustee appointed by the holders of any bonds, notes or
21 other obligations of the trust pursuant to section 18 of P.L.1985,
22 c.334 (C.58:11B-18), including rights with respect to the sale or
23 other disposition of notes, bonds or other obligations of local
24 government units pledged pursuant to a resolution or trust indenture
25 for the benefit of the holders of bonds, notes or other obligations of
26 the trust and the right by suit or action to foreclose any mortgage
27 pledged pursuant to the resolution or trust indenture for the benefit
28 of the holders of the bonds, notes or other obligations, and to limit
29 or abrogate the right of the holders of any bonds, notes or other
30 obligations of the trust to appoint a trustee under the provisions of
31 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
32 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
33 c. (C.) (pending before the Legislature as this bill), and to
34 limit the rights, duties and powers of the trustee;
- 35 m. Pay the costs or expenses incident to the enforcement of the
36 bonds, notes or other obligations of the trust or of the provisions of
37 the resolution authorizing the issuance of those bonds, notes or
38 other obligations or of any covenant or agreement of the trust with
39 the holders of the bonds, notes or other obligations;
- 40 n. Limit the rights of the holders of any bonds, notes or other
41 obligations of the trust to enforce any pledge or covenant securing
42 the bonds, notes or other obligations; and
- 43 o. Make covenants other than or in addition to the covenants
44 authorized by P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997,
45 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
46 P.L. , c. (C.) (pending before the Legislature as this bill) of
47 like or different character, and make covenants to do or refrain from
48 doing any acts and things as may be necessary, or convenient and

1 desirable, in order to better secure the bonds, notes or other
2 obligations of the trust, or which, in the absolute discretion of the
3 trust, would make the bonds, notes or other obligations more
4 marketable, notwithstanding that the covenants, acts or things may
5 not be enumerated herein.

6 (cf: P.L.1997, c.224, s.8)

7

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

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

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

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

31 (4) The trust may make and contract to make loans and provide
32 other assistance to a local government unit or consortia thereof to
33 finance the cost of transportation projects pursuant to sections 27
34 and 39 through 43 of P.L. , c. (C.) (pending before the
35 Legislature as this bill), and provided that the federally-funded
36 subaccount is operated in accordance with the provisions of the
37 federal infrastructure bank program.

38 The loans may be made subject to those terms and conditions as
39 the trust shall determine to be consistent with the purposes thereof.
40 Each loan by the trust and the terms and conditions thereof shall be
41 subject to approval by the State Treasurer, and the trust shall make
42 available to the State Treasurer all information, statistical data and
43 reports of independent consultants or experts as the State Treasurer
44 shall deem necessary in order to evaluate the loan. Each loan to a
45 local government unit, public water utility or any other person shall
46 be evidenced by notes, bonds or other obligations thereof issued to
47 the trust. In the case of each local government unit, notes and
48 bonds to be issued to the trust and, if applicable, the State, acting by

1 and through the Department of Environmental Protection, by the
2 local government unit (1) shall be authorized and issued as provided
3 by law for the issuance of notes and bonds by the local government
4 unit, (2) notwithstanding any provisions of the "Local Authorities
5 Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.) to the
6 contrary, shall be approved by the Director of the Division of Local
7 Government Services in the Department of Community Affairs, and
8 (3)~~],~~ notwithstanding the provisions of N.J.S.40A:2-27,
9 N.J.S.40A:2-28 and N.J.S.40A:2-29 or any other provisions of law
10 to the contrary, may be sold at private sale to the trust or the State,
11 as the case may be, at any price, whether or not less than par value,
12 and shall be subject to redemption prior to maturity at any times and
13 at any prices as the trust or the State, as the case may be, and local
14 government units may agree. Each loan to a local government unit,
15 public water utility or any other person and the notes, bonds or
16 other obligations thereby issued shall bear interest at a rate or rates
17 per annum as the trust or the State, as the case may be, and the local
18 government unit, public water utility or any other person, as the
19 case may be, may agree.

20 b. The trust is authorized to guarantee or contract to guarantee
21 the payment of all or any portion of the principal and interest on
22 bonds, notes or other obligations issued by a local government unit
23 to finance the cost of any wastewater treatment system project ~~],~~
24 water supply project, or transportation project which the local
25 government unit may lawfully undertake or acquire and for which
26 the local government unit is authorized by law to borrow money,
27 and the guarantee shall constitute an obligation of the trust for the
28 purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) ~~],~~ P.L.1997,
29 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
30 P.L. , c. (C.) (pending before the Legislature as this bill).
31 Each guarantee by the trust and the terms and conditions thereof
32 shall be subject to approval by the State Treasurer, and the trust
33 shall make available to the State Treasurer all information,
34 statistical data and reports of independent consultants or experts as
35 the State Treasurer shall deem necessary in order to evaluate the
36 guarantee.

37 c. The trust shall not make or contract to make any loans or
38 guarantees to local government units, public water utilities or any
39 other person, or otherwise incur any additional indebtedness, on or
40 after June 30, 2033.

41 d. Notwithstanding any provision of P.L.1985, c.334
42 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to
43 the contrary, the trust may receive funds from any source including,
44 without limitation, any funds drawn by the trust from a revolving
45 line of credit or other similar financial vehicle that may be procured
46 by the trust, either through a competitive or negotiated process,
47 pursuant to section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit
48 into the Interim Environmental Financing Program Fund or the trust

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

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

20 Any short-term or temporary loans made by the trust pursuant to
21 this subsection may only be made in advance of the anticipated
22 loans the trust may make and contract to make under the provisions
23 of subsection a. of this section from any source of funds anticipated
24 to be received by the trust. Any such short-term or temporary loan
25 made pursuant to the Interim Environmental Financing Program
26 shall mature no later than the last day of the third succeeding fiscal
27 year following the closing date on which the short-term or
28 temporary loan was made by the trust to the project sponsor. The
29 trust may make short-term or temporary loans pursuant to the
30 Interim Environmental Financing Program to any one or more of
31 the project sponsors, for the respective projects thereof, identified in
32 the interim financing project priority list [(hereinafter referred] to
33 be known as the "Interim Environmental Financing Program
34 Eligibility List" [)] in the form provided to the Legislature by the
35 Commissioner of Environmental Protection.

36 The Interim Environmental Financing Program Eligibility List,
37 including any revision thereof or supplement thereto, shall be
38 submitted to the Secretary of the Senate and the Clerk of the
39 General Assembly on or before June 30 of each year. The Interim
40 Environmental Financing Program Eligibility List shall be
41 submitted to the Legislature pursuant to section 2 of P.L.1991,
42 c.164 (C.52:14-19.1) at least once in each fiscal year. The
43 Secretary and the Clerk shall cause the date of submission to be
44 entered upon the Senate Journal and the Minutes of the General
45 Assembly, respectively. Any environmental infrastructure project or
46 the project sponsor thereof not identified in the Interim
47 Environmental Financing Program Eligibility List shall not be

1 eligible for a short-term or temporary loan from the Interim
2 Financing Environmental Program Fund.

3 e. Notwithstanding any provisions of the "Local Bond Law"
4 (N.J.S.40A:2-1 et seq.), the "sewerage authorities law," P.L.1946,
5 c.138 (C.40:14A-1 et seq.), or the "municipal and county utilities
6 **【authority】** authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.)
7 to the contrary, short-term or temporary loans made by the trust
8 pursuant to section 9 of P.L.1985, c.334 (C.58:11B-9), section 4 of
9 P.L.2007, c.138 (C.58:11B-9.1), section 1 of P.L.2009, c.59
10 (C.58:11B-9.2), section 5 of P.L.2009, c.103 (C.58:11B-9.3),
11 section 2 of P.L.2011, c.94 (C.58:11B-9.4), section 1 of P.L.2013,
12 c.93 (C.58:11B-9.5), or section 1 of P.L.2014, c.28 (C.58:11B-9.6),
13 and the obligations issued by project sponsors to evidence such
14 loans, may, at the discretion of the trust and upon application by the
15 project sponsor, bear interest at a variable rate determined pursuant
16 to a methodology as may be established by the trust from time to
17 time.

18 Further, notwithstanding any provisions of the "Local Bond
19 Law" (N.J.S.40A:2-1 et seq.), the "sewerage authorities law,"
20 P.L.1946, c.138 (C.40:14A-1 et seq.), or the "municipal and county
21 utilities **【authority】** authorities law," P.L.1957, c.183 (C.40:14B-1
22 et seq.) to the contrary, any short-term or temporary loans made by
23 the trust pursuant to section 9 of P.L.1985, c.334 (C.58:11B-9),
24 section 4 of P.L.2007, c.138 (C.58:11B-9.1), section 1 of P.L.2009,
25 c.59 (C.58:11B-9.2), section 5 of P.L.2009, c.103 (C.58:11B-9.3),
26 section 2 of P.L.2011, c.94 (C.58:11B-9.4), section 1 of P.L.2013,
27 c.93 (C.58:11B-9.5), or section 1 of P.L.2014, c.28 (C.58:11B-9.6),
28 and any notes or other obligations issued by project sponsors to
29 evidence such short-term or temporary loans, except as provided in
30 section 1 of P.L.2009, c.59 (C.58:11B-9.2), shall mature no later
31 than the last day of the third succeeding fiscal year following the
32 date of issuance of such notes or other obligations, without payment
33 by project sponsors of any portion of the principal thereof prior to
34 maturity.

35 f. The trust shall create and establish a special fund to be
36 known as the "Interim Transportation Financing Program Fund" for
37 the short-term or temporary loan financing or refinancing program
38 to be known as the "Interim Transportation Financing Program."

39 Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1
40 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary,
41 the trust may receive funds from any source including, without
42 limitation, any funds drawn by the trust from a revolving line of
43 credit or other similar financial vehicle that may be procured by the
44 trust, either through a competitive or negotiated process, pursuant to
45 section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit into the
46 Interim Transportation Financing Program Fund or the trust may
47 issue its bonds, notes or other obligations in any principal amounts,
48 in either case, as in the judgment of the trust shall be necessary to

1 provide sufficient funds to finance or refinance short-term or
2 temporary loans to local government units or private persons for
3 any transportation project included on the Department of
4 Transportation Interim Transportation Financing Program Project
5 Eligibility List for the ensuing fiscal year and eligible for approval
6 pursuant to sections 27 and 39 through 43 of P.L. , c. (C.)
7 (pending before the Legislature as this bill), without regard to any
8 other provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997,
9 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
10 P.L. , c. (C.) (pending before the Legislature as this bill),
11 including, without limitation, any administrative or legislative
12 approvals.

13 Any short-term or temporary loans made by the trust pursuant to
14 this subsection may only be made in advance of the anticipated
15 loans the trust may make and contract to make under the provisions
16 of subsection a. of this section from any source of funds anticipated
17 to be received by the trust. Any such short-term or temporary loan
18 made pursuant to the Interim Transportation Financing Program
19 shall mature no later than the last day of the third succeeding fiscal
20 year following the closing date on which the short-term or
21 temporary loan was made by the trust to the project sponsor. The
22 trust may make short-term or temporary loans pursuant to the
23 Interim Transportation Financing Program to any one or more of the
24 project sponsors, for the respective projects thereof, only if a
25 project is identified in the Department of Transportation Interim
26 Transportation Financing Program Project Eligibility List to be
27 known as the "Interim Transportation Financing Program Project
28 Eligibility List" in the form provided to the Legislature by the
29 Commissioner of Transportation.

30 The Interim Transportation Financing Program Project Eligibility
31 List, including any revision thereof or supplement thereto, shall be
32 submitted to the Secretary of the Senate and the Clerk of the
33 General Assembly on or before July 1 of each year. The Interim
34 Transportation Financing Program Project Eligibility List shall be
35 submitted to the Legislature pursuant to section 2 of P.L.1991,
36 c.164 (C.52:14-19.1) at least once in each fiscal year. The
37 Secretary and the Clerk shall cause the date of submission to be
38 entered upon the Senate Journal and the Minutes of the General
39 Assembly, respectively. Any transportation infrastructure project or
40 the project sponsor thereof not identified in the Interim
41 Transportation Financing Program Project Eligibility List shall not
42 be eligible for a short-term or temporary loan from the Interim
43 Transportation Financing Program Fund. The trust may revise or
44 supplement the Interim Transportation Financing Program Project
45 Eligibility List no more than three times during the fiscal year, and
46 shall submit the revised list to the Legislature when the revisions
47 are made.

1 No funds may be disbursed pursuant to this section for project
2 activities prior to the determination and certification in writing,
3 from the Department of Transportation, that the project activities
4 satisfy the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.),
5 P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
6 through 43 of P.L. , c. (C.) (pending before the Legislature
7 as this bill).

8 (cf: P.L.2015, c.106, s.2)

9

10 18. Section 4 of P.L.2007, c.138 (C.58:11B-9.1) is amended to
11 read as follows:

12 4. a. The trust shall create and establish a special emergency
13 fund **[(hereinafter referred] to be known** as the "Emergency Loan
14 Fund"**)]** for the emergency short-term or temporary loan financing
15 or refinancing program **[(hereinafter referred] to be known** as the
16 "Emergency Financing Program."**)]**

17 The Emergency Loan Fund shall be credited with:

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

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

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

24 (4) such other moneys as the Legislature may appropriate to the
25 trust for deposit into the fund at any time to finance or refinance
26 emergency short-term or temporary loans pursuant to the
27 Emergency Financing Program; and

28 (5) any other source of available funds deemed by the trust to be
29 necessary or appropriate to provide sufficient funds for deposit into
30 the Emergency Loan Fund to finance or refinance emergency short-
31 term or temporary loans pursuant to the Emergency Financing
32 Program, including, without limitation, any funds drawn by the trust
33 from a revolving line of credit or other similar financial vehicle that
34 may be procured by the trust, either through a competitive or
35 negotiated process, pursuant to section 5 of P.L.1985, c.334
36 (C.58:11B-5), for deposit into the Emergency Loan Fund to finance
37 or refinance emergency short-term or temporary loans pursuant to
38 the Emergency Financing Program.

39 b. Notwithstanding any provision of P.L.1985, c.334
40 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
41 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
42 before the Legislature as this bill) to the contrary, the trust may
43 make emergency short-term or temporary loans to (1) local
44 government units to finance or refinance wastewater treatment
45 system projects not included on the project priority list for the
46 ensuing fiscal year or eligible for approval pursuant to section 20 of
47 P.L.1985, c.334 (C.58:11B-20); or (2) public water utilities or
48 private persons to finance or refinance water supply projects not

1 included on the project priority list for the ensuing fiscal year or
2 eligible for approval pursuant to section 24 of P.L.1997, c.224
3 (C.58:11B-20.1), as applicable, whenever the Commissioner of
4 Environmental Protection has determined and certified, in writing,
5 that any such project constitutes an emergency project because of
6 an imminent threat to the environment or the public health, safety or
7 welfare caused by structural or mechanical failure, sabotage or act
8 of God, without regard to any other provisions of P.L.1985, c.334
9 **【or】** (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.),
10 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
11 before the Legislature as this bill), including, without limitation, the
12 provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section
13 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Environmental
14 Financing Program Eligibility List pursuant to subsection d. of
15 section 9 of P.L.1985, c.334 (C.58:11B-9), or any administrative or
16 legislative approvals.
17 (cf: P.L.2015, c.106, s.3)

18

19 19. Section 1 of P.L.2009, c.59 (C.58:11B-9.2) is amended to
20 read as follows:

21 1. a. The trust shall create and establish a special fund
22 **【(hereinafter referred】 to be known as the "Planning and Design**
23 **Fund"【】】** for the short-term or temporary financing or refinancing
24 of environmental planning and engineering design costs
25 **【(hereinafter referred】 to be known as the "Planning and Design**
26 **Financing Program_ "【】.】**

27 The Planning and Design Fund shall be credited with:

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

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

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

34 (4) moneys deposited in the Interim Environmental Financing
35 Program Fund established pursuant to section 9 of P.L.1985, c.334
36 (C.58:11B-9) subject to the provisions of subsection c. of this
37 section;

38 (5) such other moneys as the Legislature may appropriate to the
39 trust for deposit into the fund at any time to finance or refinance
40 short-term or temporary loans pursuant to the Planning and Design
41 Financing Program; and

42 (6) any other source of available funds deemed by the trust to be
43 necessary or appropriate to provide sufficient funds for deposit into
44 the Planning and Design Fund to finance or refinance short-term or
45 temporary loans pursuant to the Planning and Design Financing
46 Program, including, without limitation, any funds drawn by the trust
47 from a revolving line of credit or other similar financial vehicle that
48 may be procured by the trust, either through a competitive or

1 negotiated process, pursuant to section 5 of P.L.1985, c.334
2 (C.58:11B-5), for deposit into the Planning and Design Fund to
3 finance or refinance short-term or temporary loans pursuant to the
4 Planning and Design Financing Program.

5 b. Notwithstanding any provision of P.L.1985, c.334
6 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
7 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
8 before the Legislature as this bill) to the contrary, the trust may
9 make short-term or temporary loans for environmental planning and
10 engineering design costs to (1) local government units to finance or
11 refinance wastewater treatment system projects not included on the
12 project priority list for the ensuing fiscal year or eligible for
13 approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20);
14 or (2) public water utilities or private persons to finance or
15 refinance water supply projects not included on the project priority
16 list for the ensuing fiscal year or eligible for approval pursuant to
17 section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable,
18 without regard to any other provisions of P.L.1985, c.334 **[or]**
19 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or
20 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
21 before the Legislature as this bill), including, without limitation, the
22 provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section
23 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Environmental
24 Financing Program Eligibility List pursuant to subsection d. of
25 section 9 of P.L.1985, c.334 (C.58:11B-9), or any administrative or
26 legislative approvals. Except for Combined Sewer Overflow
27 Abatement Projects, any such short-term or temporary loan made
28 pursuant to the Planning and Design Financing Program shall
29 mature no later than the last day of the third succeeding fiscal year
30 following the closing date on which the Planning and Design loan
31 was made by the trust to the project sponsor. Planning and Design
32 loans made to Combined Sewer Overflow Abatement Projects shall
33 mature no later than the last day of the tenth succeeding fiscal year
34 following the closing date on which the Planning and Design loan
35 was made by the trust to the project sponsor.

36 c. Notwithstanding any provision of P.L.1985, c.334
37 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
38 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
39 before the Legislature as this bill) to the contrary, the trust may
40 utilize moneys deposited in the Interim Environmental Financing
41 Program Fund established pursuant to subsection d. of section 9 of
42 P.L.1985, c.334 (C.58:11B-9) to make short-term or temporary
43 loans for environmental planning and engineering design costs to
44 (1) local government units to finance or refinance wastewater
45 treatment system projects included on the project priority list
46 pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20); or (2)
47 public water utilities or private persons to finance or refinance
48 water supply projects included on the project priority list pursuant

1 to section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, in
2 advance of the anticipated loans the trust may make and contract to
3 make under the provisions of subsection a. of section 9 of P.L.1985,
4 c.334 (C.58:11B-9) to be financed or refinanced through the
5 issuance of bonds, notes or other obligations of the trust authorized
6 under section 6 of P.L.1985, c.334 (C.58:11B-6), without regard to
7 any other provisions of P.L.1985, c.334 **【or】** (C.58:11B-1 et seq.),
8 P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
9 through 43 of P.L. , c. (C.) (pending before the Legislature
10 as this bill), including, without limitation, the provisions of section
11 20 of P.L.1985, c.334 (C.58:11B-20), section 24 of P.L.1997, c.224
12 (C.58:11B-20.1), the Interim Environmental Financing Program
13 Eligibility List pursuant to subsection d. of section 9 of P.L.1985,
14 c.334 (C.58:11B-9), or any administrative or legislative approvals.
15 (cf: P.L.2015, c.106, s.4)

16

17 20. Section 5 of P.L.2009, c.103 (C.58:11B-9.3) is amended to
18 read as follows:

19 5. a. The trust shall create and establish a special fund
20 **【(hereinafter referred】 to be known as the "Onsite Wastewater**
21 **Disposal Loan Fund"】】** for the purposes of an onsite wastewater
22 disposal loan financing or refinancing program **【(hereinafter**
23 **referred】 to be known as the "Onsite Wastewater Disposal**
24 **Financing Program."】.】**

25 The Onsite Wastewater Disposal Loan Fund shall be credited
26 with:

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

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

32 (3) any interest earnings received on the moneys in the fund;
33 and

34 (4) such other moneys as the Legislature may appropriate to the
35 trust for deposit into the fund at any time to finance or refinance
36 onsite wastewater disposal loans pursuant to the Onsite Wastewater
37 Disposal Financing Program.

38 b. Notwithstanding any provision of P.L.1985, c.334
39 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.)₂,
40 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
41 before the Legislature as this bill) to the contrary, the trust may
42 make onsite wastewater disposal loans for a period not to exceed 10
43 years to private persons or to local government units on behalf of
44 private persons to finance the cost of alterations, repairs or
45 replacements to individual subsurface sewage disposal systems
46 performed pursuant to an onsite septic system ordinance approved
47 by the Department of Environmental Protection, the New Jersey
48 Pinelands Commission or the New Jersey Highlands Council,

1 without regard to any other provisions of P.L.1985, c.334 **[or]**
2 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or
3 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
4 before the Legislature as this bill), including, without limitation, the
5 provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section
6 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Environmental
7 Financing Program Eligibility List pursuant to subsection d. of
8 section 9 of P.L.1985, c.334 (C.58:11B-9), or any administrative or
9 legislative approvals.
10 (cf: P.L.2011, c.94, s.1)

11

12 21. Section 2 of P.L.2011, c.94 (C.58:11B-9.4) is amended to
13 read as follows:

14 2. a. The trust shall create and establish a special fund
15 **[(hereinafter referred] to be known as the "Supplemental Loan**
16 **Fund"【)]** for the short-term or temporary supplemental loan
17 financing or refinancing program **[(hereinafter referred] to be**
18 **known as the "Supplemental Financing Program."【).】**

19 The Supplemental Loan Fund shall be credited with:

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

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

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

26 (4) such other moneys as the Legislature may appropriate to the
27 trust for deposit into the fund at any time to finance or refinance
28 short-term or temporary supplemental loans pursuant to the
29 Supplemental Financing Program; and

30 (5) any other source of available funds deemed by the trust to be
31 necessary or appropriate to provide sufficient funds for deposit into
32 the Supplemental Loan Fund to finance or refinance short-term or
33 temporary loans pursuant to the Supplemental Financing Program,
34 including, without limitation, any funds drawn by the trust from a
35 revolving line of credit or other similar financial vehicle that may
36 be procured by the trust, either through a competitive or negotiated
37 process, pursuant to section 5 of P.L.1985, c.334 (C.58:11B-5), for
38 deposit into the Supplemental Loan Fund to finance or refinance
39 short-term or temporary loans pursuant to the Supplemental
40 Financing Program.

41 b. Notwithstanding any provision of P.L.1985, c.334
42 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to
43 the contrary, the trust may make short-term or temporary loans for a
44 project for which a loan has been previously issued pursuant to
45 subsection a. of section 9 of P.L.1985, c.334 (C.58:11B-9) to pay
46 for eligible costs incurred in excess of the previous loan amount for
47 activities specifically approved in the previous project loan to: (1)
48 local government units to finance or refinance wastewater treatment

1 system projects not included on the project priority list for the
2 ensuing fiscal year or eligible for approval pursuant to section 20 of
3 P.L.1985, c.334 (C.58:11B-20); or (2) public water utilities or
4 private persons to finance or refinance water supply projects not
5 included on the project priority list for the ensuing fiscal year or
6 eligible for approval pursuant to section 24 of P.L.1997, c.224
7 (C.58:11B-20.1), as applicable, without regard to any other
8 provisions of P.L.1985, c.334 **【or】** (C.58:11B-1 et seq.), P.L.1997,
9 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
10 P.L. , c. (C.) (pending before the Legislature as this bill),
11 including, without limitation, the provisions of section 20 of
12 P.L.1985, c.334 (C.58:11B-20), section 24 of P.L.1997, c.224
13 (C.58:11B-20.1), the Interim Environmental Financing Program
14 Eligibility List pursuant to subsection d. of section 9 of P.L.1985,
15 c.334 (C.58:11B-9), or any administrative or legislative approvals.
16 (cf: P.L.2015, c.106, s.5)

17

18 22. Section 1 of P.L.2013, c.93 (C.58:11B-9.5) is amended to
19 read as follows:

20 1. a. The trust shall create and establish a special fund
21 **【(hereinafter referred】 to be known as the "Disaster Relief
22 Emergency Financing Program Fund【"]】** for the disaster relief
23 emergency short-term or temporary loan program of the trust
24 **【(hereinafter referred】 to be known as the "Disaster Relief
25 Emergency Financing Program_."【).】**

26 The Disaster Relief Emergency Financing Program Fund shall be
27 credited with:

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

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

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

34 (4) such other moneys as the Legislature may appropriate to the
35 trust for deposit into the fund at any time to finance or refinance
36 emergency short-term or temporary loans pursuant to the Disaster
37 Relief Emergency Financing Program;

38 (5) the proceeds of any bonds, notes or other obligations that
39 may be issued by the trust from time to time in any principal
40 amounts as in the judgment of the trust shall be necessary or
41 appropriate to provide sufficient funds for deposit into the fund to
42 finance or refinance emergency short-term or temporary loans
43 pursuant to the Disaster Relief Emergency Financing Program; and

44 (6) any other source of available funds that may be deemed by
45 the trust to be necessary or appropriate to provide sufficient funds
46 for deposit into the fund to finance or refinance emergency short-
47 term or temporary loans pursuant to the Disaster Relief Emergency
48 Financing Program, including, without limitation, any funds drawn

1 by the trust from a revolving line of credit or other similar financial
2 vehicle, either through a competitive or negotiated process, that
3 may be procured by the trust pursuant to the provisions of section 5
4 of P.L.1985, c.334 (C.58:11B-5), for deposit into the fund to
5 finance or refinance emergency short-term or temporary loans
6 pursuant to the Disaster Relief Emergency Financing Program.

7 b. Notwithstanding any provision of P.L.1985, c.334
8 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
9 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
10 before the Legislature as this bill) to the contrary, the trust may
11 make emergency short-term or temporary Disaster Relief
12 Emergency Financing Program loans to: (1) local government units
13 to finance or refinance the costs incurred in the environmental
14 planning and design associated with such wastewater treatment
15 system projects, and wastewater treatment system projects, as
16 applicable; or (2) local government units, public water utilities, or
17 private persons to finance or refinance the costs incurred in the
18 environmental planning and design of water supply projects, and
19 water supply projects, as applicable.

20 Emergency short-term or temporary loans may be made upon the
21 determination and certification in writing by the department that
22 any such project is necessary and appropriate to: repair damages to
23 a wastewater treatment system or water supply facility directly
24 arising from an act of terrorism, seismic activity, or weather
25 conditions that occurred within the prior three fiscal years that gave
26 rise to a declaration by the Governor of a state of emergency,
27 provided the wastewater treatment system or water supply facility is
28 located in a county included in the Governor's state of emergency
29 declaration; or mitigate the risk of future damage to a wastewater
30 treatment system or water supply facility from an act of terrorism,
31 seismic activity, or weather conditions comparable in scope and
32 severity to the act of terrorism, seismic activity, or weather
33 conditions that occurred within the prior three fiscal years that gave
34 rise to a declaration by the Governor of a state of emergency,
35 provided the wastewater treatment system or water supply facility is
36 located in a county included in the Governor's state of emergency
37 declaration, without regard to any other provisions of P.L.1985,
38 c.334 **[or]** (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et
39 al.), or sections 27 and 39 through 43 of P.L. , c. (C.)
40 (pending before the Legislature as this bill), including, without
41 limitation, the provisions of section 20 of P.L.1985, c.334
42 (C.58:11B-20), section 24 of P.L.1997, c.224 (C.58:11B-20.1), the
43 Interim Environmental Financing Program Eligibility List pursuant
44 to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9), or
45 any administrative or legislative approvals. Any such short-term or
46 temporary loan pursuant to the Disaster Relief Emergency
47 Financing Program shall mature no later than the last day of the
48 third succeeding fiscal year following the closing date on which the

1 short-term or temporary loan was made by the trust to the project
2 sponsor.

3 c. The trust may make short-term or temporary loans pursuant
4 to the Disaster Relief Emergency Financing Program to one or more
5 of the project sponsors, for the respective projects thereof,
6 identified on the Disaster Relief Emergency Financing Program
7 project priority list **[(hereinafter referred] to be known as the**
8 **"Disaster Relief Emergency Financing Program Eligibility List" [)]**
9 in the form provided to the Legislature by the Commissioner of
10 Environmental Protection. The Disaster Relief Emergency
11 Financing Program Eligibility List shall be submitted to the
12 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1)
13 at least once in each fiscal year. An environmental infrastructure
14 project or a project sponsor thereof not identified on the Disaster
15 Relief Emergency Financing Program Eligibility List submitted to
16 the Legislature shall not be eligible for a short-term or temporary
17 loan from the Disaster Relief Emergency Financing Program Fund.
18 (cf: P.L.2015, c.106, s.6)

19

20 23. Section 1 of P.L.2014, c.28 (C.58:11B-9.6) is amended to
21 read as follows:

22 1. a. The trust shall create and establish a special fund
23 **[(hereinafter referred] to be known as the "Equipment Loan**
24 **Fund" [)]** for the short-term or temporary equipment loan program
25 of the trust **[(hereinafter referred] to be known as the "Equipment**
26 **Loan Program." [).]**

27 The Equipment Loan Fund shall be credited with:

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

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

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

34 (4) such other moneys as the Legislature may appropriate to the
35 trust for deposit into the fund at any time to finance or refinance
36 short-term or temporary loans pursuant to the Equipment Loan
37 Program;

38 (5) the proceeds of any bonds, notes or other obligations that
39 may be issued by the trust from time to time in any principal
40 amounts as in the judgment of the trust shall be necessary or
41 appropriate to provide sufficient funds for deposit into the fund to
42 finance or refinance short-term or temporary loans pursuant to the
43 Equipment Loan Program; and

44 (6) any other source of available funds that may be deemed by
45 the trust to be necessary or appropriate to provide sufficient funds
46 for deposit into the fund to finance or refinance short-term or
47 temporary loans pursuant to the Equipment Loan Program,
48 including, without limitation, any funds drawn by the trust from a

1 revolving line of credit or other similar financial vehicle, that may
2 be procured by the trust, either through a competitive or negotiated
3 process, pursuant to the provisions of section 5 of P.L.1985, c.334
4 (C.58:11B-5), for deposit into the fund to finance or refinance
5 short-term or temporary loans pursuant to the Equipment Loan
6 Program.

7 b. Notwithstanding any provision of P.L.1985, c.334
8 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
9 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
10 before the Legislature as this bill) to the contrary, the trust may
11 make short-term or temporary equipment loans to: (1) local
12 government units to finance wastewater treatment system
13 equipment projects not included on the project priority list for the
14 ensuing fiscal year or eligible for approval pursuant to section 20 of
15 P.L.1985, **[c.332]** c.334 (C.58:11B-20); or (2) public water utilities
16 or private persons to finance water supply equipment projects not
17 included on the project priority list for the ensuing fiscal year or
18 eligible for approval pursuant to section 24 of P.L.1997, c.224
19 (C.58:11B-20.1).

20 The loans may be made without regard to any other provisions of
21 P.L.1985, c.334 **[or]** (C.58:11B-1 et seq.), P.L.1997, c.224
22 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
23 c. (C.) (pending before the Legislature as this bill),
24 including, without limitation, the provisions of section 20 of
25 P.L.1985, c.334 (C.58:11B-20), section 24 of P.L.1997, c.224
26 (C.58:11B-20.1), the Interim Environmental Financing Program
27 Eligibility List pursuant to subsection d. of section 9 of P.L.1985,
28 c.334 (C.58:11B-9), or any administrative or legislative approvals.
29 (cf: P.L.2015, c.106, s.7)

30
31 24. Section 10 of P.L.1985, c.334 (C.58:11B-10) is amended to
32 read as follows:

33 10. The trust shall create and establish a special fund to be
34 known as the "wastewater treatment system general loan fund."

35 Subject to the provisions of the legislation appropriating moneys
36 to the trust, subject to any other provision of P.L.1985, c.334
37 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
38 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
39 before the Legislature as this bill) providing otherwise, and subject
40 to agreements with the holders of bonds, notes and other obligations
41 of the trust, the trust shall deposit into the wastewater treatment
42 system general loan fund all revenues and receipts of the trust,
43 including moneys received by the trust as payment of the principal
44 of and the interest or premium on loans made from moneys in any
45 wastewater treatment system fund or account held by the trust under
46 P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224
47 (C.58:11B-10.1 et al.), or 27 and sections 39 through 43 of P.L. ,
48 c. (C.) (pending before the Legislature as this bill), and the

1 earnings on the moneys in any wastewater treatment system fund or
2 account of the trust, and all grants, appropriations, other than those
3 referred to in section 11 of P.L.1985, c.334 (C.58:11B-11),
4 contributions, or other moneys from any source, available for the
5 making of loans to local government units. The amounts in the
6 wastewater treatment system general loan fund shall be available
7 for application by the trust for loans to local government units for
8 the cost of wastewater treatment system projects, and for other
9 corporate purposes of the trust related to wastewater treatment
10 systems, subject to agreements with the holders of bonds, notes or
11 other obligations of the trust.

12 (cf: P.L.1997, c.224, s.10)

13

14 25. Section 23 of P.L.1997, c.224 (C.58:11B-10.1) is amended
15 to read as follows:

16 23. The trust shall create and establish a special fund to be
17 known as the "water supply facilities general loan fund."

18 Subject to the provisions of the legislation appropriating moneys
19 to the trust, subject to any other provision of P.L.1985, c.334
20 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
21 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
22 before the Legislature as this bill) providing otherwise, and subject
23 to agreements with the holders of bonds, notes and other obligations
24 of the trust, the trust shall deposit into the water supply facilities
25 general loan fund all revenues and receipts of the trust, including
26 moneys received by the trust as payment of the principal of and the
27 interest or premium on loans made from moneys in any fund or
28 account held by the trust under the provisions of 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.),
30 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
31 before the Legislature as this bill), and the earnings on the moneys
32 in any fund or account of the trust, and all grants, appropriations,
33 other than those referred to in section 11 of P.L.1985, c.334
34 (C.58:11B-11), contributions, or other moneys from any source,
35 available for the making of loans to local government units, public
36 water utilities, or to any other person or local government unit on
37 behalf of a public water utility, for water supply projects. The
38 amounts in the water supply facilities general loan fund shall be
39 available for application by the trust for loans to local government
40 units, public water utilities or any other person for the cost of water
41 supply projects, and for other corporate purposes of the trust,
42 subject to agreements with the holders of bonds, notes or other
43 obligations of the trust.

44 (cf: P.L.1999, c.175, s.4)

45

46 26. Section 1 of P.L.2005, c.202 (C.58:11B-10.2) is amended to
47 read as follows:

1 1. a. There is established in the New Jersey **【Environmental】**
2 Infrastructure **【Trust】 Bank** a special fund to be known as the
3 Department of Environmental Protection Loan Origination Fee
4 Fund.

5 The Department of Environmental Protection Loan Origination
6 Fee Fund shall be credited with:

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

12 (2) any interest accumulated on the amounts of the Department
13 of Environmental Protection loan origination fees.

14 b. Moneys in the Department of Environmental Protection
15 Loan Origination Fee Fund shall be used by the Department of
16 Environmental Protection for administrative and operating expenses
17 incurred by the department in administering the New Jersey
18 Environmental Infrastructure Financing Program, except that the
19 total amount utilized by the department for administrative and
20 operating expenses in any fiscal year shall not exceed \$5,000,000.
21 The amounts in the Department of Environmental Protection Loan
22 Origination Fee Fund shall also be available for application by the
23 department for State matching funds or loans to local government
24 units for the cost of wastewater treatment system or water supply
25 projects. Amounts in excess of revenue anticipation shall be carried
26 forward into the following year.

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

33 (cf: P.L.2015, c.106, s.8)

34

35 27. (New section) a. There is established in the New Jersey
36 Infrastructure Bank a special fund to be known as the Department
37 of Transportation Loan Origination Fee Fund.

38 The Department of Transportation Loan Origination Fee Fund
39 shall be credited with:

40 (1) moneys deposited into the fund as loan origination fees
41 received by the Department of Transportation and paid by project
42 sponsors of transportation projects financed under the New Jersey
43 Transportation Infrastructure Financing Program; and

44 (2) any interest accumulated on the amounts of the Department
45 of Transportation loan origination fees.

46 b. Moneys in the Department of Transportation Loan
47 Origination Fee Fund shall be used by the Department of
48 Transportation for administrative and operating expenses incurred

1 by the department in administering the New Jersey Transportation
2 Infrastructure Financing Program, except that the total amount
3 utilized by the department for administrative and operating
4 expenses in any fiscal year shall not exceed \$8,000,000. The
5 amounts in the Department of Transportation Loan Origination Fee
6 Fund shall also be available for application by the department for
7 State matching funds or loans to local government units for the cost
8 of transportation projects. Amounts in excess of revenue
9 anticipation shall be carried forward into the following year.

10 c. As used in this section, "Department of Transportation loan
11 origination fee" means the fee charged by the Department of
12 Transportation and financed under the trust loan to pay a portion of
13 the costs incurred by the department in the implementation of the
14 New Jersey Transportation Infrastructure Financing Program.

15

16 28. Section 12 of P.L.1985, c.334 (C.58:11B-12) is amended to
17 read as follows:

18 12. a. To assure the continued operation and solvency of the
19 trust, the trust may require that if a local government unit fails or is
20 unable to pay to the trust in full when due any obligations of the
21 local government unit to the trust, an amount sufficient to satisfy
22 the deficiency shall be paid by the State Treasurer to the trust from
23 State aid payable to the local government unit. As used in this
24 section, obligations of the local government unit include the
25 principal of or interest on bonds, notes or other obligations of a
26 local government unit issued to or guaranteed by the trust, including
27 the subrogation of the trust to the right of the holders of those
28 obligations, any fees or charges payable to the trust, and any
29 amounts payable by a local government unit under any service
30 contract or other contractual arrangement the payments under which
31 are pledged to secure any bonds or notes issued to the trust by
32 another local government unit. State aid includes business personal
33 property tax replacement revenues, State urban aid and State
34 revenue sharing, as these terms are defined in section 2 of
35 **[P.L.1976, c.138 (C.40A:3-3)]** P.L.1976, c.38 (C.40A:3-3), or
36 other similar forms of State aid payable to the local government
37 unit and to the extent permitted by federal law, federal moneys
38 appropriated or apportioned to the local government unit by the
39 State, and for loans made in support of transportation projects, State
40 aid shall also include county and municipal transportation aid
41 issued pursuant to section 25 of P.L.1984, c.73 (C.27:1B-25).

42 (1) If the trust requires, and there has been a failure or inability
43 by a local government unit to pay its obligations to the trust
44 remaining uncured for a period of 30 days, the chairman of the trust
45 shall certify to the State Treasurer, with written notice to the fiscal
46 officer of the local government unit and to the Legislature, the
47 amount remaining unpaid, and the State Treasurer shall pay that
48 amount to the trust, or if the right to receive those payments has

1 been pledged or assigned to a trustee for benefit of the holders of
2 bonds, notes or other obligations of the trust, to that trustee, out of
3 the State aid payable to the local government unit, until the amount
4 so certified is paid.

5 (2) The amount paid over to the trust shall be deducted from the
6 corresponding appropriation or apportionment of State aid payable
7 to the local government unit and shall not obligate the State to
8 make, nor entitle the local government unit to receive, any
9 additional appropriation or apportionment. The obligation of the
10 State Treasurer to make payments to the trust or trustee and the
11 right of the trust or trustee to receive those payments shall be
12 subject and subordinate to the rights of holders of qualified bonds
13 issued or to be issued pursuant to **【P.L.1976, c.38 (C.40A:3-1 et**
14 **seq.)】** P.L.1976, c.38 (C.40A:3-1 et seq.).

15 (3) In those instances where the local government units are
16 municipal or county sewerage, utility or improvement authorities
17 created pursuant to **【P.L. 1946, c. 138 (C. 40:14A-1 et seq.)】**
18 P.L.1946, c.138 (C.40:14A-1 et seq.) or **【P.L.1957, c.183**
19 **(C.40:14B-1 et seq.)】** P.L.1957, c.183 (C.40:14B-1 et seq.), the
20 trust may require the municipalities or counties which receive
21 service or other benefits from the districts or authorities to enter
22 into service contracts or other contractual arrangements under
23 which they would be required to make payments which would
24 satisfy any deficiencies in the revenues of the districts or authorities
25 to repay the loans made by the trust, which contracts would be
26 pledged to secure the payment of the loans of the trust.

27 b. Whenever a local government unit covenants or pledges to or
28 secures the payment of its obligations to the trust by, in whole or in
29 part, certain revenues of the local government unit derived by the
30 local government unit from the imposition of rates, fees and
31 charges, and the local government unit, and if payments by another
32 local government unit under a service contract or other contractual
33 arrangement are pledged to the payment of the obligations, the other
34 local government unit, fails or is unable to pay in full when due any
35 of the obligations and the State aid revenues for any reason have not
36 been made available for the payment of the obligations or have not
37 been made available in sufficient amounts to pay the obligations in
38 full, the trust is authorized during the period of such failure to cause
39 the local government unit, in accordance with the covenants or
40 pledges established in any loan or other agreement relating thereto,
41 to establish and collect rates, fees and charges in the amounts
42 required to pay the obligations in accordance with the covenants or
43 pledges established in the loan or other agreement relating thereto.

44 c. In the event that a local government unit, consortia thereof
45 or private entity receiving a loan from the trust fails or is unable to
46 pay to the trust in full when due any obligations of the local
47 government unit, consortia thereof, or private entity to the trust, the
48 trust shall have the authority to exercise any and all recourses

1 available to it under the law in an effort to recover any amounts
2 owed to the trust.

3 (cf: P.L.1985, c.334, s.12)

4

5 29. Section 13 of P.L.1985, c.334 (C.58:11B-13) is amended to
6 read as follows:

7 13. Neither the directors of the trust nor any person executing
8 bonds, notes or other obligations of the trust issued pursuant to
9 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
10 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
11 c. (C.) (pending before the Legislature as this bill) shall be
12 liable personally on the bonds, notes or other obligations by reason
13 of the issuance thereof.

14 (cf: P.L.1997, c.224, s.11)

15

16 30. Section 14 of P.L.1985, c.334 (C.58:11B-14) is amended to
17 read as follows:

18 14. The State does pledge to and covenant and agree with the
19 holders of any bonds, notes or other obligations of the trust issued
20 pursuant to authorization of P.L.1985, c.334 (C.58:11B-1 et seq.)
21 **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
22 through 43 of P.L. , c. (C.) (pending before the Legislature
23 as this bill) that the State shall not limit or alter the rights or powers
24 vested in the trust to perform and fulfill the terms of any agreement
25 made with the holders of the bonds, notes or other obligations or to
26 fix, establish, charge and collect any rents, fees, rates, payments or
27 other charges as may be convenient or necessary to produce
28 sufficient revenues to meet all expenses of the trust and to fulfill the
29 terms of any agreement made with the holders of bonds, notes or
30 other obligations, including the obligations to pay the principal of
31 and interest and premium on those bonds, notes or other
32 obligations, with interest on any unpaid installments of interest, and
33 all costs and expenses in connection with any action or proceedings
34 by or on behalf of the holders, and shall not limit or alter the rights
35 and powers of any local government unit to pay and perform its
36 obligations owed to the trust in connection with loans received from
37 the trust, until the bonds, notes and other obligations of the trust,
38 together with interest thereon, are fully met and discharged or
39 provided for.

40 (cf: P.L.1997, c.224, s.12)

41

42 31. Section 15 of P.L.1985, c.334 (C.58:11B-15) is amended to
43 read as follows:

44 15. The State and all public officers, governmental units and
45 agencies thereof, all banks, trust companies, savings banks and
46 institutions, building and loan associations, savings and loan
47 associations, investment companies, and other persons carrying on a
48 banking business, all insurance companies, insurance associations

1 and other persons carrying on an insurance business, and all
2 executors, administrators, guardians, trustees and other fiduciaries
3 may legally invest any sinking funds, moneys or other funds
4 belonging to them or within their control in any bonds, notes or
5 other obligations issued pursuant to P.L.1985, c.334 (C.58:11B-1 et
6 seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27
7 and 39 through 43 of P.L. , c. (C.) (pending before the
8 Legislature as this bill), and those bonds, notes or other obligations
9 shall be authorized security for any and all public deposits.
10 (cf: P.L.1997, c.224, s.13)

11

12 32. Section 17 of P.L.1985, c.334 (C.58:11B-17) is amended to
13 read as follows:

14 17. All property of the trust is declared to be public property
15 devoted to an essential public and governmental function and
16 purpose and the revenues, income and other moneys received or to
17 be received by the trust shall be exempt from all taxes of the State
18 or any political subdivision thereof. All bonds, notes and other
19 obligations of the trust issued pursuant to P.L.1985, c.334
20 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
21 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
22 before the Legislature as this bill) are declared to be issued by a
23 body corporate and politic of the State and for an essential public
24 and governmental purpose and those bonds, notes and other
25 obligations, and interest thereon and the income therefrom and from
26 the sale, exchange or other transfer thereof shall at all times be
27 exempt from taxation, except for transfer inheritance and estate
28 taxes.

29 (cf: P.L.1997, c.224, s.14)

30

31 33. Section 18 of P.L.1985, c.334 (C.58:11B-18) is amended to
32 read as follows:

33 18. a. If the trust defaults in the payment of principal of, or
34 interest on, any issue of its bonds, notes or other obligations after
35 these are due, whether at maturity or upon call for redemption, and
36 the default continues for a period of 30 days or if the trust defaults
37 in any agreement made with the holders of any issue of bonds, notes
38 or other obligations, the holders of **【25%】** 25 percent in aggregate
39 principal amount of the bonds, notes or other obligations of the
40 issue then outstanding, by instrument or instruments filed in the
41 office of the clerk of any county in which the trust operates and has
42 an office and proved or acknowledged in the same manner as
43 required for a deed to be recorded, may direct a trustee to represent
44 the holders of the bonds, notes or other obligations of the issuers for
45 the purposes herein provided.

46 b. Upon default, the trustee may, and upon written request of the
47 holders of **【25%】** 25 percent in principal amount of the bonds,

1 notes or other obligations of the trust of a particular issue then
2 outstanding shall, in **【his or its】** the trustee's own name:

3 (1) By suit, action or proceeding enforce all rights of the holders
4 of bonds, notes or other obligations of the issue, to require the trust
5 to carry out any other agreements with the holders of the bonds,
6 notes or other obligations of the issue and to perform its duties
7 under P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
8 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. _____,
9 c. (C. _____) (pending before the Legislature as this bill);

10 (2) Bring suit upon the bonds, notes or other obligations of the
11 issue;

12 (3) By action or suit, require the trust to account as if it were the
13 trustee of an express trust for the holders of the bonds, notes or
14 other obligations of the issue;

15 (4) By action or suit, enjoin any acts or things which may be
16 unlawful or in violation of the rights of the holders of the bonds,
17 notes or other obligations of the issue;

18 (5) Sell or otherwise dispose of bonds and notes of local
19 government units pledged pursuant to resolution or trust indenture
20 for benefit of holders of bonds, notes, or other obligations of the
21 issue on any terms as resolution or trust indenture may provide;

22 (6) By action or suit, foreclose any mortgage pledged pursuant
23 to the resolution or trust indenture for the benefit of the holders of
24 the bonds, notes or other obligations of the issue;

25 (7) Declare all bonds, notes or other obligations of the issue due
26 and payable, and if all defaults are made good, then with the
27 consent of the holders of **【50%】** 50 percent of the principal amount
28 of the bonds, notes or other obligations of the issue then
29 outstanding, to annul the declaration and its consequences.

30 c. The trustee shall, in addition to the foregoing, have those
31 powers necessary or appropriate for the exercise of any function
32 specifically set forth herein or incident to the general representation
33 of holders of bonds, notes or other obligations of the trust in the
34 enforcement and protection of their rights.

35 d. The Superior Court shall have jurisdiction over any suit,
36 action or proceeding by the trustees on behalf of the holders of
37 bonds, notes or other obligations of the trust. The venue of any suit,
38 action or proceeding shall be in the county in which the principal
39 office of the trust is located.

40 e. Before declaring the principal of bonds, notes or other
41 obligations of the trust due and payable as a result of a trust default
42 on any of its bonds, notes or other obligations, the trustee shall first
43 give 30 days' notice in writing to the trust and to the Governor,
44 State Treasurer, President of the Senate and Speaker of the General
45 Assembly.

46 (cf: P.L.1997, c.224, s.15)

1 34. Section 19 of P.L.1985, c.334 (C.58:11B-19) is amended to
2 read as follows:

3 19. Sums of money received pursuant to the authority of
4 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
5 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
6 c. (C.) (pending before the Legislature as this bill), whether
7 as proceeds from the sale of particular bonds, notes or other
8 obligations of the trust or as particular revenues or receipts of the
9 trust, are deemed to be trust funds, to be held and applied solely as
10 provided in the resolution or trust indenture under which the bonds,
11 notes or obligations are authorized or secured. Any officer with
12 whom or any bank or trust company with which those sums of
13 money are deposited as trustee thereof shall hold and apply the
14 same for the purposes thereof, subject to any provision as the
15 aforementioned acts and the resolution or trust indenture
16 authorizing or securing the bonds, notes or other obligations of the
17 trust may provide.

18 (cf: P.L.1997, c.224, s.16)

19

20 35. Section 23 of P.L.1985, c.334 (C.58:11B-23) is amended to
21 read as follows:

22 23. a. No funds from State sources or State bond issues used to
23 capitalize the trust shall be available for use by the trust unless
24 appropriated by law to the trust.

25 b. No funds shall be expended by the trust for its annual
26 operating expenses unless appropriated by law to the trust. Unless
27 required to be otherwise applied pursuant to law, funds generated
28 by the operation of the trust, including, but not limited to: proceeds
29 from the sale of the trust's bonds, notes or other obligations;
30 revenues derived from investments by the trust; loan repayments
31 from local government units; and fees and charges levied by the
32 trust, may thereafter be applied in accordance with the provisions of
33 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
34 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill) for any
36 corporate purpose of the trust without appropriation; except that the
37 funds shall only be used to make loans or guarantees approved by
38 the Legislature in accordance with the provisions of sections 20, 21,
39 and 22 of P.L.1985, c.334 (C.58:11B-20, C.58:11B-21 and
40 C.58:11B-22), **【or】** sections 24, 25, and 26 of P.L.1997, c.224
41 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1), or section 40
42 through 42 of P.L. , c. (C.) (pending before the Legislature
43 as this bill).

44 c. The trust shall not apply for any federal funds, including
45 funds which are authorized pursuant to the "Federal Water Pollution
46 Control Act Amendments of 1972," Pub.L. 92-500 (33 U.S.C.
47 s.1251 et al.), and any amendatory or supplementary acts thereto.

1 The trust, with the concurrence of the Commissioner of
2 Environmental Protection, may receive, accept or utilize moneys
3 received from local government units as repayments of principal
4 and interest on loans made from the State Revolving Fund Accounts
5 established pursuant to section 1 of P.L.1988, c.133.

6 (cf: P.L.1997, c.224, s.20)

7
8 36. Section 25 of P.L.1985, c.334 (C.58:11B-25) is amended to
9 read as follows:

10 25. The trust shall establish the rules and regulations governing
11 the making and use of loans or guarantees, including, but not
12 limited to, procedures for the submission of loan guarantee
13 requests, standards for the evaluation of requests, provisions
14 implementing priority systems for projects, reporting requirements
15 of the recipient of any loan or guarantee concerning the progress
16 and the expenditure of funds, and limitations, restrictions or
17 requirements concerning the use of loan funds as the trust shall
18 prescribe; provided that the rules and regulations shall be in
19 compliance with the terms and provisions of P.L.1985, c.334
20 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.)₂
21 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
22 before the Legislature as this bill) relating to the making of or
23 eligibility for loans or guarantees for environmental infrastructure
24 projects generally or for any particular type or class of wastewater
25 treatment system or water supply projects.

26 (cf: P.L.1997, c.224, s.21)

27
28 37. Section 26 of P.L.1985, c.334 (C.58:11B-26) is amended to
29 read as follows:

30 26. a. The trust shall adopt **[the]** rules and regulations requiring
31 a local government unit which receives a loan or guarantee for a
32 project to establish an affirmative action program for the hiring of
33 minority workers in the performance of any construction contract
34 for that project and to establish a program to provide opportunities
35 for socially and economically disadvantaged contractors and
36 vendors to supply materials and services for the contract, consistent
37 with the provisions of the "Law Against Discrimination,"
38 **[P.L.1945, c.169 (C.10:5-1 et seq.)]** P.L.1945, c.169 (C.10:5-1 et
39 seq.). Not less than **[10%]** 10 percent of the amount of any
40 contract for construction, materials or services for a project shall be
41 awarded to small business concerns owned and controlled by
42 socially and economically disadvantaged individuals as defined in
43 **[section 8(a) and 8(d) of]** the "Small Business Act," **[Pub.L. 75-**
44 **536 (15 U.S.C. s. 637(a) and (d))]** Pub.L.85-536 (15 U.S.C. s.631 et
45 seq.), and any regulations promulgated pursuant thereto.

46 b. The trust shall adopt **[the]** rules and regulations requiring **[a**
47 **local government unit]** any entity, which receives a loan, grant, or
48 guarantee for a project to pay not less than the prevailing wage rate

1 to workers employed in the performance of any construction
2 contract for that project, in accordance with the rate determined by
3 the Commissioner of Labor and Workforce Development pursuant
4 to **【P.L.1963, c.150 (C.34:11-56.25 et seq.)】** P.L.1963, c.150
5 (C.34:11-56.25 et seq.).

6 c. Every contract subject to the provisions of P.L.1985, c.334
7 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or
8 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
9 before the Legislature as this bill), procured pursuant to the “Local
10 Public Contracts Law,” P.L.1971, c.198, (C.40A:11-1 et seq.), shall
11 provide that every worker employed in the performance of that
12 contract is an apprentice participating in a registered apprenticeship
13 program or has completed a registered apprenticeship, unless the
14 contractor or subcontractor certifies that every worker shall be paid
15 not less than the journeyworker’s rate established for the
16 apprenticeable trade performed pursuant to P.L.1963, c.150
17 (C.34:11-56.25 et seq.). “Registered apprenticeship program”
18 means an apprenticeship program which is registered with and
19 approved by the United States Department of Labor and which
20 provides each trainee with combined classroom and on-the-job
21 training under the direct and close supervision of a highly skilled
22 worker in an occupation recognized as an apprenticeable trade and
23 meets the program performance standards of enrollment and
24 graduation under 29 C.F.R. s.29.6.

25 (cf: P.L.1985, c.334, s.26)

26

27 38. Section 27 of P.L.1985, c.334 (C.58:11B-27) is amended to
28 read as follows:

29 27. The trust shall adopt such rules and regulations as it deems
30 necessary to effectuate the purposes of P.L.1985, c.334 (C.58:11B-1
31 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including those
32 required pursuant to sections 25 and 26 of P.L.1985, c.334
33 (C.58:11B-25 and C.58:11B-26), and sections 27 and 39 through 43
34 of P.L. , c. (C.) (pending before the Legislature as this
35 bill), in accordance with the "Administrative Procedure Act,"
36 P.L.1968, c.410 (C.52:14B-1 et seq.).

37 (cf: P.L.1997, c.224, s.22)

38

39 39. (New section) a. There is established in the New Jersey
40 Infrastructure Bank a special fund to be known as the State
41 Transportation Infrastructure Bank Fund. There shall be established
42 within the fund, two subaccounts: (1) a federally-funded subaccount
43 that shall be approved to receive federal funds and related State
44 matching funds pursuant to the federal infrastructure bank program
45 provided for in section 350 of Pub.L.104-59 and Pub.L.102-240 as
46 amended or superseded, and (2) a State-funded subaccount that
47 shall be approved to receive only State funds in excess of those
48 required to be deposited in the federally-funded subaccount. The

1 State-funded subaccount shall be ineligible to receive any federal
2 funds. However, funds in the State-funded subaccount shall be
3 eligible for transfer into the federally-funded subaccount in the
4 discretion of the trust for the purpose of related match funding of
5 the federally-funded subaccount.

6 The State Transportation Infrastructure Bank Fund shall be
7 credited with:

8 (1) (a) State and federal funds appropriated to a federal
9 subaccount of the State Transportation Infrastructure Bank Fund
10 pursuant to the federal infrastructure bank program provided for in
11 section 350 of Pub.L.104-59 and Pub.L.102-240 as amended or
12 superseded, and

13 (b) State funds in excess of any minimum State match required
14 under the federal infrastructure bank program, appropriated to the
15 State-funded subaccount of the State Transportation Infrastructure
16 Bank Fund;

17 (2) monetary donations made available to the State to support
18 the State Transportation Infrastructure Bank Fund;

19 (3) moneys received as repayment of the principal of and the
20 interest or premium on loans made from the State Transportation
21 Infrastructure Bank Fund;

22 (4) any interest earnings received on the moneys in the State
23 Transportation Infrastructure Bank Fund; and

24 (5) such other moneys as the Legislature may appropriate to the
25 trust for deposit into the State Transportation Infrastructure Bank
26 Fund at any time to finance or refinance transportation loans issued
27 from the State Transportation Infrastructure Bank Fund.

28 b. Notwithstanding any provision of P.L.1985, c.334
29 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.) or
30 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
31 before the Legislature as this bill) to the contrary, all moneys placed
32 into the State Transportation Infrastructure Bank Fund shall be held
33 separate from other funds of the trust, and no transportation funds
34 shall be combined or comingled with any funds that finance (1)
35 wastewater treatment system projects, (2) water supply projects, or
36 (3) other environmental infrastructure projects, that are not
37 transportation projects.

38 c. All moneys placed into the State-funded subaccount of the
39 State Transportation Infrastructure Bank Fund shall be held separate
40 from any federal funds provided for the federally-funded
41 subaccount of the State Transportation Infrastructure Bank Fund.

42 d. Notwithstanding any provision of P.L.1985, c.334
43 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.) or
44 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
45 before the Legislature as this bill) to the contrary, the trust may
46 provide loans or other assistance to one or more local government
47 units or consortia thereof for the purpose of financing all or a
48 portion of the costs incurred for the planning, acquisition,

1 engineering, construction, reconstruction, repair, and rehabilitation
2 of a transportation project, provided that monies from the federally-
3 funded subaccount are limited to the purposes permitted under the
4 federal infrastructure bank program.

5 e. In addition to the financing described in subsection d. of this
6 section, a portion, not to exceed 10 percent, of the assistance
7 provided from the State-funded sub-account of the State
8 Transportation Infrastructure Bank Fund may be issued in the form
9 of grants.

10 f. Loans or other assistance granted pursuant to this section
11 shall be considered an investment or reinvestment by the State
12 Transportation Infrastructure Bank Fund, provided that monies from
13 the federally-funded subaccount are limited to the purposes
14 permitted under the federal infrastructure bank program, and not a
15 loan within the meaning of section 12 of P.L.1995, c.108 (C.27:1B-
16 21.5).

17 g. The refinancing of debt relating to an existing transportation
18 project shall not be an eligible form of assistance from the State
19 Transportation Infrastructure Bank Fund, and a loan shall not be
20 granted unless the applicant can demonstrate to the satisfaction of
21 the trust that the assistance being sought is not for the refinancing
22 of debt relating to an existing transportation project.

23 h. Any project, the use or purpose of which is private and for
24 which no public benefit is created, shall not be eligible for financial
25 assistance from the trust.

26 i. The trust shall consider the following factors when setting an
27 interest rate on a loan provided pursuant to this section: (1) the
28 current market rates for comparable obligations; (2) the nature of
29 the project; (3) the financing structure of the project; (4) the
30 creditworthiness of the borrower; and (5) the term of the proposed
31 obligation.

32 j. The long term loan repayment schedule for each project
33 shall require: (1) the repayment of the loan commencing six months
34 after construction completion, the date the facility has opened to
35 traffic, or three years after execution of the long term financing
36 obligation, whichever is first, however, in the case of a highway
37 project, it shall be whichever is later; and (2) a final maturity date
38 of not more than 35 years following the completion of the project.

39 k. The trust may establish or direct the establishment of federal
40 and State accounts or subaccounts as may be necessary to meet any
41 applicable federal law requirements or desirable for the efficient
42 administration of the trust.

43
44 40. (New section) a. The trust shall maintain the administrative
45 responsibilities for financing projects approved for assistance
46 through the State Transportation Infrastructure Bank Fund, in
47 accordance with any applicable federal laws regarding the use of
48 federal funds on transportation projects, as well as any provision of

1 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
2 10.1 et al.) and sections 27 and 39 through 43 of P.L. ,
3 c. (C.) (pending before the Legislature as this bill), and
4 provided that monies from the federally-funded subaccount are
5 limited by the provisions of the federal infrastructure bank program.
6 The trust is authorized to enter into agreements with one or more
7 local government units or consortia thereof for the use of monies
8 from the State Transportation Infrastructure Bank Fund to provide
9 loans or other assistance for the purpose of financing all or a
10 portion of the costs incurred for the planning, acquisition,
11 engineering, construction, reconstruction, repair, and rehabilitation
12 of a transportation project, provided that monies from the federally-
13 funded subaccount are limited to the purposes permitted under the
14 federal infrastructure bank program. The terms of the federally-
15 funded subaccount agreements shall be consistent with the
16 requirements of the federal infrastructure bank program and the
17 trust may adopt rules and regulations to carry out these functions.

18 b. The trust shall also develop a formal relationship with the
19 Department of Transportation for purposes, including, but not
20 limited to, the evaluation of potential transportation projects,
21 fulfilling federal regulations regarding capital projects, coordinating
22 with metropolitan planning organizations, ensuring that any projects
23 obtaining assistance are consistent with the Statewide capital
24 investment strategy, monitoring borrower creditworthiness
25 standards, and advancing local, regional, and Statewide
26 transportation objectives.

27
28 41. (New section) a. The Commissioner of Transportation
29 shall, for each fiscal year, develop a priority system for
30 transportation projects. The Commissioner of Transportation shall
31 set forth a Transportation Financing Program Project Priority List
32 for long-term funding by the trust for each fiscal year and shall
33 include the aggregate amount of funds of the trust to be authorized
34 for these purposes. The Commissioner of Transportation may
35 include a transportation project on the Transportation Financing
36 Program Project Priority List if it meets the eligibility requirements
37 for funding pursuant to Pub.L.114-94, the "Fixing America's
38 Transportation Act," or any successor legislation. The
39 Transportation Financing Program Project Priority List shall include
40 a description of each project and an explanation of the manner in
41 which projects are ranked. The Transportation Financing Program
42 Project Priority List for the ensuing fiscal year shall be submitted to
43 the Legislature on or before January 15 of each year.

44 b. The Commissioner of Transportation shall set forth an
45 Interim Transportation Financing Program Project Eligibility List
46 for short-term funding by the trust and shall include the aggregate
47 amount of funds to be authorized for these purposes. The Interim
48 Transportation Financing Program Project Eligibility List shall

1 consist of Transportation Financing Program Project Priority List
2 projects certified by the Department of Transportation that have
3 commenced construction and demonstrated to the department a high
4 likelihood of construction completion on or before the end of the
5 ensuing fiscal year. The Interim Transportation Financing Program
6 Project Eligibility List established pursuant to this subsection shall
7 be considered by the budget committees of each House of the
8 Legislature for inclusion in the annual appropriations act. On or
9 before June 30 of each year, the Legislature shall include the
10 Interim Transportation Financing Program Project Eligibility List
11 with any modifications in the annual appropriations act, including
12 any amendatory or supplementary provisions thereto, which act
13 shall include the authorization of an aggregate amount of funds of
14 the trust to be expended for loans and guarantees for the specific
15 transportation projects, including the individual amounts therefor,
16 on the list. The initial Interim Transportation Financing Program
17 Project Eligibility List for the ensuing fiscal year shall be submitted
18 to the Legislature on or before July 1 of each year. The Secretary
19 and the Clerk shall cause the date of submission to be entered upon
20 the Senate Journal and the Minutes of the General Assembly,
21 respectively. Incremental revisions or supplements to the Interim
22 Transportation Financing Program Project Eligibility List may be
23 submitted to the Legislature as provided in subsection e. of section
24 9 of P.L.1985 c.334 (C.58:11B-9).

25 c. On or before October 15 of each year, the trust may submit
26 an amended Interim Transportation Financing Program Project
27 Eligibility List to be introduced in each House in the form of
28 legislative appropriations bills for approval by the Legislature on or
29 before January 15 of the following calendar year in the manner set
30 forth in subsection a. and subsection b. of this section.

31 d. The trust shall not expend any money for a long-term loan or
32 guarantee during a fiscal year for any transportation project unless
33 the expenditure is authorized pursuant to a State annual
34 appropriations act of the current or three immediate preceding fiscal
35 years as provided in the provisions of this section, or as otherwise
36 set forth in the State's annual appropriations act.

37 e. The trust shall submit to the Secretary of the Senate and the
38 Clerk of the General Assembly on or before January 15 of each year
39 a report which shall identify the transportation projects financed
40 during the prior fiscal year, including a project description, the
41 amount of the loan provided for each project, and the duration of
42 each loan.

43 f. The source of projects for the Transportation Financing
44 Program Project Priority List and the Interim Transportation
45 Financing Program Project Eligibility List shall be: (1) applications
46 made by counties and municipalities seeking aid through the State
47 Transportation Infrastructure Bank Fund in accordance with section
48 25 of P.L.1984, c.73 (C.27:1B-25) and the procedures established

1 therein for the allocation of State aid to counties and municipalities
2 through the local aid program, and (2) eligible projects within the
3 most recent 10-year Statewide Transportation Improvement
4 Program as issued by the Department of Transportation. Projects
5 deriving from either of these sources shall identify a consistent
6 source of revenue that will be utilized to repay any loan financing
7 provided by the trust either from the project itself or from the
8 sponsoring local government unit or consortia thereof that will be
9 receiving assistance.

10
11 42. (New section) a. On or before May 15 of each year, the
12 trust shall submit to the Speaker of the General Assembly and the
13 President of the Senate a financial plan designed to implement the
14 financing of the transportation projects either on the Transportation
15 Financing Program Project Priority List or the Interim
16 Transportation Financing Program Project Eligibility List approved
17 pursuant to P.L. , c. (C.) (pending before the Legislature as
18 this bill) or as otherwise approved by the Legislature. The financial
19 plan shall list the bonds, notes or other obligations of the trust
20 which the trust intends to issue, including the amounts thereof and
21 the terms and conditions thereof, a list of loans to be made to local
22 government units or private persons, including the terms and
23 conditions thereof and the anticipated rate of interest per annum and
24 repayment schedule therefor, and a list of loan guarantees or
25 contracts to guarantee the payment of all or a portion of the
26 principal and interest on bonds, notes or other obligations issued by
27 a local government unit to finance the cost of a transportation
28 project, and the terms and conditions thereof.

29 The financial plan shall also set forth a complete operating and
30 financial statement covering proposed operations through the fund
31 during the forthcoming fiscal year, including amounts of income
32 from all sources, and the uniform schedule of fees and charges
33 established by the trust pursuant to subsection o. of section 5 of
34 P.L.1985, c.334 (C.58:11B-5), and the amounts to be derived
35 therefrom, and shall summarize the status of each transportation
36 project for which loans or guarantees have been made by the trust,
37 and shall describe major impediments to the accomplishment of the
38 planned transportation projects.

39 b. On or before June 30 of each year the Legislature may reject
40 the financial plan through the adoption by both houses of a
41 concurrent resolution. If the Legislature rejects the financial plan,
42 the project list shall be removed from the annual appropriations act
43 and the trust shall not undertake any of the proposed activities
44 contained therein. If the Legislature takes no action on or before
45 June 30, the financial plan shall be deemed approved.

46 c. The financial plan for the State Transportation Infrastructure
47 Bank Fund shall not be eligible for inclusion in a consolidated

1 financial plan as established in section 27 of P.L.1997, c.224
2 (C.58:11B-22.2).

3
4 43. (New section) Nothing in this act shall decrease, diminish,
5 lessen, or otherwise reduce allocations made to counties and
6 municipalities pursuant to section 25 of P.L.1984, c.73 (C.27:1B-25
7 et seq.), except for amounts above \$7,500,000 each year allocated
8 into the Local Aid Infrastructure Fund, which may be used to
9 capitalize the State Transportation Infrastructure Bank.

10
11 44. Sections 1 through 4 of P.L.1997, c.142 (C.27:1B-21.10
12 through C.27:1B-21.13) are repealed.

13
14 45. This act shall take effect on July 1, 2016, but sections 10
15 through 44 shall remain inoperative until the appropriation by the
16 State of eligible federal or State funds into the State Infrastructure
17 Bank Fund pursuant to section 39 of P.L. , c. (C.) (pending
18 before the Legislature as this bill) and funds are appropriated to the
19 trust to cover administrative and operational expenses related to the
20 State Transportation Infrastructure Bank, and section 2 shall take
21 effect on the same day that Assembly Concurrent Resolution No.1
22 of 2015, a constitutional amendment to Article VIII, section II,
23 paragraph 4 of the New Jersey Constitution, takes effect.

24

25

26

STATEMENT

27

28 This bill amends the “New Jersey Transportation Trust Fund
29 Authority Act of 1984” to make changes necessary to support the
30 State’s Capital Transportation Program for Fiscal Years 2017
31 through 2026.

32 This bill will provide the New Jersey Transportation Trust Fund
33 Authority (authority) with \$15 billion in bonding authorization and
34 authorizes \$20 billion in State transportation capital program
35 expenditures for a ten year period from Fiscal Year (FY) 2017
36 through Fiscal Year 2026. The bill allows for an average annual
37 transportation capital program size of \$2 billion per year, an
38 increase from the \$1.6 billion program amount in the previous
39 capital program. The bill also anticipates the revenue necessary to
40 finance an average of \$500 million per year of “pay-as-you-go”
41 funding, which is funding available for projects that do not rely on
42 debt or non-State resources. In the previous four years, the amount
43 of “pay-as-you-go” funding was less than \$10 million per year.

44 The bill provides that through Fiscal Year 2026, if the amount of
45 revenue generated by the Petroleum Products Gross Receipts Tax in
46 any year is greater than the amount of revenue generated in Fiscal
47 Year 2018, then the capital program authorization shall be increased
48 by an amount equivalent to that revenue difference. In addition, the

1 bill requires that amount of additional revenue to be dedicated to
2 projects expanding the mass transit system in this State.

3 The bill dedicates all revenues from the Motor Fuels Tax and the
4 Petroleum Products Gross Receipts Tax to the Transportation Trust
5 Fund. This language mirrors the language proposed in Assembly
6 Concurrent Resolution No. 1 of 2015 that is scheduled to appear as
7 a ballot question in the November 2016 general election, and would
8 constitutionally dedicate these revenues in addition to the statutory
9 dedication that is provided for in this bill.

10 The bill requires the authority to create a website to provide
11 active monitoring of authority projects to be reported at least
12 monthly to the public as well as a single location for public
13 documentation related to the project. The reporting requirements
14 for the website require real time reporting of construction projects
15 and any potential sources of delays or increased cost.

16 The bill also incorporates bond premiums into the calculation of
17 the authority's bonding cap, so that the bonding cap reflects the
18 total amount of money generated by a bond issuance, rather than the
19 par amount of bonds issued. This reflects the real amount of
20 borrowing taking place in a bond issuance.

21 The bill also creates a "Transportation Trust Fund Account
22 Subaccount for Capital Reserves." This subaccount will hold
23 excess revenues which are constitutionally dedicated to the
24 Transportation Trust Fund Account and will be deposited after
25 making authority debt service payments payable in a given fiscal
26 year, and after transferring to the "Special Transportation Fund" the
27 annually appropriated amount of "pay-as-you-go" funding which is
28 money appropriated for expenses of the State transportation capital
29 program that does not derive from borrowing. Amounts placed into
30 this fund are intended to ensure that the Transportation Trust Fund
31 is sufficiently capitalized to support the funding needs of the State
32 transportation capital program in the final years of the 10 year
33 capital plan, and to improve the financial position of the authority
34 by maintaining a capital reserve that can insulate the authority
35 against any variability in the collection of revenues dedicated to the
36 authority.

37 The bill increases the amount of information that is required to
38 be reported in the annual Transportation Capital Program to better
39 reflect the information currently provided by the Department of
40 Transportation (DOT) and to more closely reflect the information
41 provided in the federally required State Transportation
42 Improvement Program document.

43 The bill converts the Financial Policy Review Board (board) into
44 the Transportation Policy Review Board. The board is expanded to
45 nine members, given expanded responsibilities to independently
46 analyze and report on the cost effectiveness of spending in the
47 transportation capital program, conduct and commission research on
48 best practices in the areas of transportation and public

1 transportation construction, planning, finance, and engineering, and
2 to provide policy recommendations to the Legislature on the best
3 ways to organize the capital program and appropriate capital
4 program funds. The board is also to meet before the Senate Budget
5 and Appropriations Committee, Assembly Budget Committee,
6 Assembly Transportation, Public Works, and Independent
7 Authorities Committee, and Senate Transportation Committee at
8 least one time each year, and to perform research and provide
9 policy recommendations to the Legislature as requested.

10 The board is required to submit to the Governor and Legislature,
11 no later than April 1, 2017, a report concerning the taxation of
12 motor vehicles that are powered by a fuel source that is not subject
13 to the Motor Fuel Tax Act or Petroleum Products Gross Receipts
14 Tax Act, and is required to include a new system of taxation to
15 ensure that all vehicles operating on the highways of this State
16 contribute in an equitable fashion to the cost of maintaining the
17 State transportation system.

18 By April 1, 2017, the board is to provide the Legislature with
19 recommendations on improving the coordination between DOT and
20 the utility companies when utility facilities must be relocated to
21 accommodate an infrastructure project. The new system is to
22 minimize the cost of infrastructure projects and for the utility
23 companies.

24 The bill establishes the Annual Transportation Capital Program
25 Approval Committee. The committee is to ensure that Legislative
26 input is provided in the process of selecting transportation capital
27 projects that are funded through the Transportation Trust Fund
28 Account. The committee is to consist of the Commissioner of
29 Transportation, and three public members appointed by the
30 Governor upon the joint recommendation of the Senate President
31 and the Speaker of the General Assembly; one from certain counties
32 of northern New Jersey, one from certain counties of central New
33 Jersey, and one from certain counties of southern New Jersey. Each
34 member will serve a three year term. The committee is to issue a
35 certification each year known as the Annual Transportation Capital
36 Program Approval Certification, which all four members are
37 required to approve, or the Legislature is prohibited from
38 appropriating money to support new transportation projects for that
39 fiscal year, until the certification has been approved.

40 The bill requires an annual capital program appropriation of \$25
41 million per year to support freight rail projects. The current capital
42 program includes an \$8 million appropriation for the State rail
43 freight assistance program. This requirement represents a \$17
44 million increase in freight rail projects over FY 2016.

45 The bill also increases the size of the local aid program to \$400
46 million per year and adjusts the allocation of funds in the program
47 so that the Local Aid Infrastructure Fund is funded at seven percent
48 of the total or \$28 million per year, up from a proposed \$7.5 million

1 for FY 2017; the county aid program is funded at 37.5 percent of
2 the total or \$150 million per year, up from a proposed \$78.75
3 million for FY 2017; the municipal aid program is funded at 37.5
4 percent of the total or \$150 million with \$10 million being sub-
5 allocated to the municipal aid urban aid program, compared with
6 \$78.5 million program proposed for FY 2017 with \$5 million being
7 sub-allocated to the municipal aid urban aid program. The bill
8 creates a “Local Bridges Fund” which mirrors the capital program
9 line item for “Local Bridges, Future Needs” and provides 11
10 percent of total funding or \$44 million per year, up from \$25
11 million proposed for FY 2017. The bill also creates a “Local
12 Freight Impact Fund” which is newly created and intended to assist
13 counties and municipalities with the impacts on local transportation
14 infrastructure associated with the State’s freight industry which will
15 be funded at seven percent of the total or \$28 million per year.

16 The bill allocates any amount above \$7.5 million appropriated to
17 the Local Aid Infrastructure Fund in FY 2017 to be deposited into
18 the State Transportation Infrastructure Bank Fund.

19 The bill renames the New Jersey Environmental Infrastructure
20 Trust as the New Jersey Infrastructure Bank (“trust”) and
21 establishes a special non-lapsing, revolving fund in the trust to be
22 known as the State Transportation Infrastructure Bank Fund, which
23 is to replace the State Transportation Infrastructure Bank that
24 previously resided as a subaccount of the Special Transportation
25 Fund. The bill repeals the statutory language which created the
26 existing State Transportation Infrastructure Bank.

27 The bill makes various changes to existing statutes related to the
28 trust in order to expand its mission from water and environmental
29 infrastructure projects, to include transportation projects. This bill
30 provides that the aggregate principal amount of bonds, notes or
31 other obligations of the trust is not to exceed \$3.8 billion for all
32 purposes of the trust except the Disaster Relief Emergency
33 Financing Program. The bill requires that funds and accounts of the
34 trust be segregated in such a way as to prevent the mixing of
35 transportation monies and water or environmental infrastructure
36 monies.

37 The bill creates an interim financing program for transportation
38 projects similar the existing interim financing program for
39 environmental projects and establishes a Department of
40 Transportation Loan Origination Fee Fund within the trust.

41 Establishment of the State Transportation Infrastructure Bank
42 Program is required by federal law as a depository for federal
43 transportation infrastructure bank monies. The federal program
44 currently allows states to enter into agreements whereby monies in
45 the State Transportation Infrastructure Bank are loaned or used to
46 provide other financial assistance to public or private entities for the
47 planning, acquisition, engineering, construction, reconstruction,

1 repair, and rehabilitation of a transportation project or for any other
2 purpose permitted under the federal program.

3 The bill also establishes an account to be established within the
4 fund that only receives State funds so that grants can be issued
5 without violating the terms of the federal program.

6 The program is to be administered by the trust with assistance
7 from the DOT. The Commissioner of DOT is to become an ex-
8 officio member of the board of directors for the trust, and the DOT
9 is to be responsible for establishing the list of projects that the trust
10 is to finance and the priority in which they are to be funded. The
11 trust is also directed to collaborate with the DOT on the evaluation
12 of potential transportation projects, fulfilling federal regulations
13 regarding capital projects, coordinating with metropolitan planning
14 organizations, ensuring that any projects obtaining assistance are
15 consistent with the Statewide capital investment strategy, and
16 advancing local, regional, and Statewide transportation objectives.

17 The Legislature is to consider the full DOT project list through
18 the Senate Budget and Appropriations Committee and Assembly
19 Budget Committee before its inclusion in the annual appropriations
20 act. The Legislature is to receive a copy of the transportation
21 financial plan developed by the trust for the implementation of the
22 financing of the DOT project list. The Legislature will have until
23 June 30th to reject the transportation financial plan through a
24 concurrent resolution. If the Legislature rejects the financial plan,
25 the project list is removed from the budget and the trust is
26 prohibited from financing any transportation projects in that fiscal
27 year. If the transportation financial plan is not rejected by June
28 30th, it is considered approved by the Legislature.

29 The State Transportation Infrastructure Bank Fund may be
30 credited with State and federal funds appropriated to the fund,
31 monetary donations made available to the State to support the State
32 Transportation Infrastructure Bank Program, any monies received
33 as repayment of the monies loaned or otherwise provided pursuant
34 to the program, and interest earnings received on the monies in the
35 fund, and other moneys the Legislature appropriates to the trust for
36 deposit into the State Transportation Infrastructure Bank Fund to
37 finance or refinance transportation loans issued from the fund.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 10

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 23, 2016

The Assembly Budget Committee reports favorably and with committee amendments Assembly Bill No. 10.

As amended, this bill amends the “New Jersey Transportation Trust Fund Authority Act of 1984” to make changes necessary to support the State’s Capital Transportation Program for Fiscal Years 2017 through 2026.

This bill will provide the New Jersey Transportation Trust Fund Authority (authority) with \$15 billion in bonding authorization, contingent upon voter approval of Assembly Concurrent Resolution No. 1 of 2015, which would constitutionally dedicate all Petroleum Products Gross Receipts Tax and Motor Fuels Tax revenue, and authorizes \$20 billion in State transportation capital program expenditures for a 10 year period from Fiscal Year (FY) 2017 through FY 2026. The bill allows for an average annual transportation capital program size of \$2 billion per year, an increase from the \$1.6 billion program amount in the previous capital program. The bill also anticipates the revenue necessary to finance an average of \$500 million per year of “pay-as-you-go” funding, which is funding available for projects that do not rely on debt or non-State resources. In the previous four years, the amount of “pay-as-you-go” funding was less than \$10 million per year.

The bill dedicates all revenues from the Motor Fuels Tax and the Petroleum Products Gross Receipts Tax to the Transportation Trust Fund. This language mirrors the language proposed in Assembly Concurrent Resolution No. 1 of 2015 that is scheduled to appear as a ballot question in the November 2016 general election, and would constitutionally dedicate these revenues in addition to the statutory dedication that is provided for in this bill.

The bill requires the authority to create a website to provide active monitoring of authority projects to be reported at least monthly to the public as well as a single location for public documentation related to the project. The reporting requirements for the website require real time reporting of construction projects and any potential sources of delays or increased cost.

The bill also incorporates bond premiums into the calculation of the authority's bonding cap, so that the bonding cap reflects the total amount of money generated by a bond issuance, rather than the par amount of bonds issued. This reflects the real amount of borrowing taking place in a bond issuance.

The bill also creates a "Transportation Trust Fund Account Subaccount for Capital Reserves." This subaccount will hold excess revenues which are constitutionally dedicated to the Transportation Trust Fund Account and will be deposited after making authority debt service payments payable in a given fiscal year, and after transferring to the "Special Transportation Fund" the annually appropriated amount of "pay-as-you-go" funding which is money appropriated for expenses of the State transportation capital program that does not derive from borrowing. Amounts placed into this fund are intended to ensure that the Transportation Trust Fund is sufficiently capitalized to support the funding needs of the State transportation capital program in the final years of the 10 year capital plan, and to improve the financial position of the authority by maintaining a capital reserve that can insulate the authority against any variability in the collection of revenues dedicated to the authority.

The bill increases the amount of information that is required to be reported in the annual Transportation Capital Program to better reflect the information currently provided by the Department of Transportation (DOT) and to more closely reflect the information provided in the federally required State Transportation Improvement Program document.

The bill converts the Financial Policy Review Board (board) into the Transportation Policy Review Board. The board is expanded to nine members, given expanded responsibilities to independently analyze and report on the cost effectiveness of spending in the transportation capital program, conduct and commission research on best practices and cost savings in the areas of transportation and public transportation construction, planning, finance, infrastructure, and governance and to provide policy recommendations to the Legislature on the best ways to organize the capital program and appropriate capital program funds. The board is also to meet before the Senate Budget and Appropriations Committee, Assembly Budget Committee, Assembly Transportation and Independent Authorities Committee, and Senate Transportation Committee at least one time each year, and to perform research and provide policy recommendations to the Legislature as requested.

The board is required to submit to the Governor and Legislature, no later than April 1, 2017, a report concerning the taxation of motor vehicles that are powered by a fuel source that is not subject to the Motor Fuel Tax Act or Petroleum Products Gross Receipts Tax Act, and is required to include a new system of taxation to ensure that all vehicles operating on the highways of this State contribute in an

equitable fashion to the cost of maintaining the State transportation system.

The bill establishes the Annual Transportation Capital Program Approval Committee. The committee is to ensure that Legislative input is provided in the process of selecting transportation capital projects that are funded through the Transportation Trust Fund Account. The committee is to consist of the Commissioner of Transportation, and three public members appointed by the Governor upon the joint recommendation of the Senate President and the Speaker of the General Assembly; one from certain counties of northern New Jersey, one from certain counties of central New Jersey, and one from certain counties of southern New Jersey. Each member will serve a three year term. The committee is to issue a certification each year known as the Annual Transportation Capital Program Approval Certification, which all four members are required to approve, or the Legislature is prohibited from appropriating money to support new transportation projects for that fiscal year, until the certification has been approved.

The bill requires an annual capital program appropriation of \$25 million per year to support freight rail projects. The current capital program includes an \$8 million appropriation for the State rail freight assistance program. This requirement represents a \$17 million increase in freight rail projects over FY 2016.

The bill also increases the size of the local aid program to \$400 million per year and adjusts the allocation of funds in the program so that the Local Aid Infrastructure Fund is funded at seven percent of the total or \$28 million per year, up from a proposed \$7.5 million for FY 2017; the county aid program is funded at 37.5 percent of the total or \$150 million per year, up from a proposed \$78.75 million for FY 2017; the municipal aid program is funded at 37.5 percent of the total or \$150 million with \$10 million being sub-allocated to the municipal aid urban aid program, compared with \$78.5 million program proposed for FY 2017 with \$5 million being sub-allocated to the municipal aid urban aid program. The bill creates a “Local Bridges Fund” which mirrors the capital program line item for “Local Bridges, Future Needs” and provides 11 percent of total funding or \$44 million per year, up from \$25 million proposed for FY 2017. The bill also creates a “Local Freight Impact Fund” which is newly created and intended to assist counties and municipalities with the impacts on local transportation infrastructure associated with the State’s freight industry which will be funded at seven percent of the total or \$28 million per year.

The bill allocates any amount above \$7.5 million appropriated to the Local Aid Infrastructure Fund in FY 2017 to be deposited into the State Transportation Infrastructure Bank Fund.

The bill renames the New Jersey Environmental Infrastructure Trust as the New Jersey Infrastructure Bank (“trust”) and establishes a

special non-lapsing, revolving fund in the trust to be known as the State Transportation Infrastructure Bank Fund, which is to replace the State Transportation Infrastructure Bank that previously resided as a subaccount of the Special Transportation Fund. The bill repeals the statutory language which created the existing State Transportation Infrastructure Bank.

The bill makes various changes to existing statutes related to the trust in order to expand its mission from water and environmental infrastructure projects, to include transportation projects. This bill provides that the aggregate principal amount of bonds, notes or other obligations of the trust is not to exceed \$3.8 billion for all purposes of the trust except the Disaster Relief Emergency Financing Program. The bill requires that funds and accounts of the trust be segregated in such a way as to prevent the mixing of transportation monies and water or environmental infrastructure monies.

The bill creates an interim financing program for transportation projects similar the existing interim financing program for environmental projects and establishes a Department of Transportation Loan Origination Fee Fund within the trust.

Establishment of the State Transportation Infrastructure Bank Program is required by federal law as a depository for federal transportation infrastructure bank monies. The federal program currently allows states to enter into agreements whereby monies in the State Transportation Infrastructure Bank are loaned or used to provide other financial assistance to public or private entities for the planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of a transportation project or for any other purpose permitted under the federal program.

The bill also establishes an account to be established within the fund that only receives State funds so that grants can be issued without violating the terms of the federal program.

The program is to be administered by the trust with assistance from the DOT. The Commissioner of DOT is to become an ex-officio member of the board of directors for the trust, and the DOT is to be responsible for establishing the list of projects that the trust is to finance and the priority in which they are to be funded. The trust is also directed to collaborate with the DOT on the evaluation of potential transportation projects, fulfilling federal regulations regarding capital projects, coordinating with metropolitan planning organizations, ensuring that any projects obtaining assistance are consistent with the Statewide capital investment strategy, and advancing local, regional, and Statewide transportation objectives.

The Legislature is to consider the full DOT project list through the Senate Budget and Appropriations Committee and Assembly Budget Committee before its inclusion in the annual appropriations act. The Legislature is to receive a copy of the transportation financial plan developed by the trust for the implementation of the financing of the

DOT project list. The Legislature will have until June 30th to reject the transportation financial plan through a concurrent resolution. If the Legislature rejects the financial plan, the project list is removed from the budget and the trust is prohibited from financing any transportation projects in that fiscal year. If the transportation financial plan is not rejected by June 30th, it is considered approved by the Legislature.

The State Transportation Infrastructure Bank Fund may be credited with State and federal funds appropriated to the fund, monetary donations made available to the State to support the State Transportation Infrastructure Bank Program, any monies received as repayment of the monies loaned or otherwise provided pursuant to the program, interest earnings received on the monies in the fund, and other moneys the Legislature appropriates to the trust for deposit into the State Transportation Infrastructure Bank Fund to finance or refinance transportation loans issued from the fund.

COMMITTEE AMENDMENTS:

The committee amendments add to the responsibilities of the Transportation Policy Review Board by requiring that the board's independent research on best practices include research on cost savings in the areas of transportation and public transportation construction, planning, finance, infrastructure, and governance. The committee amendments also remove from the board's April 1, 2017 reporting requirements, that the board include recommendations on improving the coordination between the DOT and the utility companies when utility facilities must be relocated to accommodate an infrastructure project.

The bill is also being amended so that if the petroleum products gross receipts tax revenue, exceeds the FY 2018 level, the \$20 billion appropriation cap will no longer be increased by that increased amount. The bill also removes the restriction on the use of the increased revenue amount, limiting it to mass transit expansion or the retirement of debt. The bill also changes the Transportation Policy Review Board's State of Condition of Transportation Financing certification requirements so that the total appropriations they are to certify, is limited to \$20 billion in total from FY 2017-2026.

The committee amendments make technical changes to the bill.

FISCAL IMPACT:

The bill authorizes up to \$15 billion in borrowing by the Transportation Trust Fund Authority and \$20 billion in appropriations from the authority's revenues over 10 fiscal years, FY 2017 to FY 2026 inclusive. The bill does not specify any annual minimums or maximums for either borrowing or appropriations.

The Office of Legislative Services finds that the authority's sole sources of revenue with which to fund transportation capital projects

and to retire its bonds are the proceeds of borrowing and State appropriations. If the authority funds \$2 billion in projects annually (an increase of \$753 million per year increase over FY 2016,) and issues \$1.5 billion in bonds annually, the OLS estimates that, based on a 31-year level debt service maturity schedule, annual State appropriations of \$86 million will be required for 31 years for debt service payments on each bond issuance. After issuance of all \$15 billion in bonds, annual debt service will total \$860 million per year. Further, the State will be required to appropriate \$500 million annually to fund the portion of annual transportation capital projects not funded by the proceeds of borrowing. Thus, annual State appropriations would increase by \$586 million in FY 2017, and then increase above that amount by about \$86 million annually thereafter (e.g., to \$672 million in FY 2018, to \$750 million in FY 2019), to a total of about \$1.36 billion in FY 2026.

The actual level of annual appropriations from the authority's revenues for transportation capital projects will be determined by the Legislature and Governor, and may differ from the assumptions above. The actual timing and amount of authority bonds issuances will be determined by the authority, and may also differ from the assumptions above. The actual annual impact on State expenditures could thus be significantly different than the OLS estimates.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint] **ASSEMBLY, No. 10**

with committee amendments

STATE OF NEW JERSEY

DATED: JULY 29, 2016

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 10 (2R), with committee amendments.

As amended, this bill revises the “New Jersey Transportation Trust Fund Authority Act of 1984” to make changes necessary to support the State’s Capital Transportation Program for Fiscal Years 2017 through 2024.

This bill will provide the New Jersey Transportation Trust Fund Authority (authority) with \$12 billion in bonding authorization, contingent upon voter approval of Assembly Concurrent Resolution (ACR) No. 1 of 2015, which would constitutionally dedicate all Petroleum Products Gross Receipts Tax and Motor Fuels Tax revenue, and authorizes \$16 billion in State transportation capital program expenditures for an eight year period from Fiscal Year (FY) 2017 through FY 2024. The bill allows for an average annual transportation capital program size of \$2 billion per year, an increase from the \$1.6 billion program amount in the previous capital program. The bill also anticipates the revenue necessary to finance an average of \$500 million per year of “pay-as-you-go” funding, which is funding available for projects that do not rely on debt or non-State resources. In the previous four years, the amount of “pay-as-you-go” funding was less than \$10 million per year.

The bill dedicates all revenues from the Motor Fuels Tax and the Petroleum Products Gross Receipts Tax to the Transportation Trust Fund. This language mirrors the language proposed in ACR No. 1 of 2015 that is scheduled to appear as a ballot question in the November 2016 general election, and would constitutionally dedicate these revenues in addition to the statutory dedication that is provided for in this bill.

The bill requires the authority to create a website to provide active monitoring of authority projects to be reported at least monthly to the public as well as a single location for public documentation related to the project. The reporting requirements for the website require real

time reporting of construction projects and any potential sources of delays or increased cost.

The bill also incorporates bond premiums into the calculation of the authority's bonding cap, so that the bonding cap reflects the total amount of money generated by a bond issuance, rather than the par amount of bonds issued. This reflects the real amount of borrowing taking place in a bond issuance.

The bill also creates a "Transportation Trust Fund Account Subaccount for Capital Reserves." This subaccount will hold excess revenues which are constitutionally dedicated to the Transportation Trust Fund Account and will be deposited after making authority debt service payments payable in a given fiscal year, and after transferring to the "Special Transportation Fund" the annually appropriated amount of "pay-as-you-go" funding which is money appropriated for expenses of the State transportation capital program that does not derive from borrowing. Amounts placed into this fund are intended to ensure that the Transportation Trust Fund is sufficiently capitalized to support the funding needs of the State transportation capital program in the final years of the eight-year capital plan, and to improve the financial position of the authority by maintaining a capital reserve that can insulate the authority against any variability in the collection of revenues dedicated to the authority.

The bill increases the amount of information that is required to be reported in the annual Transportation Capital Program to better reflect the information currently provided by the Department of Transportation (DOT) and to more closely reflect the information provided in the federally required State Transportation Improvement Program document.

The bill converts the Financial Policy Review Board (board) into the Transportation Policy Review Board. The board is expanded to nine members, given expanded responsibilities to independently analyze and report on the cost effectiveness of spending in the transportation capital program, conduct and commission research on best practices and cost savings in the areas of transportation and public transportation construction, planning, finance, infrastructure, and governance and to provide policy recommendations to the Legislature on the best ways to organize the capital program and appropriate capital program funds. The board is also to meet before the Senate Budget and Appropriations Committee, Assembly Budget Committee, Assembly Transportation and Independent Authorities Committee, and Senate Transportation Committee at least one time each year, and to perform research and provide policy recommendations to the Legislature as requested.

The board is required to submit to the Governor and Legislature, no later than April 1, 2017, a report concerning the taxation of motor vehicles that are powered by a fuel source that is not subject to the Motor Fuel Tax Act or Petroleum Products Gross Receipts Tax Act, and is required to include recommendations for a new system of

taxation that ensures that all vehicles operating on the highways of this State contribute in an equitable fashion to the cost of maintaining the State transportation system.

The bill establishes the Annual Transportation Capital Program Approval Committee. The committee is to ensure that Legislative input is provided in the process of selecting transportation capital projects that are funded through the Transportation Trust Fund Account. The committee is to consist of the Commissioner of Transportation, and three public members appointed by the Governor upon the joint recommendation of the Senate President and the Speaker of the General Assembly; one from certain counties of northern New Jersey, one from certain counties of central New Jersey, and one from certain counties of southern New Jersey. Each member will serve a three year term. The committee is to issue a certification each year known as the Annual Transportation Capital Program Approval Certification, which all four members are required to approve, or the Legislature is prohibited from appropriating money to support new transportation projects for that fiscal year, until the certification has been approved.

The bill requires that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to comply with the federal Disadvantaged Business Enterprise Program, administered by the United States Department of Transportation (USDOT), in the same manner as the programs administered for federally-assisted contracts funded, in whole or in part, by federal-aid highway dollars. The bill also requires that, with respect to State moneys expended with private firms for construction and professional services, the DOT is to adopt a goal for the expenditure of State capital transportation funds equal to the goal for the expenditure of federal funds for federally-assisted transportation projects approved by the USDOT, for moneys to be expended, either directly or through subcontracting requirements, with businesses owned and controlled by socially and economically disadvantaged individuals.

The bill requires that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to include mandatory equal employment opportunity and affirmative action contract provisions that require contractors to make a good faith effort to recruit and employ minority and women applicants and, where feasible, to interview and hire minority and women applicants that reside near the transportation project. The contract is required to provide that payment may be withheld for failure by the contractor to demonstrate to the satisfaction of the reporting agency that the required good faith effort was made.

The bill requires the Division of Public Contracts Equal Employment Opportunity Compliance in the Department of the Treasury to, within 90 days of the commencement of each contract, issue a report on its website as to whether a contractor has made a

good faith effort to, where feasible, interview and hire applicants that reside near the transportation project and to recruit and employ minority and women applicants.

The bill requires the DOT to submit annually, to the Governor and to the Legislature, a report which contains: the data provided to the USDOT pursuant to the provisions of 49 C.F.R. s.26.11; information concerning the progress of the DOT, the New Jersey Transit Corporation, counties, and municipalities towards the achievement of the goals for contracting with businesses owned and controlled by socially and economically disadvantaged individuals; and the recruitment, interview, and employment data concerning minority applicants, women applicants, minority applicants that reside near a transportation project, and women applicants that reside near a transportation project.

The bill requires an annual capital program appropriation of \$25 million per year to support freight rail projects. The current capital program includes an \$8 million appropriation for the State rail freight assistance program. This requirement represents a \$17 million increase in freight rail projects over FY 2016.

The bill also increases the size of the local aid program to \$400 million per year and adjusts the allocation of funds in the program so that the Local Aid Infrastructure Fund is funded at seven percent of the total or \$28 million per year, up from a proposed \$7.5 million for FY 2017; the county aid program is funded at 37.5 percent of the total or \$150 million per year, up from a proposed \$78.75 million for FY 2017; the municipal aid program is funded at 37.5 percent of the total or \$150 million with \$10 million being sub-allocated to the municipal aid urban aid program, compared with \$78.5 million program proposed for FY 2017 with \$5 million being sub-allocated to the municipal aid urban aid program. The bill creates a “Local Bridges Fund” which mirrors the capital program line item for “Local Bridges, Future Needs” and provides 11 percent of total funding or \$44 million per year, up from \$25 million proposed for FY 2017. The bill also creates a “Local Freight Impact Fund” which is newly created and intended to assist counties and municipalities with the impacts on local transportation infrastructure associated with the State’s freight industry which will be funded at seven percent of the total or \$28 million per year.

The bill allocates any amount above \$7.5 million appropriated to the Local Aid Infrastructure Fund in FY 2017 to be deposited into the State Transportation Infrastructure Bank Fund.

The bill renames the New Jersey Environmental Infrastructure Trust as the New Jersey Infrastructure Bank (“trust”) and establishes a special non-lapsing, revolving fund in the trust to be known as the State Transportation Infrastructure Bank Fund, which is to replace the State Transportation Infrastructure Bank that previously resided as a subaccount of the Special Transportation Fund. The bill repeals the

statutory language which created the existing State Transportation Infrastructure Bank.

The bill makes various changes to existing statutes related to the trust in order to expand its mission from water and environmental infrastructure projects, to include transportation projects. This bill provides that the aggregate principal amount of bonds, notes or other obligations of the trust is not to exceed \$3.8 billion for all purposes of the trust except the Disaster Relief Emergency Financing Program. The bill requires that funds and accounts of the trust be segregated in such a way as to prevent the mixing of transportation monies and water or environmental infrastructure monies.

The bill creates an interim financing program for transportation projects similar to the existing interim financing program for environmental projects and establishes a Department of Transportation Loan Origination Fee Fund within the trust.

Establishment of the State Transportation Infrastructure Bank Program is required by federal law as a depository for federal transportation infrastructure bank monies. The federal program currently allows states to enter into agreements whereby monies in the State Transportation Infrastructure Bank are loaned or used to provide other financial assistance to public or private entities for the planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of a transportation project or for any other purpose permitted under the federal program.

The bill also establishes an account to be established within the fund that only receives State funds so that grants can be issued without violating the terms of the federal program.

The program is to be administered by the trust with assistance from the DOT. The Commissioner of the DOT is to become an ex-officio member of the board of directors for the trust, and the DOT is to be responsible for establishing the list of projects that the trust is to finance and the priority in which they are to be funded. The trust is also directed to collaborate with the DOT on the evaluation of potential transportation projects, fulfilling federal regulations regarding capital projects, coordinating with metropolitan planning organizations, ensuring that any projects obtaining assistance are consistent with the Statewide capital investment strategy, and advancing local, regional, and Statewide transportation objectives.

The Legislature is to consider the full DOT project list through the Senate Budget and Appropriations Committee and Assembly Budget Committee before its inclusion in the annual appropriations act. The Legislature is to receive a copy of the transportation financial plan developed by the trust for the implementation of the financing of the DOT project list. The Legislature will have until June 30th to reject the transportation financial plan through a concurrent resolution. If the Legislature rejects the financial plan, the project list is removed from the budget and the trust is prohibited from financing any transportation

projects in that fiscal year. If the transportation financial plan is not rejected by June 30th, it is considered approved by the Legislature.

The State Transportation Infrastructure Bank Fund may be credited with State and federal funds appropriated to the fund, monetary donations made available to the State to support the State Transportation Infrastructure Bank Program, any monies received as repayment of the monies loaned or otherwise provided pursuant to the program, interest earnings received on the monies in the fund, and other moneys the Legislature appropriates to the trust for deposit into the State Transportation Infrastructure Bank Fund to finance or refinance transportation loans issued from the fund.

As amended and reported, this bill is identical to Senate Bill No. 2412 (1R), as also amended and reported by the committee.

COMMITTEE AMENDMENTS:

The amendments require that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to comply with the federal Disadvantaged Business Enterprise Program. The amendments also require that, with respect to State moneys expended with private firms for construction and professional services, the DOT is to adopt a goal for the expenditure of State capital transportation funds equal to the goal for the expenditure of federal funds for federally-assisted transportation projects approved by the USDOT, for moneys to be expended, either directly or through subcontracting requirements, with businesses owned and controlled by socially and economically disadvantaged individuals.

The amendments require that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to include mandatory equal employment opportunity and affirmative action contract provisions that require contractors to make a good faith effort to recruit and employ minority and women applicants and, where feasible, to interview and hire minority and women applicants that reside near the transportation project. The provisions of the contract are to provide that payment may be withheld for failure by the contractor to demonstrate to the satisfaction of the reporting agency that the required good faith effort was made.

The amendments require the Division of Public Contracts Equal Employment Opportunity Compliance to, within 90 days of the commencement of each contract, issue a report on its website as to whether a contractor has made a good faith effort to, where feasible, interview and hire applicants that reside near the transportation project and to recruit and employ minority and women applicants.

The amendments require the DOT to annually submit a report to the Governor and to the Legislature which contains certain data and information as provided for in the amendments.

The amendments also make technical changes to statutory references within the bill.

FISCAL IMPACT:

The bill authorizes up to \$12 billion in borrowing by the Transportation Trust Fund Authority and \$16 billion in appropriations from the authority's revenues over eight fiscal years, FY 2017 to FY 2024 inclusive. The bill does not specify any annual minimums or maximums for either borrowing or appropriations.

The Office of Legislative Services finds that the authority's sole sources of revenue with which to fund transportation capital projects and to retire its bonds are the proceeds of borrowing and State appropriations. If the authority funds \$2 billion in projects annually (an increase of \$753 million per year increase over FY 2016,) and issues \$1.5 billion in bonds annually, the OLS estimates that, based on a 31-year level debt service maturity schedule, annual State appropriations of \$86 million will be required for 31 years for debt service payments on each bond issuance. After issuance of all \$12 billion in bonds, annual debt service will total \$688 million per year. Further, the State will be required to appropriate \$500 million annually to fund the portion of annual transportation capital projects not funded by the proceeds of borrowing. Thus, annual State appropriations would increase by \$586 million in FY 2017, and then increase above that amount by about \$86 million annually thereafter (e.g., to \$672 million in FY 2018, to \$758 million in FY 2019), to a total of about \$1.19 billion in FY 2024.

The actual level of annual appropriations from the authority's revenues for transportation capital projects will be determined by the Legislature and Governor, and may differ from the assumptions above. The actual timing and amount of authority bonds issuances will be determined by the authority, and may also differ from the assumptions above. The actual annual impact on State expenditures could thus be significantly different than the OLS estimates.

STATEMENT TO
[First Reprint]
ASSEMBLY, No. 10

with Assembly Floor Amendments
(Proposed by Assemblyman PRIETO)

ADOPTED: JUNE 27, 2016

These Assembly amendments reduce the amount of authorized Transportation Trust Fund Authority bonding from \$15 billion through June 30, 2026 to \$12 billion through June 30, 2024, following voter approval of Assembly Concurrent Resolution No. 1 of 2015. The amendments also reduce the amount of authorized appropriations from the revenues and other funds of the Transportation Trust Fund from \$20 billion over 10 years from FY 2017 through FY 2026, to \$16 billion over eight years, from FY 2017 through FY 2024. The amendments also make changes to the Transportation Policy Review Board's State of Condition of Transportation Financing certification requirements so that the total appropriations the board is to certify is limited to \$16 billion in total from FY 2017-2024.

The amendments remove the requirement that no funds are to be expended on a transportation project that is not updated at least once per month on the authority website that requires status updates on transportation capital projects.

The amendments also make technical changes to clarify the statutory dedication of motor fuels tax revenues.

STATEMENT TO
[Third Reprint]
ASSEMBLY, No. 10

with Senate Floor Amendments
(Proposed by Senator SARLO)

ADOPTED: OCTOBER 5, 2016

These Senate amendments remove a requirement that every worker employed in the performance of a contract financed by the New Jersey Infrastructure Bank participate in a registered apprenticeship program or be paid at least the journeyworker's rate. The amendments also change the bill's effective date so that it is effective immediately. The amendments also make a technical correction.

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

ASSEMBLY, No. 10

STATE OF NEW JERSEY 217th LEGISLATURE

DATED: AUGUST 4, 2016

SUMMARY

- Synopsis:** Revises “New Jersey Transportation Trust Fund Authority Act”; establishes State Transportation Infrastructure Bank within NJ Environmental Infrastructure Trust; renames NJ Environmental Infrastructure Trust.
- Type of Impact:** Increased State and Transportation Trust Fund Authority Expenditures
- Agencies Affected:** New Jersey Transportation Trust Fund Authority, New Jersey Department of Transportation, New Jersey Transit Corporation, county governments, and municipal governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
State Expenditure	\$586 million	\$672 million	\$758 million
TTF Expenditure	\$2 billion average per year over eight years		
Local Revenue	\$400 million	\$400 million	\$400 million

- The bill authorizes up to \$12 billion in borrowing by the Transportation Trust Fund Authority (authority) and \$16 billion in appropriations from the authority’s revenues over eight fiscal years (FY), FY 2017 to FY 2024 inclusive. The bill specifies that the appropriation from the authority’s revenues is to contain \$400 million per year in grants for local government entities. The bill does not specify any annual minimums or maximums for either borrowing or appropriations.
- The Office of Legislative Services (OLS) notes that the authority’s sole sources of revenue with which to fund transportation capital projects and to retire its bonds are the proceeds of borrowing and State appropriations. If the authority funds \$2 billion in projects annually, and issues \$1.5 billion in bonds annually, the OLS estimates that, based on a 31-year level debt service maturity schedule, annual State appropriations of \$86 million will be required for 31 years for debt service payments on each bond issuance. After issuance of all \$12 billion in bonds, annual debt service will total \$688 million per year. Further, the State will be required to appropriate \$500 million annually to fund the portion of annual transportation capital

projects not funded by the proceeds of borrowing. Thus, annual State appropriations will increase by \$586 million in FY 2017, and then increase above that amount by about \$86 million annually thereafter (e.g., to \$672 million in FY 2018, to \$758 million in FY 2019), to a total of about \$1.19 billion in FY 2024.

- If the authority funds \$2 billion in projects per year over eight years, that will mark an increase of \$753 million per year over the FY 2016 funding level. That funding level will be enough to offset \$353 million in funding from the Port Authority of New York and New Jersey for FY 2016 which had been used to supplement the State transportation capital funding, and also to increase spending on State transportation projects by an additional \$400 million per year. Included in this spending will be \$400 million in local aid grants that are provided to local government units for transportation costs, a \$210 million increase over FY 2016.
- The actual level of annual appropriations from the authority's revenues for transportation capital projects will be determined by the Legislature and Governor, and may differ from the assumptions above. The actual timing and amount of authority bonds issuances will be determined by the authority, and may also differ from the assumptions above. The actual annual impact on State expenditures could thus be significantly different than the OLS estimates.

BILL DESCRIPTION

Assembly Bill No. 10 (3R) of 2016 amends the "New Jersey Transportation Trust Fund Authority Act of 1984" to make changes necessary to support the State's Capital Transportation Program for Fiscal Years 2017 through 2024.

This bill will provide the New Jersey Transportation Trust Fund Authority (authority) with \$12 billion in bonding authorization, contingent upon voter approval of Assembly Concurrent Resolution (ACR) No. 1 of 2015, which would constitutionally dedicate all Petroleum Products Gross Receipts Tax and Motor Fuels Tax revenue, and authorizes \$16 billion in State transportation capital program expenditures for an eight year period from FY 2017 through FY 2024. The bill allows for an average annual transportation capital program size of \$2 billion per year, an increase from the \$1.6 billion program amount in the previous capital program. The bill also anticipates the revenue necessary to finance an average of \$500 million per year of "pay-as-you-go" funding, which is funding available for projects that do not rely on debt or non-State resources. In the previous four years, the amount of "pay-as-you-go" funding was less than \$10 million per year.

The bill dedicates all revenues from the Motor Fuels Tax and the Petroleum Products Gross Receipts Tax to the Transportation Trust Fund. This language mirrors the language proposed in ACR No. 1 of 2015 that is scheduled to appear as a ballot question in the November 2016 general election, and would constitutionally dedicate these revenues in addition to the statutory dedication that is provided for in this bill.

The bill requires the authority to create a website to provide active monitoring of authority projects to be reported at least monthly to the public as well as a single location for public documentation related to the project. The reporting requirements for the website require real time reporting of construction projects and any potential sources of delays or increased cost.

The bill also incorporates bond premiums into the calculation of the authority's bonding cap, so that the bonding cap reflects the total amount of money generated by a bond issuance, rather than the par amount of bonds issued. This reflects the real amount of borrowing taking place in a bond issuance.

The bill also creates a "Transportation Trust Fund Account Subaccount for Capital Reserves." This subaccount will hold excess revenues which are constitutionally dedicated to the Transportation Trust Fund Account and will be deposited after making authority debt service payments payable in a given fiscal year, and after transferring to the "Special Transportation Fund" the annually appropriated amount of "pay-as-you-go" funding which is money appropriated for expenses of the State transportation capital program that does not derive from borrowing. Amounts placed into this fund are intended to ensure that the Transportation Trust Fund is sufficiently capitalized to support the funding needs of the State transportation capital program in the final years of the eight-year capital plan, and to improve the financial position of the authority by maintaining a capital reserve that can insulate the authority against any variability in the collection of revenues dedicated to the authority.

The bill increases the amount of information that is required to be reported in the annual Transportation Capital Program to better reflect the information currently provided by the Department of Transportation (DOT) and to more closely reflect the information provided in the federally required State Transportation Improvement Program document.

The bill converts the Financial Policy Review Board (board) into the Transportation Policy Review Board. The board is expanded to nine members, given expanded responsibilities to independently analyze and report on the cost effectiveness of spending in the transportation capital program, conduct and commission research on best practices and cost savings in the areas of transportation and public transportation construction, planning, finance, infrastructure, and governance and to provide policy recommendations to the Legislature on the best ways to organize the capital program and appropriate capital program funds. The board is also to meet before the Senate Budget and Appropriations Committee, Assembly Budget Committee, Assembly Transportation and Independent Authorities Committee, and Senate Transportation Committee at least one time each year, and to perform research and provide policy recommendations to the Legislature as requested.

The board is required to submit to the Governor and Legislature, no later than April 1, 2017, a report concerning the taxation of motor vehicles that are powered by a fuel source that is not subject to the Motor Fuel Tax Act or Petroleum Products Gross Receipts Tax Act, and is required to include recommendations for a new system of taxation that ensures that all vehicles operating on the highways of this State contribute in an equitable fashion to the cost of maintaining the State transportation system.

The bill establishes the Annual Transportation Capital Program Approval Committee. The committee is to ensure that Legislative input is provided in the process of selecting transportation capital projects that are funded through the Transportation Trust Fund Account. The committee is to consist of the Commissioner of Transportation, and three public members appointed by the Governor upon the joint recommendation of the Senate President and the Speaker of the General Assembly; one from certain counties of northern New Jersey, one from certain counties of central New Jersey, and one from certain counties of southern New Jersey. Each member will serve a three year term. The committee is to issue a certification each year known as the Annual Transportation Capital Program Approval Certification, which all four members are required to approve, or the Legislature is prohibited from appropriating money to support new transportation projects for that fiscal year, until the certification has been approved.

The bill requires that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to comply with the federal

Disadvantaged Business Enterprise Program, administered by the United States Department of Transportation (USDOT), in the same manner as the program administered for federally-assisted contracts funded, in whole or in part, by federal-aid highway dollars. The bill also requires that, with respect to State moneys expended with private firms for construction and professional services, the DOT is to adopt a goal for the expenditure of State capital transportation funds equal to the goal for the expenditure of federal funds for federally-assisted transportation projects approved by the USDOT, for moneys to be expended, either directly or through subcontracting requirements, with businesses owned and controlled by socially and economically disadvantaged individuals.

The bill requires that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to include mandatory equal employment opportunity and affirmative action contract provisions that require contractors to make a good faith effort to recruit and employ minority and women applicants and, where feasible, to interview and hire minority and women applicants that reside near the transportation project. The contract is required to provide that payment may be withheld for failure by the contractor to demonstrate to the satisfaction of the reporting agency that the required good faith effort was made.

The bill requires the DOT to submit annually, to the Governor and to the Legislature, a report which contains: the data provided to the USDOT pursuant to the provisions of 49 C.F.R. s.26.11; information concerning the progress of the DOT, the New Jersey Transit Corporation, counties, and municipalities towards the achievement of the goals for contracting with businesses owned and controlled by socially and economically disadvantaged individuals; and the recruitment, interview, and employment data concerning minority applicants, women applicants, minority applicants that reside near a transportation project, and women applicants that reside near a transportation project.

The bill requires an annual capital program appropriation of \$25 million per year to support freight rail projects. The current capital program includes an \$8 million appropriation for the State rail freight assistance program. This requirement represents a \$17 million increase in freight rail projects over FY 2016.

The bill also increases the size of the local aid program to \$400 million per year and adjusts the allocation of funds in the program so that the Local Aid Infrastructure Fund is funded at seven percent of the total or \$28 million per year, up from a proposed \$7.5 million for FY 2017; the county aid program is funded at 37.5 percent of the total or \$150 million per year, up from a proposed \$78.75 million for FY 2017; the municipal aid program is funded at 37.5 percent of the total or \$150 million with \$10 million being sub-allocated to the municipal aid urban aid program, compared with \$78.5 million program proposed for FY 2017 with \$5 million being sub-allocated to the municipal aid urban aid program. The bill creates a "Local Bridges Fund" which mirrors the capital program line item for "Local Bridges, Future Needs" and provides 11 percent of total funding or \$44 million per year, up from \$25 million proposed for FY 2017. The bill also creates a "Local Freight Impact Fund" which is newly created and intended to assist counties and municipalities with the impacts on local transportation infrastructure associated with the State's freight industry which will be funded at seven percent of the total or \$28 million per year.

The bill allocates any amount above \$7.5 million appropriated to the Local Aid Infrastructure Fund in FY 2017 to be deposited into the State Transportation Infrastructure Bank Fund.

The bill renames the New Jersey Environmental Infrastructure Trust as the New Jersey Infrastructure Bank ("trust") and establishes a special non-lapsing, revolving fund in the trust to be known as the State Transportation Infrastructure Bank Fund, which is to replace the State Transportation Infrastructure Bank that previously resided as a subaccount of the Special

Transportation Fund. The bill repeals the statutory language which created the existing State Transportation Infrastructure Bank.

The bill makes various changes to existing statutes related to the trust in order to expand its mission from water and environmental infrastructure projects, to include transportation projects. This bill provides that the aggregate principal amount of bonds, notes or other obligations of the trust is not to exceed \$3.8 billion for all purposes of the trust except the Disaster Relief Emergency Financing Program. The bill requires that funds and accounts of the trust be segregated in such a way as to prevent the mixing of transportation monies and water or environmental infrastructure monies.

The bill creates an interim financing program for transportation projects similar to the existing interim financing program for environmental projects and establishes a Department of Transportation Loan Origination Fee Fund within the trust.

Establishment of the State Transportation Infrastructure Bank Program is required by federal law as a depository for federal transportation infrastructure bank monies. The federal program currently allows states to enter into agreements whereby monies in the State Transportation Infrastructure Bank are loaned or used to provide other financial assistance to public or private entities for the planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of a transportation project or for any other purpose permitted under the federal program.

The bill also establishes an account to be established within the fund that only receives State funds so that grants can be issued without violating the terms of the federal program.

The program is to be administered by the trust with assistance from the DOT. The Commissioner of the DOT is to become an ex-officio member of the board of directors for the trust, and the DOT is to be responsible for establishing the list of projects that the trust is to finance and the priority in which they are to be funded. The trust is also directed to collaborate with the DOT on the evaluation of potential transportation projects, fulfilling federal regulations regarding capital projects, coordinating with metropolitan planning organizations, ensuring that any projects obtaining assistance are consistent with the Statewide capital investment strategy, and advancing local, regional, and Statewide transportation objectives.

The Legislature is to consider the full DOT project list through the Senate Budget and Appropriations Committee and Assembly Budget Committee before its inclusion in the annual appropriations act. The Legislature is to receive a copy of the transportation financial plan developed by the trust for the implementation of the financing of the DOT project list. The Legislature will have until June 30th to reject the transportation financial plan through a concurrent resolution. If the Legislature rejects the financial plan, the project list is removed from the budget and the trust is prohibited from financing any transportation projects in that fiscal year. If the transportation financial plan is not rejected by June 30th, it is considered approved by the Legislature.

The State Transportation Infrastructure Bank Fund may be credited with State and federal funds appropriated to the fund, monetary donations made available to the State to support the State Transportation Infrastructure Bank Program, any monies received as repayment of the monies loaned or otherwise provided pursuant to the program, interest earnings received on the monies in the fund, and other moneys the Legislature appropriates to the trust for deposit into the State Transportation Infrastructure Bank Fund to finance or refinance transportation loans issued from the fund.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The bill authorizes up to \$12 billion in borrowing by the Transportation Trust Fund Authority and \$16 billion in appropriations from the authority's revenues over eight fiscal years, FY 2017 to FY 2024 inclusive. The bill specifies that the appropriation from the authority's revenues is to contain \$400 million per year in grants for local government entities. The bill does not specify any annual minimums or maximums for either borrowing or appropriations.

The OLS notes that the authority's sole sources of revenue with which to fund transportation capital projects and to retire its bonds are the proceeds of borrowing and State appropriations. If the authority funds \$2 billion in projects annually, and issues \$1.5 billion in bonds annually, the OLS estimates that, based on a 31-year level debt service maturity schedule, annual State appropriations of \$86 million will be required for 31 years for debt service payments on each bond issuance. After issuance of all \$12 billion in bonds, annual debt service will total \$688 million per year. Further, the State will be required to appropriate \$500 million annually to fund the portion of annual transportation capital projects not funded by the proceeds of borrowing. Thus, annual State appropriations would increase by \$586 million in FY 2017, and then increase above that amount by about \$86 million annually thereafter (e.g., to \$672 million in FY 2018, to \$758 million in FY 2019), to a total of about \$1.19 billion in FY 2024.

While this scenario represents a possible outcome under the legislation, there are many other possible outcomes. If Assembly Concurrent Resolution No. 1 is not approved by the voters, the bill will provide no increase in bonding capacity and, as a result, the State will only be able to support transportation capital projects through the direct appropriation of revenues that would otherwise be available to the General Fund for any State purpose.

The bill provides a limit on borrowing and appropriations so it is also possible that in future years any combination of borrowing and transportation capital project funding could take place that comprise amounts less than \$12 billion and \$16 billion respectively.

The average debt service cost of borrowing in this projection is subject to significant interest rate risk. It cannot be known what prevailing interest rates will be in future years, and as a result the amount of debt service required to support borrowing for transportation capital projects may be significantly higher than projected.

If the authority funds \$2 billion in projects per year over eight years, that will mark an increase of \$753 million per year over the FY 2016 funding level. That funding level will be enough to offset \$353 million in funding from the Port Authority of New York and New Jersey for FY 2016 which had been used to supplement the State transportation capital funding, and also to increase spending on State transportation projects by an additional \$400 million per year. Included in this spending will be \$400 million in local aid grants that are provided to local government units for transportation costs, a \$210 million increase over FY 2016. This increase in local aid grants will represent a shift of authority appropriations for transportation capital projects to local governments that will become available to them as revenue to support their own transportation projects, thus this local revenue comes out of the \$2 billion in average State expenditures. Similarly, the \$500 million of State appropriations to the authority for transportation capital projects is, in turn, appropriated by the authority for the actual transportation projects.

The requirement that State projects adhere to the federal disadvantaged business enterprise (DBE) program for contracting, will likely entail additional State costs for monitoring and DBE business development. The current federal capital program includes \$350,000 in federal grants to support the federal DBE program. The State could similarly appropriate \$100,000 to \$200,000 in State capital program funds to increase the capacity of the DBE program to handle State projects. This increase in State transportation capital program funding would come from the \$400 million increase provided for in the bill, and not result in a requirement for direct State appropriations.

The total amount of spending on transportation projects under the bill is a maximum of \$16 billion over eight years or an average of \$2 billion per year. All of the State appropriations required as a result of this bill are in support of that spending authorization, either to directly fund that spending, or to provide a source of debt service to repay borrowing that will be used to fund that spending.

The actual level of annual appropriations from the authority's revenues for transportation capital projects will be determined by the Legislature and Governor, and may differ from the assumptions above. The actual timing and amount of authority bonds issuances will be determined by the authority, and may also differ from the assumptions above. The actual annual impact on State expenditures could thus be significantly different than the OLS estimates.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Patrick Brennan
Senior Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

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

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Fourth Reprint]

ASSEMBLY, No. 10

STATE OF NEW JERSEY 217th LEGISLATURE

DATED: OCTOBER 13, 2016

SUMMARY

- Synopsis:** Revises “New Jersey Transportation Trust Fund Authority Act”; establishes State Transportation Infrastructure Bank within NJ Environmental Infrastructure Trust; renames NJ Environmental Infrastructure Trust.
- Type of Impact:** Increased State and Transportation Trust Fund Authority Expenditures
- Agencies Affected:** New Jersey Transportation Trust Fund Authority, New Jersey Department of Transportation, New Jersey Transit Corporation, county governments, and municipal governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
State Expenditure	\$586 million	\$672 million	\$758 million
TTF Expenditure	\$2 billion average per year over eight years		
Local Revenue	\$400 million	\$400 million	\$400 million

- The bill authorizes up to \$12 billion in borrowing by the Transportation Trust Fund Authority (authority) and \$16 billion in appropriations from the authority’s revenues over eight fiscal years (FY), FY 2017 to FY 2024 inclusive. The bill specifies that the appropriation from the authority’s revenues is to contain \$400 million per year in grants for local government entities. The bill does not specify any annual minimums or maximums for either borrowing or appropriations.
- The Office of Legislative Services (OLS) notes that the authority’s sole sources of revenue with which to fund transportation capital projects and to retire its bonds are the proceeds of borrowing and State appropriations. If the authority funds \$2 billion in projects annually, and issues \$1.5 billion in bonds annually, the OLS estimates that, based on a 31-year level debt service maturity schedule, annual State appropriations of \$86 million will be required for 31 years for debt service payments on each bond issuance. After issuance of all \$12 billion in bonds, annual debt service will total \$688 million per year. Further, the State will be required to appropriate \$500 million annually to fund the portion of annual transportation capital

projects not funded by the proceeds of borrowing. Thus, annual State appropriations will increase by \$586 million in FY 2017, and then increase above that amount by about \$86 million annually thereafter (e.g., to \$672 million in FY 2018, to \$758 million in FY 2019), to a total of about \$1.19 billion in FY 2024.

- If the authority funds \$2 billion in projects per year over eight years, that will mark an increase of \$753 million per year over the FY 2016 funding level. That funding level will be enough to offset \$353 million in funding from the Port Authority of New York and New Jersey for FY 2016 which had been used to supplement the State transportation capital funding, and also to increase spending on State transportation projects by an additional \$400 million per year. Included in this spending will be \$400 million in local aid grants that are provided to local government units for transportation costs, a \$210 million increase over FY 2016.
- The actual level of annual appropriations from the authority's revenues for transportation capital projects will be determined by the Legislature and Governor, and may differ from the assumptions above. The actual timing and amount of authority bonds issuances will be determined by the authority, and may also differ from the assumptions above. The actual annual impact on State expenditures could thus be significantly different than the OLS estimates.

BILL DESCRIPTION

Assembly Bill No. 10 (4R) of 2016 amends the "New Jersey Transportation Trust Fund Authority Act of 1984" to make changes necessary to support the State's Capital Transportation Program for Fiscal Years 2017 through 2024.

This bill will provide the New Jersey Transportation Trust Fund Authority (authority) with \$12 billion in bonding authorization, contingent upon voter approval of Assembly Concurrent Resolution (ACR) No. 1 of 2015, which would constitutionally dedicate all Petroleum Products Gross Receipts Tax and Motor Fuels Tax revenue, and authorizes \$16 billion in State transportation capital program expenditures for an eight year period from FY 2017 through FY 2024. The bill allows for an average annual transportation capital program size of \$2 billion per year, an increase from the \$1.6 billion program amount in the previous capital program. The bill also anticipates the revenue necessary to finance an average of \$500 million per year of "pay-as-you-go" funding, which is funding available for projects that do not rely on debt or non-State resources. In the previous four years, the amount of "pay-as-you-go" funding was less than \$10 million per year.

The bill dedicates all revenues from the Motor Fuels Tax and the Petroleum Products Gross Receipts Tax to the Transportation Trust Fund. This language mirrors the language proposed in ACR No. 1 of 2015 that is scheduled to appear as a ballot question in the November 2016 general election, and would constitutionally dedicate these revenues in addition to the statutory dedication that is provided for in this bill.

The bill requires the authority to create a website to provide active monitoring of authority projects to be reported at least monthly to the public as well as a single location for public documentation related to the project. The reporting requirements for the website require real time reporting of construction projects and any potential sources of delays or increased cost.

The bill also incorporates bond premiums into the calculation of the authority's bonding cap, so that the bonding cap reflects the total amount of money generated by a bond issuance, rather than the par amount of bonds issued. This reflects the real amount of borrowing taking place in a bond issuance.

The bill also creates a "Transportation Trust Fund Account Subaccount for Capital Reserves." This subaccount will hold excess revenues which are constitutionally dedicated to the Transportation Trust Fund Account and will be deposited after making authority debt service payments payable in a given fiscal year, and after transferring to the "Special Transportation Fund" the annually appropriated amount of "pay-as-you-go" funding which is money appropriated for expenses of the State transportation capital program that does not derive from borrowing. Amounts placed into this fund are intended to ensure that the Transportation Trust Fund is sufficiently capitalized to support the funding needs of the State transportation capital program in the final years of the eight-year capital plan, and to improve the financial position of the authority by maintaining a capital reserve that can insulate the authority against any variability in the collection of revenues dedicated to the authority.

The bill increases the amount of information that is required to be reported in the annual Transportation Capital Program to better reflect the information currently provided by the Department of Transportation (DOT) and to more closely reflect the information provided in the federally required State Transportation Improvement Program document.

The bill converts the Financial Policy Review Board (board) into the Transportation Policy Review Board. The board is expanded to nine members, given expanded responsibilities to independently analyze and report on the cost effectiveness of spending in the transportation capital program, conduct and commission research on best practices and cost savings in the areas of transportation and public transportation construction, planning, finance, infrastructure, and governance and to provide policy recommendations to the Legislature on the best ways to organize the capital program and appropriate capital program funds. The board is also to meet before the Senate Budget and Appropriations Committee, Assembly Budget Committee, Assembly Transportation and Independent Authorities Committee, and Senate Transportation Committee at least one time each year, and to perform research and provide policy recommendations to the Legislature as requested.

The board is required to submit to the Governor and Legislature, no later than April 1, 2017, a report concerning the taxation of motor vehicles that are powered by a fuel source that is not subject to the Motor Fuel Tax Act or Petroleum Products Gross Receipts Tax Act, and is required to include recommendations for a new system of taxation that ensures that all vehicles operating on the highways of this State contribute in an equitable fashion to the cost of maintaining the State transportation system.

The bill establishes the Annual Transportation Capital Program Approval Committee. The committee is to ensure that Legislative input is provided in the process of selecting transportation capital projects that are funded through the Transportation Trust Fund Account. The committee is to consist of the Commissioner of Transportation, and three public members appointed by the Governor upon the joint recommendation of the Senate President and the Speaker of the General Assembly; one from certain counties of northern New Jersey, one from certain counties of central New Jersey, and one from certain counties of southern New Jersey. Each member will serve a three year term. The committee is to issue a certification each year known as the Annual Transportation Capital Program Approval Certification, which all four members are required to approve, or the Legislature is prohibited from appropriating money to support new transportation projects for that fiscal year, until the certification has been approved.

The bill requires that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to comply with the federal

Disadvantaged Business Enterprise Program, administered by the United States Department of Transportation (USDOT), in the same manner as the program administered for federally-assisted contracts funded, in whole or in part, by federal-aid highway dollars. The bill also requires that, with respect to State moneys expended with private firms for construction and professional services, the DOT is to adopt a goal for the expenditure of State capital transportation funds equal to the goal for the expenditure of federal funds for federally-assisted transportation projects approved by the USDOT, for moneys to be expended, either directly or through subcontracting requirements, with businesses owned and controlled by socially and economically disadvantaged individuals.

The bill requires that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to include mandatory equal employment opportunity and affirmative action contract provisions that require contractors to make a good faith effort to recruit and employ minority and women applicants and, where feasible, to interview and hire minority and women applicants that reside near the transportation project. The contract is required to provide that payment may be withheld for failure by the contractor to demonstrate to the satisfaction of the reporting agency that the required good faith effort was made.

The bill requires the DOT to submit annually, to the Governor and to the Legislature, a report which contains: the data provided to the USDOT pursuant to the provisions of 49 C.F.R. s.26.11; information concerning the progress of the DOT, the New Jersey Transit Corporation, counties, and municipalities towards the achievement of the goals for contracting with businesses owned and controlled by socially and economically disadvantaged individuals; and the recruitment, interview, and employment data concerning minority applicants, women applicants, minority applicants that reside near a transportation project, and women applicants that reside near a transportation project.

The bill requires an annual capital program appropriation of \$25 million per year to support freight rail projects. The current capital program includes an \$8 million appropriation for the State rail freight assistance program. This requirement represents a \$17 million increase in freight rail projects over FY 2016.

The bill also increases the size of the local aid program to \$400 million per year and adjusts the allocation of funds in the program so that the Local Aid Infrastructure Fund is funded at seven percent of the total or \$28 million per year, up from a proposed \$7.5 million for FY 2017; the county aid program is funded at 37.5 percent of the total or \$150 million per year, up from a proposed \$78.75 million for FY 2017; the municipal aid program is funded at 37.5 percent of the total or \$150 million with \$10 million being sub-allocated to the municipal aid urban aid program, compared with \$78.5 million program proposed for FY 2017 with \$5 million being sub-allocated to the municipal aid urban aid program. The bill creates a "Local Bridges Fund" which mirrors the capital program line item for "Local Bridges, Future Needs" and provides 11 percent of total funding or \$44 million per year, up from \$25 million proposed for FY 2017. The bill also creates a "Local Freight Impact Fund" which is newly created and intended to assist counties and municipalities with the impacts on local transportation infrastructure associated with the State's freight industry which will be funded at seven percent of the total or \$28 million per year.

The bill allocates any amount above \$7.5 million appropriated to the Local Aid Infrastructure Fund in FY 2017 to be deposited into the State Transportation Infrastructure Bank Fund.

The bill renames the New Jersey Environmental Infrastructure Trust as the New Jersey Infrastructure Bank ("trust") and establishes a special non-lapsing, revolving fund in the trust to be known as the State Transportation Infrastructure Bank Fund, which is to replace the State Transportation Infrastructure Bank that previously resided as a subaccount of the Special

Transportation Fund. The bill repeals the statutory language which created the existing State Transportation Infrastructure Bank.

The bill makes various changes to existing statutes related to the trust in order to expand its mission from water and environmental infrastructure projects, to include transportation projects. This bill provides that the aggregate principal amount of bonds, notes or other obligations of the trust is not to exceed \$3.8 billion for all purposes of the trust except the Disaster Relief Emergency Financing Program. The bill requires that funds and accounts of the trust be segregated in such a way as to prevent the mixing of transportation monies and water or environmental infrastructure monies.

The bill creates an interim financing program for transportation projects similar to the existing interim financing program for environmental projects and establishes a Department of Transportation Loan Origination Fee Fund within the trust.

Establishment of the State Transportation Infrastructure Bank Program is required by federal law as a depository for federal transportation infrastructure bank monies. The federal program currently allows states to enter into agreements whereby monies in the State Transportation Infrastructure Bank are loaned or used to provide other financial assistance to public or private entities for the planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of a transportation project or for any other purpose permitted under the federal program.

The bill also establishes an account to be established within the fund that only receives State funds so that grants can be issued without violating the terms of the federal program.

The program is to be administered by the trust with assistance from the DOT. The Commissioner of the DOT is to become an ex-officio member of the board of directors for the trust, and the DOT is to be responsible for establishing the list of projects that the trust is to finance and the priority in which they are to be funded. The trust is also directed to collaborate with the DOT on the evaluation of potential transportation projects, fulfilling federal regulations regarding capital projects, coordinating with metropolitan planning organizations, ensuring that any projects obtaining assistance are consistent with the Statewide capital investment strategy, and advancing local, regional, and Statewide transportation objectives.

The Legislature is to consider the full DOT project list through the Senate Budget and Appropriations Committee and Assembly Budget Committee before its inclusion in the annual appropriations act. The Legislature is to receive a copy of the transportation financial plan developed by the trust for the implementation of the financing of the DOT project list. The Legislature will have until June 30th to reject the transportation financial plan through a concurrent resolution. If the Legislature rejects the financial plan, the project list is removed from the budget and the trust is prohibited from financing any transportation projects in that fiscal year. If the transportation financial plan is not rejected by June 30th, it is considered approved by the Legislature.

The State Transportation Infrastructure Bank Fund may be credited with State and federal funds appropriated to the fund, monetary donations made available to the State to support the State Transportation Infrastructure Bank Program, any monies received as repayment of the monies loaned or otherwise provided pursuant to the program, interest earnings received on the monies in the fund, and other moneys the Legislature appropriates to the trust for deposit into the State Transportation Infrastructure Bank Fund to finance or refinance transportation loans issued from the fund.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The bill authorizes up to \$12 billion in borrowing by the Transportation Trust Fund Authority and \$16 billion in appropriations from the authority's revenues over eight fiscal years, FY 2017 to FY 2024 inclusive. The bill specifies that the appropriation from the authority's revenues is to contain \$400 million per year in grants for local government entities. The bill does not specify any annual minimums or maximums for either borrowing or appropriations.

The OLS notes that the authority's sole sources of revenue with which to fund transportation capital projects and to retire its bonds are the proceeds of borrowing and State appropriations. If the authority funds \$2 billion in projects annually, and issues \$1.5 billion in bonds annually, the OLS estimates that, based on a 31-year level debt service maturity schedule, annual State appropriations of \$86 million will be required for 31 years for debt service payments on each bond issuance. After issuance of all \$12 billion in bonds, annual debt service will total \$688 million per year. Further, the State will be required to appropriate \$500 million annually to fund the portion of annual transportation capital projects not funded by the proceeds of borrowing. Thus, annual State appropriations would increase by \$586 million in FY 2017, and then increase above that amount by about \$86 million annually thereafter (e.g., to \$672 million in FY 2018, to \$758 million in FY 2019), to a total of about \$1.19 billion in FY 2024.

While this scenario represents a possible outcome under the legislation, there are many other possible outcomes. If Assembly Concurrent Resolution No. 1 is not approved by the voters, the bill will provide no increase in bonding capacity and, as a result, the State will only be able to support transportation capital projects through the direct appropriation of revenues that would otherwise be available to the General Fund for any State purpose.

The bill provides a limit on borrowing and appropriations so it is also possible that in future years any combination of borrowing and transportation capital project funding could take place that comprise amounts less than \$12 billion and \$16 billion respectively.

The average debt service cost of borrowing in this projection is subject to significant interest rate risk. It cannot be known what prevailing interest rates will be in future years, and as a result the amount of debt service required to support borrowing for transportation capital projects may be significantly higher than projected.

If the authority funds \$2 billion in projects per year over eight years, that will mark an increase of \$753 million per year over the FY 2016 funding level. That funding level will be enough to offset \$353 million in funding from the Port Authority of New York and New Jersey for FY 2016 which had been used to supplement the State transportation capital funding, and also to increase spending on State transportation projects by an additional \$400 million per year. Included in this spending will be \$400 million in local aid grants that are provided to local government units for transportation costs, a \$210 million increase over FY 2016. This increase in local aid grants will represent a shift of authority appropriations for transportation capital projects to local governments that will become available to them as revenue to support their own transportation projects, thus this local revenue comes out of the \$2 billion in average State expenditures. Similarly, the \$500 million of State appropriations to the authority for

transportation capital projects is, in turn, appropriated by the authority for the actual transportation projects.

The requirement that State projects adhere to the federal disadvantaged business enterprise (DBE) program for contracting, will likely entail additional State costs for monitoring and DBE business development. The current federal capital program includes \$350,000 in federal grants to support the federal DBE program. The State could similarly appropriate \$100,000 to \$200,000 in State capital program funds to increase the capacity of the DBE program to handle State projects. This increase in State transportation capital program funding would come from the \$400 million increase provided for in the bill, and not result in a requirement for direct State appropriations.

The total amount of spending on transportation projects under the bill is a maximum of \$16 billion over eight years or an average of \$2 billion per year. All of the State appropriations required as a result of this bill are in support of that spending authorization, either to directly fund that spending, or to provide a source of debt service to repay borrowing that will be used to fund that spending.

The actual level of annual appropriations from the authority's revenues for transportation capital projects will be determined by the Legislature and Governor, and may differ from the assumptions above. The actual timing and amount of authority bonds issuances will be determined by the authority, and may also differ from the assumptions above. The actual annual impact on State expenditures could thus be significantly different than the OLS estimates.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Patrick Brennan
Senior Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

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

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 2412

STATE OF NEW JERSEY
217th LEGISLATURE

INTRODUCED JUNE 20, 2016

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

SYNOPSIS

Revises “New Jersey Transportation Trust Fund Authority Act”; establishes State Transportation Infrastructure Bank within NJ Environmental Infrastructure Trust; renames NJ Environmental Infrastructure Trust.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the financing and construction of transportation
2 infrastructure in the State and amending various parts of the
3 statutory law, supplementing Title 27 and 58 of the Revised
4 Statutes, and repealing P.L.1997, c.142.

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

8
9 1. Section 3 of P.L.1984, c.73 (C.27:1B-3) is amended to read as
10 follows:

11 3. The following words or terms as used in this act shall have
12 the following meaning unless a different meaning clearly appears
13 from the context:

14 **[a.]** "Act" means this New Jersey Transportation Trust Fund
15 Authority Act of 1984 as amended and supplemented.

16 **[b.]** "Authority" means the New Jersey Transportation Trust
17 Fund Authority created by section 4 of this act.

18 **[c.]** "Bonds" means bonds issued by the authority pursuant to
19 the act and includes prior bonds and transportation program bonds.

20 "Circle of Mobility" means an essential group of related transit
21 projects that include (1) the New Jersey Urban Core Project, as
22 defined in section 3031 of the "Intermodal Surface Transportation
23 Efficiency Act of 1991," Pub.L.102-240, and consisting of the
24 following elements: Secaucus Transfer, Kearny Connection,
25 Waterfront Connection, Northeast Corridor Signal System, Hudson
26 River Waterfront Transportation System, Newark-Newark
27 International Airport-Elizabeth Transit Link, a rail connection
28 between Penn Station Newark and Broad Street Station, Newark,
29 New York Penn Station Concourse, and the equipment needed to
30 operate revenue service associated with improvements made by the
31 project, and (2) the modification and reconstruction of the West
32 Shore Line in Bergen County connected to Allied
33 Junction/Secaucus Transfer Meadowlands Rail Center; the
34 construction of a rail station and associated components at the
35 Meadowlands Sports Complex; the modification and reconstruction
36 of the Susquehanna and Western Railway, as defined and provided
37 in section 3035 (a) of the "Intermodal Surface Transportation
38 Efficiency Act of 1991"; the modification and reconstruction of the
39 Lackawanna Cutoff Commuter Rail Line connecting Morris, Sussex
40 and Warren Counties to the North Jersey Transportation Rail
41 Centers; and commuter rail service in the central New Jersey region
42 terminating at the proposed Lakewood Transportation Center in
43 Ocean County or other location, as determined by the Board of the
44 New Jersey Transit Corporation, pursuant to a resolution of the
45 board providing for the achievement of a consensus among the
46 interested parties as to the direction of the proposed rail line;

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 provided, however, that this 2000 amendatory act shall not be
2 construed as affecting any priorities which may have been assigned
3 to any other project in the Circle of Mobility.

4 **【d.】** “Commissioner” means the Commissioner of
5 Transportation.

6 **【e.】** “Department” means the Department of Transportation.

7 **【f.】** “Federal aid highway” means any highway within the State
8 in connection with which the State receives payment or
9 reimbursement from the federal government under the terms of
10 Title 23, United States Code or any amendment, successor, or
11 replacement thereof, for the purposes contained in the act.

12 **【g.】** “Federal government” means the United States of America,
13 and any **【officer】** office, department, board, commission, bureau,
14 division, corporation, agency, or instrumentality thereof.

15 **【h.】** “South Jersey Transportation Authority” means the public
16 corporation created by section 4 of P.L.1991, c.252 (C.27:25A-4) or
17 its successor.

18 **【i.】** “New Jersey Highway Authority” means the public
19 corporation created by section 4 of P.L.1952, c.16 (C.27:12B-4) or
20 its successor.

21 **【j.】** “New Jersey Turnpike Authority” means the public
22 corporation created by section 3 of P.L.1948, c.454 (C.27:23-3) or
23 its successor.

24 **【k.】** “Notes” means the notes issued by the authority pursuant to
25 the act.

26 “Permitted maintenance” means, in relation to public
27 transportation projects and transportation projects, direct costs of
28 work necessary for preserving or maintaining the useful life of
29 public transportation projects and transportation projects,
30 respectively, provided the work performed is associated with the
31 acquisition, installation, and rehabilitation of components which are
32 not included in the normal operating maintenance of equipment and
33 facilities or replaced on a scheduled basis. The work shall ensure
34 the useful life of the public transportation project or transportation
35 project for not less than five years and shall not include routine
36 maintenance or inspection of equipment and facilities that is
37 conducted on a scheduled basis. This definition shall not apply to
38 the term “maintenance” as used in the definition of “public
39 highways.” In relation to public highways, “permitted
40 maintenance” means the direct costs of work necessary for
41 preserving or maintaining the useful life of public highways,
42 provided the work is not associated with the regular and routine
43 maintenance of public highways and their components. The work
44 shall ensure the useful life of the transportation project for not less
45 than five years.

46 “Prior bonds” means bonds issued pursuant to the authorization
47 contained in P.L.1995, c.108 and P.L.2006, c.3 and any bonds
48 issued to refund such prior bonds.

1 **[l.]** "Public highways" means public roads, streets, expressways,
2 freeways, parkways, motorways and boulevards, including bridges,
3 tunnels, overpasses, underpasses, interchanges, rest areas, express
4 bus roadways, bus pullouts and turnarounds, park-ride facilities,
5 traffic circles, grade separations, traffic control devices, the
6 elimination or improvement of crossings of railroads and highways,
7 whether at grade or not at grade, bicycle and pedestrian pathways
8 and pedestrian and bicycle bridges traversing public highways and
9 any facilities, equipment, property, rights of way, easements and
10 interests therein needed for the construction, improvement, and
11 maintenance of highways.

12 **[m.]** "Public transportation project" means, in connection with
13 public transportation service, passenger stations, shelters and
14 terminals, automobile parking facilities, ferries and ferry facilities,
15 including capital projects for ferry terminals, approach roadways,
16 pedestrian accommodations, parking, docks, and other necessary
17 land-side improvements, ramps, track connections, signal systems,
18 power systems, information and communication systems, roadbeds,
19 transit lanes or rights of way, equipment storage, pedestrian
20 walkways and bridges connecting to passenger stations and
21 servicing facilities, bridges, grade crossings, rail cars, locomotives,
22 motorbuses and other motor vehicles, maintenance and garage
23 facilities, revenue handling equipment and any other equipment,
24 facility, or property useful for or related to the provision of public
25 transportation service.

26 "South Jersey Transportation Authority" means the public
27 corporation created by section 4 of P.L.1991, c.252 (C.27:25A-4) or
28 its successor.

29 **[n.]** "State agency" means any **[officer]** office, department,
30 board, commission, bureau, division, agency, or instrumentality of
31 the State.

32 **[o.]** "Toll road authorities" means and includes the New Jersey
33 Turnpike Authority, the New Jersey Highway Authority, or its
34 successor, and the South Jersey Transportation Authority.

35 "Transportation program bonds" means bonds issued pursuant to
36 the authorization contained in P.L.2012, c.13, P.L. , c. (pending
37 before the Legislature as this bill), and any bonds issued to refund
38 such transportation program bonds.

39 **[p.]** "Transportation project" means, in addition to public
40 highways and public transportation projects, any equipment, facility
41 or property useful or related to the provision of any ground,
42 waterborne, or air transportation for the movement of people and
43 goods including rail freight infrastructure, which equipment,
44 facility, or property may be acquired by purchase or lease.

45 **[q.]** "Transportation system" means public highways, public
46 transportation projects, other transportation projects, and all other
47 surface, airborne, and waterborne methods of transportation for the
48 movement of people and goods.

1 [r. "Permitted maintenance" means, in relation to public
2 transportation projects, direct costs of work necessary for
3 preserving or maintaining the useful life of public transportation
4 projects, provided the work performed is associated with the
5 acquisition, installation and rehabilitation of components which are
6 not included in the normal operating maintenance of equipment and
7 facilities or replaced on a scheduled basis. The work shall ensure
8 the useful life of the project for not less than five years and shall not
9 include routine maintenance or inspection of equipment and
10 facilities that is conducted on a scheduled basis. This definition
11 shall not apply to the term "maintenance" as used in subsection l. of
12 this section. For purposes of this subsection, "permitted
13 maintenance" means, in relation to public highways, the direct costs
14 of work necessary for preserving or maintaining the useful life of
15 public highways, provided the work is not associated with the
16 regular and routine maintenance of public highways and their
17 components. The work shall ensure the useful life of the project for
18 not less than five years.

19 s. "Circle of Mobility" means an essential group of related
20 transit projects that include (1) the New Jersey Urban Core Project,
21 as defined in section 3031 of the "Intermodal Surface
22 Transportation Efficiency Act of 1991," Pub.L.102-240, and
23 consisting of the following elements: Secaucus Transfer, Kearny
24 Connection, Waterfront Connection, Northeast Corridor Signal
25 System, Hudson River Waterfront Transportation System, Newark-
26 Newark International Airport-Elizabeth Transit Link, a rail
27 connection between Penn Station Newark and Broad Street Station,
28 Newark, New York Penn Station Concourse, and the equipment
29 needed to operate revenue service associated with improvements
30 made by the project, and (2) the modification and reconstruction of
31 the West Shore Line in Bergen County connected to Allied
32 Junction/Secaucus Transfer Meadowlands Rail Center; the
33 construction of a rail station and associated components at the
34 Meadowlands Sports Complex; the modification and reconstruction
35 of the Susquehanna and Western Railway, as defined and provided
36 in section 3035 (a) of the "Intermodal Surface Transportation
37 Efficiency Act of 1991"; the modification and reconstruction of the
38 Lackawanna Cutoff Commuter Rail Line connecting Morris, Sussex
39 and Warren Counties to the North Jersey Transportation Rail
40 Centers; and commuter rail service in the central New Jersey region
41 terminating at the proposed Lakewood Transportation Center in
42 Ocean County or other location, as determined by the Board of the
43 New Jersey Transit Corporation, pursuant to a resolution of the
44 board providing for the achievement of a consensus among the
45 interested parties as to the direction of the proposed rail line;
46 provided, however, that this 2000 amendatory act shall not be
47 construed as affecting any priorities which may have been assigned
48 to any other project in the Circle of Mobility.

1 t. "Prior bonds" means bonds issued pursuant to the
2 authorization contained in P.L.1995, c.108 and P.L.2006, c.3 and
3 any bonds issued to refund such prior bonds.

4 u. "Transportation program bonds" means bonds issued
5 pursuant to the authorization contained in P.L.2012, c.13, and any
6 bonds issued to refund such transportation program bonds. **】**
7 (cf: P.L.2012, c.13, s.1)

8
9 2. Section 9 of P.L.1984, c.73 (C.27:1B-9) is amended to read as
10 follows:

11 9. a. The authority shall have the power and is hereby
12 authorized after November 15, 1984 and from time to time
13 thereafter to issue its bonds, notes or other obligations in principal
14 amounts as in the opinion of the authority shall be necessary to
15 provide for any of its corporate purposes, including the payment,
16 funding or refunding of the principal of, or interest or redemption
17 premiums on, any bonds, notes or other obligations issued by it,
18 whether the bonds, notes, obligations or interest to be funded or
19 refunded have or have not become due; and to provide for the
20 security thereof and for the establishment or increase of reserves to
21 secure or to pay the bonds, notes or other obligations or interest
22 thereon and all other reserves and all costs or expenses of the
23 authority incident to and necessary or convenient to carry out its
24 corporate purposes and powers; and in addition to its bonds, notes
25 and other obligations, the authority shall have the power to issue
26 subordinated indebtedness, which shall be subordinate in lien to the
27 lien of any or all of its bonds or notes. No resolution or other action
28 of the authority providing for the issuance of bonds, refunding
29 bonds, notes, or other obligations shall be adopted or otherwise
30 made effective by the authority without the prior approval in
31 writing of the Governor and the State Treasurer.

32 b. Except as may be otherwise expressly provided in the act or
33 by the authority:

34 (1) Every issue of bonds or notes shall be general obligations
35 payable out of any revenues or funds of the authority, subject only
36 to any agreements with the holders of particular bonds or notes
37 pledging any particular revenues or funds. The authority may
38 provide the security and payment provisions for its bonds or notes
39 as it may determine, including (without limiting the generality of
40 the foregoing) bonds or notes as to which the principal and interest
41 are payable from and secured by all or any portion of the revenues
42 of and payments to the authority, and other moneys or funds as the
43 authority shall determine, provided that for transportation program
44 bonds or notes issued in anticipation of such transportation program
45 bonds, only revenues dedicated pursuant to the New Jersey
46 Constitution, including Article VIII, Section II, paragraph 4, and
47 deposited into the "Transportation Trust Fund Account -

1 Subaccount for Debt Service for Transportation Program Bonds,"
2 may be used for such payment;

3 (2) In addition, the authority may issue notes, in anticipation of
4 the issuance of the bonds, provided that the issuance of such notes
5 shall be subject to the bonding limitations as provided in subsection
6 i. of this section, and the payment of such notes if issued in
7 anticipation of the issuance of transportation program bonds shall
8 be paid solely from revenues dedicated pursuant to the New Jersey
9 Constitution, including Article VIII, Section II, paragraph 4, and
10 deposited into the "Transportation Trust Fund Account -
11 Subaccount for Debt Service for Transportation Program Bonds."
12 The authority may also issue notes in anticipation of the receipt of
13 appropriations, grants, reimbursements or other funds, including
14 without limitation grants from the federal government for federal
15 aid highways or public transportation systems, the principal of or
16 interest on which, or both, shall be payable out of the proceeds of
17 appropriations, grants, reimbursements or other funds, including
18 without limitation grants from the federal government for federal
19 aid highways or public transportation systems. Such notes shall not
20 be subject to the bonding limitations as provided in subsection i. of
21 this section; and

22 (3) The authority may also enter into bank loan agreements,
23 lines of credit and other security agreements as authorized pursuant
24 to subsection h. of section 6 of P.L.1984, c.73 (C.27:1B-6) and
25 obtain for or on its behalf letters of credit in each case for the
26 purpose of securing its bonds, notes or other obligations or to
27 provide direct payment of any costs which the authority is
28 authorized to pay by this act and to secure repayment of any
29 borrowings under the loan agreement, line of credit, letter of credit
30 or other security agreement by its bonds, notes or other obligations
31 or the proceeds thereof or by any or all of the revenues of and
32 payments to the authority or by any appropriation, grant or
33 reimbursement to be received by the authority and other moneys or
34 funds as the authority shall determine, provided that for any such
35 agreements entered into in connection with transportation program
36 bonds issued pursuant to the authorization contained in subsection i.
37 of this section, or notes issued in anticipation of such transportation
38 program bonds, only revenues dedicated pursuant to the New Jersey
39 Constitution, including Article VIII, Section II, paragraph 4, and
40 deposited into the "Transportation Trust Fund Account -
41 Subaccount for Debt Service for Transportation Program Bonds,"
42 may be used for such payment.

43 c. Whether or not the bonds and notes are of the form and
44 character as to be negotiable instruments under the terms of Title
45 12A, Commercial Transactions, New Jersey Statutes, the bonds and
46 notes are hereby made negotiable instruments within the meaning of
47 and for all the purposes of Title 12A of the New Jersey Statutes.

1 d. Bonds or notes of the authority shall be authorized by a
2 resolution or resolutions of the authority and may be issued in one
3 or more series and shall bear the date, or dates, mature at the time
4 or times, bear interest at the rate or rates of interest per annum, be
5 in the denomination or denominations, be in the form, carry the
6 conversion or registration privileges, have the rank or priority, be
7 executed in the manner, be payable from the sources, in the medium
8 of payment, at the place or places within or without the State, and
9 be subject to the terms of redemption (with or without premium) as
10 the resolution or resolutions may provide. Bonds or notes may be
11 further secured by a trust indenture between the authority and a
12 corporate trustee within or without the State. All other obligations
13 of the authority shall be authorized by resolution containing terms
14 and conditions as the authority shall determine.

15 e. Bonds, notes or other obligations of the authority may be
16 sold at public or private sale at a price or prices and in a manner as
17 the authority shall determine, either on a negotiated or on a
18 competitive basis. Every bond, or refunding bond, issued on or
19 after the effective date of P.L.2006, c.3 (C.27:1B-22.2 et al.) shall
20 mature and be paid no later than 31 years from the date of the
21 issuance of that bond or refunding bond.

22 f. Bonds or notes may be issued and other obligations incurred
23 under the provisions of the act without obtaining the consent of any
24 department, division, commission, board, bureau or agency of the
25 State, other than the approval as required by subsection a. of this
26 section, and without any other proceedings or the happening of any
27 other conditions or other things than those proceedings, conditions
28 or things which are specifically required by the act.

29 g. Bonds, notes and other obligations of the authority issued or
30 incurred under the provisions of the act shall not be in any way a
31 debt or liability of the State or of any political subdivision thereof
32 other than the authority and shall not create or constitute any
33 indebtedness, liability or obligation of the State or of any political
34 subdivision or be or constitute a pledge of the faith and credit of the
35 State or of any political subdivision, but all bonds, notes and
36 obligations, unless funded or refunded by bonds, notes or other
37 obligations of the authority, shall be payable solely from revenues
38 or funds pledged or available for their payment as authorized in the
39 act. Each bond, note or other obligation shall contain on its face a
40 statement to the effect that the authority is obligated to pay the
41 principal thereof or the interest thereon only from revenues or funds
42 of the authority, and for transportation program bonds and
43 agreements securing such transportation program bonds only from
44 revenues dedicated pursuant to the New Jersey Constitution,
45 including Article VIII, Section II, paragraph 4, and deposited into
46 the "Transportation Trust Fund Account - Subaccount for Debt
47 Service for Transportation Program Bonds," and that neither the
48 State nor any political subdivision thereof is obligated to pay the

1 principal or interest and that neither the faith and credit nor the
2 taxing power of the State or any political subdivision thereof is
3 pledged to the payment of the principal of or the interest on the
4 bonds, notes or other obligations. For the purposes of this
5 subsection, political subdivision does not include the authority.

6 h. All expenses incurred in carrying out the provisions of the
7 act shall be payable solely from the revenues or funds provided or
8 to be provided under or pursuant to the provisions of the act and
9 nothing in the act shall be construed to authorize the authority to
10 incur any indebtedness or liability on behalf of or payable by the
11 State or any political subdivision thereof.

12 i. **【**The authority shall minimize debt incurrence by first
13 relying on appropriations and other revenues available to the
14 authority before incurring debt secured by State revenues to meet its
15 statutory purposes.**】** Commencing with the fiscal year beginning
16 July 1, 1995 and ending within the fiscal year beginning July 1,
17 2005, the authority shall not incur debt in any fiscal year in excess
18 of \$650,000,000, except that if that permitted amount of debt, or
19 any portion thereof, is not incurred in a fiscal year it may be
20 incurred in a subsequent fiscal year. Commencing with the fiscal
21 year beginning July 1, 2006 and ending with the fiscal year
22 beginning on July 1, 2010, the authority shall not incur debt for any
23 fiscal year in excess of \$1,600,000,000, reduced in each of those
24 fiscal years by the amount by which the appropriation of State funds
25 to the Transportation Trust Fund Account for that fiscal year shall
26 exceed \$895,000,000; provided, however, that if a portion of that
27 permitted amount of debt, less any reduction as provided above, is
28 not incurred in a fiscal year, an amount not greater than the unused
29 portion may be incurred in a subsequent fiscal year in addition to
30 the amount otherwise permitted. Debt permitted for the fiscal year
31 beginning July 1, 2006 may be incurred prior to July 1, 2006. The
32 authority shall not issue transportation program bonds in excess of
33 \$1,247,000,000 for the fiscal year beginning July 1, 2012, in excess
34 of \$849,200,000 for the fiscal year beginning July 1, 2013, in
35 excess of \$735,300,000 for the fiscal year beginning July 1, 2014,
36 and in excess of \$626,800,000 for the fiscal year beginning July 1,
37 2015, except that (1) if that permitted amount of transportation
38 program bonds, or any portion thereof, is not incurred in a fiscal
39 year, it may be issued in a subsequent fiscal year and (2) 30 percent
40 of the permitted amount of transportation program bonds for a fiscal
41 year may be issued in the fiscal year preceding such fiscal year
42 provided that (a) any transportation program bonds issued pursuant
43 to this paragraph shall be deducted from the authorization for the
44 fiscal year from which it was taken, and (b) the proceeds of any
45 such transportation program bonds shall not be encumbered until
46 the fiscal year from which the deduction of the authorization was
47 taken pursuant to this paragraph. Transportation program bonds
48 authorized to be issued for the fiscal year beginning July 1, 2012

1 may be issued prior to July 1, 2012. Commencing on the day that
2 Assembly Concurrent Resolution No.1 of 2015, a constitutional
3 amendment to Article VIII, section II, paragraph 4 of the New
4 Jersey Constitution, takes effect, and ending June 30, 2026, the
5 authority shall not issue transportation program bonds in excess of
6 \$15,000,000,000. Any increase in this limitation shall only occur if
7 so provided for by law. In computing the foregoing limitation as to
8 the amount of bonds the authority may issue, the authority may
9 exclude any bonds, notes or other obligations, including
10 subordinated obligations of the authority, issued for refunding
11 purposes; except that, any premiums received in connection with
12 the issuance of transportation program bonds shall count against
13 any limitation as to the amount of transportation program bonds the
14 authority may issue. The payment of debt service on transportation
15 program bonds and any agreements issued in connection with such
16 transportation program bonds shall be paid solely from revenues
17 dedicated pursuant to the New Jersey Constitution, including
18 Article VIII, Section II, paragraph 4, and deposited into the
19 "Transportation Trust Fund Account - Subaccount for Debt Service
20 for Transportation Program Bonds."

21 j. Upon the decision by the authority to issue refunding bonds
22 pursuant to this section, and prior to the sale of those bonds, the
23 authority shall transmit to the Joint Budget Oversight Committee, or
24 its successor, a report that a decision has been made, reciting the
25 basis on which the decision was made, including an estimate of the
26 debt service savings to be achieved and the calculations upon which
27 the authority relied when making the decision to issue refunding
28 bonds. The report shall also disclose the intent of the authority to
29 issue and sell the refunding bonds at public or private sale and the
30 reasons therefor.

31 k. The Joint Budget Oversight Committee, or its successor,
32 shall have authority to approve or disapprove the sale of refunding
33 bonds as included in each report submitted in accordance with
34 subsection j. of this section. The committee shall approve or
35 disapprove the sale of refunding bonds within 10 business days
36 after physical receipt of the report. The committee shall notify the
37 authority in writing of the approval or disapproval as expeditiously
38 as possible.

39 l. No refunding bonds shall be issued unless the report has
40 been submitted to and approved by the Joint Budget Oversight
41 Committee, or its successor, as set forth in subsection k. of this
42 section.

43 m. Within 30 days after the sale of the refunding bonds, the
44 authority shall notify the Joint Budget Oversight Committee, or its
45 successor, of the result of that sale, including the prices and terms,
46 conditions and regulations concerning the refunding bonds, and the
47 actual amount of debt service savings to be realized as a result of
48 the sale of refunding bonds.

1 n. The Joint Budget Oversight Committee, or its successor,
2 shall, however, review all information and reports submitted in
3 accordance with this section and may, on its own initiative, make
4 observations and recommendations to the authority or to the
5 Legislature, or both, as it deems appropriate.

6 o. No refunding bonds shall be issued unless the authority shall
7 first determine that the present value of the aggregate principal of
8 and interest on the refunding bonds is less than the present value of
9 the aggregate principal of and interest on the outstanding bonds to
10 be refinanced, except that, for the purposes of this limitation,
11 present value shall be computed using a discount rate equal to the
12 yield of those refunding bonds, and yield shall be computed using
13 an actuarial method based upon a 360-day year with semiannual
14 compounding and upon the prices paid to the authority by the initial
15 purchasers of those refunding bonds.

16 (cf: P.L.2012, c.13, s.3)

17
18 3. Section 20 of P.L.1984, c.73 (C.27:1B-20) is amended to read
19 as follows:

20 20. There is hereby established in the General Fund an account
21 entitled "Transportation Trust Fund Account," which shall consist
22 of **two** three subaccounts entitled: "Transportation Trust Fund
23 Account - Subaccount for Debt Service for Prior Bonds," **and**
24 "Transportation Trust Fund Account - Subaccount for Debt Service
25 for Transportation Program Bonds," and "Transportation Trust
26 Fund Account - Subaccount for Capital Reserves." During the
27 fiscal year beginning July 1, 1984 and during each succeeding fiscal
28 year in which the authority has bonds, notes or other obligations
29 outstanding, the treasurer shall credit to the "Transportation Trust
30 Fund Account - Subaccount for Debt Service for Prior Bonds" a
31 portion of the revenues derived from the following, as determined
32 by the treasurer, and to the "Transportation Trust Fund Account -
33 Subaccount for Debt Service for Transportation Program Bonds"
34 and "Transportation Trust Fund Account - Subaccount for Capital
35 Reserves" only revenues dedicated pursuant to the New Jersey
36 Constitution, including Article VIII, Section II, paragraph 4, which
37 are also derived under subsection a. of this section and from the
38 petroleum products gross receipts and sales tax as set forth in
39 subsection d. of this section:

40 a. An amount equivalent to **the** all revenue derived from
41 **[\$0.105 per gallon from]** the collection of the tax imposed on the
42 sale of motor fuels pursuant to chapter 39 of Title 54 of the Revised
43 Statutes, as provided in Article VIII, Section II, paragraph 4 of the
44 State Constitution**,** provided, however, such amount during any
45 fiscal year shall not be less than \$483,000,000**;**

46 b. (Deleted by amendment, P.L.2000, c.73).

47 c. An amount equivalent to moneys received by the State in
48 accordance with contracts entered into with toll road authorities or

1 other State agencies, provided that effective with the fiscal year
2 beginning July 1, 1988 the amount so credited shall not be less than
3 ~~【\$24,500,000.00】~~ \$24,500,000 in any fiscal year.

4 The treasurer shall also credit to the "Transportation Trust Fund
5 Account - Subaccount for Debt Service for Prior Bonds," in
6 accordance with a contract between the treasurer and the authority,
7 an amount equivalent to the sum of the revenues due from the
8 increase of fees for motor vehicle registrations collected pursuant to
9 the amendment to R.S.39:3-20 made by section 32 of P.L.1984,
10 c.73 ~~【and from the increase in the tax on diesel fuels imposed~~
11 ~~pursuant to the amendment to R.S.54:39-27 made by section 35 of~~
12 ~~P.L.1984, c.73 and by P.L.1987, c.460, and as amended by section~~
13 ~~18 of P.L.1992, c.23, and repealed by section 56 of P.L.2010, c.22~~
14 ~~and now imposed pursuant to section 3 of P.L.2010, c.22 (C.54:39-~~
15 ~~103)】~~, provided that the total amount credited during the fiscal year
16 beginning July 1, 1984 shall not be less than ~~【\$20,000,000.00】~~
17 \$20,000,000 and that the total amount credited during the fiscal
18 year beginning July 1, 1985 and during every fiscal year thereafter
19 shall not be less than ~~【\$30,000,000.00】~~ \$30,000,000.

20 In addition to the amounts credited to the account by this section,
21 commencing with the fiscal year beginning July 1, 1995 and every
22 fiscal year thereafter, there shall be appropriated from the General
23 Fund such additional amounts as are necessary to carry out the
24 provisions of this act and beginning July 1, 2000 the fees collected
25 pursuant to subsection a. of section 68 of P.L.1990, c.8 (C.17:33B-
26 63) shall be credited to the account for the purposes of this act,
27 provided, however, the amount credited from such fees during any
28 fiscal year shall not be less than \$60,000,000.

29 d. In addition to the amount credited in subsection a. of this
30 section~~【.】~~; beginning January 1 following approval by the voters an
31 amount equivalent to the revenue derived from the tax imposed on
32 the sale of petroleum products pursuant to P.L.1990, c.42
33 (C.54:15B-1 et seq.), provided, however, such amount shall not be
34 less than \$100,000,000 in the period January 1 through June 30
35 following approval by the voters and shall not be less than
36 \$200,000,000 in any fiscal year through the fiscal year commencing
37 July 1, 2015; and in the fiscal year commencing July 1, 2016, an
38 amount equivalent to all revenue derived from the sale of petroleum
39 products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) and in
40 each year thereafter; and for the fiscal year commencing July 1,
41 2001 and for each fiscal year thereafter an amount equivalent to the
42 revenue derived from the tax imposed under the "Sales and Use Tax
43 Act," P.L.1966, c.30 (C.54:32B-1 et seq.) on the sale of new motor
44 vehicles, provided, however, that such amount shall not be less than
45 \$200,000,000 for the fiscal year commencing July 1, 2003 and for
46 each fiscal year thereafter, as provided in Article VIII, Section II,
47 paragraph 4 of the State Constitution.

1 No later than the fifth business day of the month following the
2 month in which a credit has been made, the treasurer shall pay to
3 the authority, for its purposes as provided herein, the amounts then
4 credited to the "Transportation Trust Fund Account - Subaccount
5 for Debt Service for Prior Bonds," **[and]** "Transportation Trust
6 Fund Account - Subaccount for Debt Service for Transportation
7 Program Bonds," and "Transportation Trust Fund Account -
8 Subaccount for Capital Reserves," provided that the payments to the
9 authority shall be subject to and dependent upon appropriations
10 being made from time to time by the Legislature of the amounts
11 thereof for the purposes of the act, and further provided that the
12 revenues deposited into the "Transportation Trust Fund Account -
13 Subaccount for Debt Service for Transportation Program Bonds"
14 and "Transportation Trust Fund Account - Subaccount for Capital
15 Reserves" shall consist solely of revenues which are dedicated
16 pursuant to the New Jersey Constitution, including Article VIII,
17 Section II, paragraph 4, and subsections a. and d. of this section.

18 Commencing with the fiscal year beginning July 1, 2018 through
19 the fiscal year commencing July 1, 2025, of the amounts credited
20 from the tax imposed on the sale of petroleum products pursuant to
21 P.L.1990, c.42 (C.54:15B-1 et seq.) pursuant to this subsection, any
22 amount of revenue collected per year that exceeds the amount
23 collected in the fiscal year beginning July 1, 2017, shall only be
24 appropriated for: (1) expanding the State's mass transit system; or
25 (2) making payments on authority debt, and further provided that an
26 appropriation made pursuant to paragraph (1) shall be in addition to
27 the appropriations already provided for in the State's appropriation
28 for mass transit.

29 In the event that the amount of appropriations and other revenues
30 made available to the authority are greater than the amount of
31 appropriations and other revenues needed to meet the statutory
32 purposes of the authority in a fiscal year, any of those additional
33 amounts, which are dedicated pursuant to the New Jersey
34 Constitution, including Article VIII, Section II, paragraph 4, and
35 subsections a. and d. of this section, may be deposited into the
36 "Transportation Trust Fund Account - Subaccount for Capital
37 Reserves." Monies deposited in the "Transportation Trust Fund
38 Account - Subaccount for Capital Reserves" shall be held in reserve
39 as a means of ensuring the adequacy of funding to meet the future
40 statutory needs of the authority, and may be transferred to the other
41 subaccounts of the "Transportation Trust Fund Account" or to the
42 "Special Transportation Fund" through appropriation by the
43 Legislature for any statutory need of the authority.

44 (cf: P.L.2012, c.13, s.5)

45

46 4. Section 21 of P.L.1984, c.73 (C.27:1B-21) is amended to read
47 as follows:

1 21. a. There is hereby established a separate fund entitled
2 "Special Transportation Fund." This fund shall be maintained by the
3 State Treasurer and may be held in depositories as may be selected
4 by the treasurer and invested and reinvested as other funds in the
5 custody of the treasurer, in the manner provided by law. The
6 commissioner may from time to time (but not more frequently than
7 monthly) certify to the authority an amount necessary to fund
8 payments made, or anticipated to be made by or on behalf of the
9 department, from appropriations established for or made to the
10 department from revenues or other funds of the authority. The
11 commissioner's certification shall be deemed conclusive for
12 purposes of the act. The authority shall, within 15 days of receipt
13 of the certificate, transfer from available funds of the authority to
14 the treasurer for deposit in the Special Transportation Fund the
15 amount certified by the commissioner, provided that all funds
16 transferred shall only be expended by the department by project
17 pursuant to appropriations made from time to time by the
18 Legislature for the purposes of the act.

19 b. The department shall not expend any money except as
20 appropriated by law. Commencing with appropriations for the
21 fiscal years beginning on July 1, 1988, the department shall not
22 expend any funds, other than for permitted maintenance, except as
23 are appropriated by specific projects identified by a description of
24 the projects, the county or counties within which they are located,
25 and amounts to be expended on each project, in the annual
26 appropriations act. Funds expended for permitted maintenance may
27 be appropriated as one item of appropriation and subject to
28 allocation at the commissioner's discretion.

29 c. No funds appropriated, authorized, or expended pursuant to
30 this act shall be used to finance the resurfacing of highways by
31 department personnel, where that resurfacing would require the use
32 of more than 100,000 tons of bituminous concrete for that purpose
33 in any calendar year, except that the commissioner may waive this
34 provision when **[he]** the commissioner determines the existence of
35 emergency conditions requiring the use of department personnel for
36 the resurfacing of highways, after the department has effectively
37 reached the 100,000 ton limit.

38 d. In order to provide the department with flexibility in
39 administering the specific appropriations by project identified in the
40 annual appropriations act, the commissioner may transfer a part of
41 any item to any other item subject to the approval of the Director of
42 the Division of Budget and Accounting and of the Joint Budget
43 Oversight Committee or its successor. Upon approval of the
44 director and the committee, the transfer shall take effect.

45 e. Any federal funds which become available to the State for
46 transportation projects which have not been appropriated to the
47 department in the annual appropriations act, shall be deemed
48 appropriated to the department and may, subject to approval by the

1 Joint Budget Oversight Committee and the State Treasurer, be
2 expended for any purpose for which such funds are qualified.

3 f. There shall be no appropriations from the revenues and other
4 funds of the authority for regular and routine maintenance of public
5 highways and components thereof, or operational activities of the
6 department unrelated to the implementation of, and indirect costs
7 associated with, the capital program. The commissioner shall
8 include in his annual budget request sufficient funding to effectuate
9 the purposes of P.L.2000, c.73 (C.27:1B-21.14 et al.).

10 g. To the extent that salaries or overhead of the department or
11 the New Jersey Transit Corporation are charged to transportation
12 projects, each agency shall keep adequate and truthful personnel
13 records, and time charts to adequately justify each such charge, and
14 shall make those records available to the external auditor to the
15 authority.

16 h. The commissioner shall annually, on or before January 1 of
17 each fiscal year, report to the Governor and the Legislature how
18 much money was expended in the previous fiscal year for salaries
19 and overhead of the department and the New Jersey Transit
20 Corporation. However, the amount expended from the revenues
21 and other funds of the authority for salaries and overhead of the
22 department and the New Jersey Transit Corporation for the fiscal
23 year beginning July 1, 2006 **【and each fiscal year thereafter】**
24 through the fiscal year beginning July 1, 2015 shall not exceed 13
25 percent of the total funds appropriated from the revenues and other
26 nonfederal funds of the authority for those fiscal years, and shall
27 not exceed \$208,000,000 for the fiscal year beginning July 1, 2016
28 and each fiscal year thereafter.

29 i. No revenues or other funds of the authority shall be
30 expended for emergency response operations, the review of
31 applications for access permits under the State highway access
32 management code and membership fees or other fees connected
33 with membership in TRANSCOM, the Transportation Operations
34 Coordinating Committee.

35 j. Every project in which revenues or other funds of the
36 authority are expended shall be included on a website created by the
37 authority whose exclusive purpose shall be reporting on the status
38 of State and federal projects and serving as a singular location for
39 State and federal public documentation concerning those projects.
40 The website shall document the status of each project, presented in
41 tabular form outlining the budgeted amount, the amount spent and
42 committed, and the amount necessary to complete each project. The
43 website shall include a chart which compares the planned and actual
44 quarterly and cumulative expenditures for each project. The
45 website shall chronicle actions which have a bearing on the
46 progress of projects, including, but not limited to, awards for legal,
47 insurance, and engineering services, environmental review, public
48 involvement and outreach, property acquisitions, and construction

1 contracts. The website shall also include a description of any action
2 by an external regulatory agency such as the Department of
3 Environmental Protection, or any other party, which occurred
4 during the reporting period that affected the cost or timely
5 completion of any project in any manner. If information concerning
6 a project is not included and updated, at minimum, once per month,
7 then no revenues or other funds of the authority may be expended
8 upon that project.

9 k. There shall be a minimum appropriation from the revenues
10 and other funds of the authority of \$25,000,000 each fiscal year,
11 commencing with the fiscal year beginning July 1, 2016 for the
12 design, construction, reconstruction, rehabilitation, land acquisition,
13 and environmental mitigation of freight rail projects that: are
14 significant to port commerce connectivity; eliminate rail freight
15 missing links to port facilities; or upgrade freight rail trackage to a
16 286,000 pound load carrying capacity. The amount appropriated
17 pursuant to this subsection shall be inclusive of all amounts
18 annually appropriated for the New Jersey Rail Freight Assistance
19 Program.

20 (cf: P.L.2012, c.13, s.6)

21

22 5. Section 8 of P.L.1987, c.460 (C.27:1B-21.1) is amended to
23 read as follows:

24 8. a. Commencing with the **【report】** reports of the
25 commissioner, which shall include the Transportation Master Plan,
26 Statewide Capital Investment Strategy, Annual Transportation
27 Capital Program, Transportation Trust Fund Authority Financial
28 Plan, and Five-Year Capital Plan, as may be amended, required to
29 be submitted pursuant to section 22 of P.L.1984, c.73 (C.27:1B-22)
30 on or before March 1, 2006 and on each succeeding March 1
31 thereafter through March 1, 2015, the annual amount so reported by
32 the commissioner for proposed projects shall not exceed
33 \$1,600,000,000 exclusive of federal funds, and beginning with the
34 reports due March 1, 2016, and on each succeeding March
35 thereafter through March 1, 2025, the amount so reported by the
36 commissioner for proposed projects shall not exceed an aggregate
37 \$20,000,000,000 over that 10 year period, plus any appropriations
38 for mass transit expansion from the additional annual amount of
39 revenue derived from the tax imposed on the sale of petroleum
40 products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) which is
41 greater than the amount collected in the fiscal year beginning on
42 July 1, 2017, and not used for making payments on authority debt.

43 b. For the fiscal year beginning on July 1, 2006 and for each
44 fiscal year thereafter through the fiscal year beginning on July 1,
45 2011, the total annual amount authorized to be appropriated from
46 the revenues and other nonfederal funds of the New Jersey
47 Transportation Trust Fund Authority for the projects listed in the
48 appropriations act pursuant to section 21 of P.L.1984, c.73

1 (C.27:1B-21) shall not exceed \$1,600,000,000, all amounts
2 exclusive of federal funds. The total amount authorized to be
3 appropriated from the revenues and other nonfederal funds of the
4 New Jersey Transportation Trust Fund Authority for the projects
5 listed in the appropriations act pursuant to section 21 of P.L.1984,
6 c.73 (C.27:1B-21) shall not exceed: \$1,247,000,000 for the fiscal
7 year beginning on July 1, 2012; \$1,224,000,000 for the fiscal year
8 beginning on July 1, 2013; \$1,225,000,000 for the fiscal year
9 beginning on July 1, 2014; and \$1,247,000,000 for the fiscal year
10 beginning on July 1, 2015. The total amount authorized to be
11 appropriated from the revenues and other nonfederal funds of the
12 New Jersey Transportation Trust Fund Authority for the projects
13 listed in the appropriations act pursuant to section 21 of P.L.1984,
14 c.73 (C.27:1B-21) shall not exceed an aggregate \$20,000,000,000 in
15 total for the fiscal years beginning on July 1, 2016 through the
16 fiscal year beginning on July 1, 2025. The total amount authorized
17 pursuant to this subsection shall be increased by any additional
18 annual amount of revenue derived from the tax imposed on the sale
19 of petroleum products pursuant to P.L.1990, c.42 (C.54:15B-1 et
20 seq.) which is greater than the amount collected in the fiscal year
21 beginning on July 1, 2017, provided that the additional amount
22 collected is appropriated for mass transit expansion and not for
23 making payments on authority debt.

24 c. (Deleted by amendment, P.L.1991, c.40.)

25 d. (Deleted by amendment, P.L.1992, c.10).

26 e. The State Auditor shall provide for a unified annual audit of
27 expenditures from the "Special Transportation Fund," established
28 by section 21 of P.L.1984, c.73 (C.27:1B-21), in order to determine
29 that these funds are expended for costs eligible for funding from the
30 authority and in a manner consistent with appropriations made by
31 the Legislature. The findings of such audits shall be transmitted to
32 the presiding officer of each House of the Legislature, and to the
33 Chair of the Senate Budget and Appropriations Committee, the
34 Senate Transportation Committee, the Assembly Appropriations
35 Committee, and the Assembly Transportation and
36 **【Communications】** Independent Authorities Committee or their
37 successors.

38 f. The State Auditor shall review bond issuances of the
39 authority and report to the Joint Budget Oversight Committee and
40 to the members of the Senate Budget and Appropriations
41 Committee and the Assembly Appropriations Committee, or their
42 successors, on the status of the bonds of the authority and projects
43 financed from the proceeds of the bonds. The report shall include
44 the investment status of all unexpended bond proceeds and provide
45 a description of any bond issues expected during a fiscal year,
46 including type of issue, estimated amount of bonds to be issued and
47 the expected month of sale.

1 g. Commencing with the fiscal year beginning July 1, 2018
2 through the fiscal year beginning July 1, 2025, if in any fiscal year,
3 the amount of revenue collected from the tax imposed on the sale of
4 petroleum products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.)
5 exceeds the amount collected in the fiscal year beginning on July 1,
6 2017, then in that subsequent fiscal year the amount of that
7 difference shall be appropriated by the Legislature for
8 transportation projects that expand the mass transit system in this
9 State or for payments on authority debt. Any amount appropriated
10 for transportation projects that expand the mass transit system in
11 this State shall also increase the total amount that may be
12 appropriated pursuant to subsection b. of this section by that same
13 amount.

14 (cf: P.L.2012, c.13, s.7)

15

16 6. Section 22 of P.L.1984, c.73 (C.27:1B-22) is amended to read
17 as follows:

18 22. The commissioner shall prepare and submit the following
19 reports to the Governor, the Legislature, and the **【Financial】**
20 **Transportation** Policy Review Board, established pursuant to
21 section 6 of P.L.2006, c.3 (C.27:1B-22.2) under the terms set forth
22 below: a Transportation Master Plan, a Statewide Capital
23 Investment Strategy, an Annual Transportation Capital Program, a
24 Transportation Trust Fund Authority Financial Plan, and a Five-
25 Year Capital Plan.

26 a. To the end that the transportation system of the State shall
27 be planned in an orderly and efficient manner and that the
28 Legislature shall be advised of the nature and extent of public
29 highways, public transportation projects and other transportation
30 projects contemplated to be financed under this act, the department
31 shall submit a master plan, as provided in subsection (a) of section
32 5 of P.L.1966, c.301 (C.27:1A-5). Notwithstanding the provisions
33 of that act, the plan shall be for a period of five years and shall be
34 submitted to the Commission on Capital Budgeting and Planning,
35 the Chairman of the Senate Transportation Committee and the
36 Chairman of the Assembly Transportation and **【Communications】**
37 **Independent Authorities** Committee, or their successors, and the
38 Legislative Budget and Finance Officer, and the metropolitan
39 planning organizations, on or before March 1, 2001, and at five-
40 year intervals thereafter. The master plan shall set the direction for
41 the department's overall Capital Investment Strategy and subsequent
42 annual Transportation Capital Programs submitted to the
43 Legislature for approval pursuant to this section. This master plan
44 shall, to the extent practicable, conform to all federal requirements
45 for Statewide transportation planning.

46 b. The Department of Transportation, in conjunction with the
47 New Jersey Transit Corporation, the New Jersey Turnpike
48 Authority, and the South Jersey Transportation Authority, shall

1 prepare a "Statewide Capital Investment Strategy" for at least a
2 five-year period which shall contain, at a minimum, a statement of
3 the goals of the department, the corporation, and the toll road
4 authorities in major selected policy areas and the means by which
5 the goals are to be attained during that period, using quantitative
6 measures where appropriate. The Statewide Capital Investment
7 Strategy may be updated and submitted no later than March 1 of
8 each year. The Statewide Capital Investment Strategy shall provide
9 for a multi-modal, intermodal, seamless, technologically advanced,
10 and secure transportation system. It shall recommend investment
11 for major program categories, set overall goals for investment in the
12 State's infrastructure, and develop program targets and performance
13 measures. It may rely on infrastructure management systems as
14 developed by the department to assess bridge conditions, pavement
15 conditions, bridge, traffic and pedestrian safety, traffic congestion
16 and public transit facilities. With respect to pavement conditions,
17 the department shall set as a priority the utilization of efficient cost-
18 effective materials and treatments as stated in section 9 of
19 P.L.2000, c.73 (C.27:1B-21.22). In the event that there exist
20 appropriate circumstances for the use of micro-surfacing and cold-
21 in-place recycling, the department shall establish as a special
22 priority the use of these materials and surface treatments. The goals
23 of the Capital Investment Strategy shall include, but not be limited
24 to, reduction of vehicular and pedestrian accidents, reduction in the
25 backlog of projects, including one-half of the structurally deficient
26 bridge repair projects and pavement deficiencies, and an increase in
27 lane miles of bicycle paths, with a goal of constructing an additional
28 1,000 lane miles of bicycle paths in five years to reduce traffic
29 congestion and for recreational uses. The construction of bicycle
30 and pedestrian lanes, paths and facilities shall be subject to no
31 stricter environmental requirements than are provided pursuant to
32 federal law and regulations for such lanes, paths and facilities,
33 notwithstanding the provisions to the contrary of State law and
34 regulations, including State Executive Order No. 215 of 1989. With
35 respect to the New Jersey Transit Corporation, the Statewide
36 Capital Investment Strategy shall deal with the corporation's overall
37 goal to keep the public transportation system in a state of good
38 repair and, more specifically, in the area of bus transportation,
39 present a strategy and a preliminary timetable for the replacement
40 of the current diesel bus fleet with a fleet of buses which have
41 reduced emission of air pollutants. The corporation shall consider
42 the feasibility of buses with improved pollution controls and that
43 reduce particulate emissions and buses powered by fuel other than
44 conventional diesel fuel, such as compressed natural gas vehicles,
45 hybrid vehicles, fuel cell vehicles, biodiesel vehicles, vehicles
46 operated on ultra low sulfur fuel, and vehicles operated on any other
47 bus fuel approved by the United States Environmental Protection
48 Agency[, and the like]. The corporation may consider as part of its

1 strategy, cooperative efforts with bus manufacturers, and the
2 solicitation of federal support, in developing a "clean bus" with air
3 pollution controls superior to currently available technology. For
4 the fiscal year beginning July 1, 2007 and each fiscal year
5 thereafter, all buses purchased by the New Jersey Transit
6 Corporation shall be buses with improved pollution controls and
7 that reduce particulate emissions, or buses powered by fuel other
8 than conventional diesel fuel, such as compressed natural gas
9 vehicles, hybrid vehicles, fuel cell vehicles, biodiesel vehicles,
10 vehicles operated on ultra low sulfur fuel, or vehicles operated on
11 any other bus fuel approved by the United States Environmental
12 Protection Agency, and the like. In the event that the corporation
13 is not able to meet the bus purchase requirements set forth in this
14 section with respect to any fiscal year, prior to the commencement
15 of the fiscal year, the board of the corporation shall, by resolution,
16 submit a report to the Legislature detailing its inability to meet the
17 requirements and the reasons therefor and shall submit the report to
18 the Senate and General Assembly when both houses are in session,
19 including therein a request to be exempted from the bus purchase
20 requirements of this section with regard to the fiscal year in
21 question. The President of the Senate and the Speaker of the
22 General Assembly shall cause the date of submission to be entered
23 upon the Senate Journal and the Minutes of the General Assembly.
24 If a joint resolution approving the exemption is passed by the
25 Legislature and signed by the Governor prior to the commencement
26 of the fiscal year in question, the corporation shall be exempt from
27 the requirements for that fiscal year.

28 In the fiscal year beginning on July 1, 2007 and in each fiscal
29 year thereafter, in the year prior to the year in which final
30 engineering is anticipated to start on any project which extends the
31 reach of the New Jersey Transit rail or light rail system, the New
32 Jersey Transit Corporation shall be required to identify and include
33 in the annual Statewide Capital Investment Strategy the required
34 State financial assistance to support operation of the incremental
35 service for the first three years and the projected fare box recovery
36 ratio at the commencement of the fourth year of operation of each
37 project.

38 The Statewide Capital Investment Strategy shall also detail the
39 planned investment of capital funds for public transportation
40 projects of companies other than the New Jersey Transit
41 Corporation engaged in the business of providing motor bus
42 transportation. The Statewide Capital Investment Strategy shall
43 demonstrate that such investment adequately addresses the finding
44 in section 2 of P.L.1979, c.150 (C.27:25-2) that in the provision of
45 public transportation services it is desirable to encourage to the
46 maximum extent feasible the participation of private enterprise.

47 c. On or before March 1 of each year, the commissioner shall
48 submit a report of general project categories and proposed projects

1 thereunder to be financed in the ensuing fiscal year, including
2 therewith a description of the projects, the county or counties and
3 municipality or municipalities within which they are to be located, a
4 distinction between State and local projects, **【and】** an identification
5 number for each project that can be used to cross reference any
6 project in the State's federal Statewide Transportation Improvement
7 Program, the project phase of work, investment category, project
8 sponsor, governmental entity with jurisdiction over the project and
9 associated infrastructure, the amount estimated to be expended on
10 each project in the year of appropriation, and an estimate of the
11 total project cost. This report shall be known as the "Annual
12 Transportation Capital Program" for the upcoming fiscal year. It
13 shall include proposed projects of both the Department of
14 Transportation and the New Jersey Transit Corporation. The
15 program shall be consistent with, and reflective of, the goals and
16 priorities of the Capital Investment Strategy and the program shall
17 include an explanation which demonstrates how it is consistent
18 with, and reflective of, the goals and priorities.

19 d. On or before March 1 of each year, the commissioner shall
20 also submit a "Transportation Trust Fund Authority Financial Plan"
21 designed to implement the financing of the proposed projects. The
22 financial plan shall contain an enumeration of the bonds, notes or
23 other obligations of the authority which the authority intends to
24 issue, including the amounts thereof and the conditions therefor.
25 The financial plan shall set forth a complete operating and financial
26 statement covering the authority's proposed operations during the
27 ensuing fiscal year, including amounts of income from all sources,
28 including but not limited to the proceeds of bonds, notes or other
29 obligations to be issued, as well as interest earned. In addition, the
30 plan shall contain proposed amounts to be appropriated and
31 expended, as well as amounts for which the department anticipates
32 to obligate during the ensuing fiscal year for any future
33 expenditures.

34 e. The Statewide Capital Investment Strategy, the Annual
35 Transportation Capital Program, and the Transportation Trust Fund
36 Authority Financial Plan shall be submitted to the Senate and
37 General Assembly. Within 45 days of the receipt thereof, the
38 Senate or the General Assembly may object in writing to the
39 commissioner in regard to any project or projects in the Annual
40 Transportation Capital Program it disapproves or which it is of the
41 opinion should be modified or added to or any additional or
42 alternative projects considered or in regard to any element of the
43 financial plan. The commissioner shall consider the objections and
44 recommendations and resubmit the report within 10 days,
45 containing therein any modifications based upon the commissioner's
46 consideration of the objections or recommendations.

47 f. In order that the Legislature shall be advised of the nature
48 and extent of public highways, public transportation projects, and

1 other transportation projects contemplated to be financed under this
2 act, the commissioner shall submit annually, together with the
3 Annual Transportation Capital Program, a Five-Year Capital Plan,
4 which shall set forth projects and programs anticipated to be funded
5 over the five-year period. The Five-Year Capital Plan shall, to the
6 extent practicable, conform to all federal requirements for Statewide
7 transportation capital programming.

8 (cf: P.L.2006, c.3, s.5)

9
10 7. Section 6 of P.L.2006, c.3 (C.27:1B-22.2) is amended to read
11 as follows:

12 6. There is hereby created in the Executive Branch of the State
13 Government, a body corporate and politic, with corporate
14 succession, to be known as the **【Financial】** Transportation Policy
15 Review Board. For the purpose of complying with the provisions of
16 Article V, Section IV, paragraph 1 of the New Jersey Constitution,
17 the board is hereby allocated within the Department of
18 Transportation, but, notwithstanding that allocation, the board shall
19 be independent of any supervision or control by the department or
20 by any body or officer thereof. The board is hereby constituted as
21 an instrumentality of the State exercising public and essential
22 governmental functions, and the exercise by the board of the powers
23 conferred by this act shall be deemed and held to be an essential
24 governmental function of the State.

25 The board shall be comprised of **【five】** nine public members
26 with experience in transportation finance and policy. The Governor
27 shall appoint three of the members with the advice and consent of
28 the Senate, two of whom shall be experts that perform academic
29 research in the areas of transportation and public transportation
30 policy, planning, or engineering, and one of whom shall be an
31 expert in the area of transportation capital finance. The remaining
32 members shall be appointed by the Governor as follows: **【one】** two
33 upon the **【joint】** recommendation of the President of the Senate
34 **【and】**, one upon the recommendation of the Minority Leader of the
35 Senate, **【and one】** two upon the **【joint】** recommendation of the
36 Speaker of the General Assembly, and one upon the
37 recommendation of the Minority **【leader】** Leader of the General
38 Assembly. Each member shall have a professional background in
39 passenger rail service, freight rail management, transportation
40 capital planning, transportation and public transportation capital
41 construction, federal transportation policy, State transportation
42 policy, or transportation capital finance. Each member shall serve
43 for a four-year term and shall serve until the member's successor is
44 appointed and qualified; provided, however, that in order to achieve
45 non-concurrent terms, of the members first appointed pursuant to
46 this section, two members appointed by the Governor shall serve for
47 four years; while the **【two】** three members appointed upon the
48 **【joint recommendation】** recommendations of the President of the

1 Senate and the Minority Leader of the Senate and the three
2 members appointed upon the [joint recommendation]
3 recommendations of the Speaker of the General Assembly and the
4 Minority Leader of the General Assembly shall serve for three years
5 each, and the remaining member appointed by the Governor shall
6 serve for two years; and further provided that any member serving
7 on the effective date of P.L. _____, c. _____ (C. _____) (pending before the
8 Legislature as this bill) shall serve until the expiration of that
9 member's term, notwithstanding the criteria for appointment
10 established pursuant to P.L. _____, c. _____. The **[Financial]**
11 **Transportation** Policy Review Board shall be deemed to be
12 constituted immediately upon appointment and qualification in the
13 manner provided in this section of at least **[three]** five members.

14 The purpose of the board is to assure fiscal discipline through
15 evaluating the financing of transportation; independently analyzing
16 and reporting on the cost effectiveness of spending in the
17 transportation capital program; conducting and commissioning
18 research on best practices in the areas of transportation and public
19 transportation construction, planning, finance, and engineering;
20 providing policy recommendations to the Legislature on the best
21 ways to organize the capital program and appropriate capital
22 program funds; and preparing an annual State of Condition of
23 Transportation Financing certification.

24 The board shall annually appear before the Senate Budget and
25 Appropriations Committee, or its successor, and the Assembly
26 Budget Committee, or its successor, and provide independent
27 analysis of the transportation capital program, provide comments on
28 the cost effectiveness of the program, evaluate the condition of the
29 State transportation system, and identify needed infrastructure
30 investments. The board shall annually appear before the Senate
31 Transportation Committee, or its successor, and the Assembly
32 Transportation and Independent Authorities Committee, or its
33 successor, and report on best practices in areas related to
34 transportation and public transportation construction, planning,
35 finance, infrastructure, and governance. The board shall also make
36 itself available to the aforementioned budget and transportation
37 committees to conduct research and provide recommendations on
38 policy issues that those committees request of the board. The board
39 shall issue an annual report on or before June 1 of each year which
40 summarizes the work of the board for the prior year, evaluates the
41 reports issued by the department pursuant to section 22 of P.L.1984,
42 c.73 (27:1B-22), and provides independent recommendations for
43 administering the annual capital program.

44 The board shall be provided with a budget each year to be funded
45 through the capital program, and the budget shall be sufficient to
46 allow the board to commission independent research from academic
47 and other experts in the area of research to be conducted, to avail
48 itself of any professional or consultant services necessary to

1 perform its functions, and to complete the reports and certifications
2 required pursuant to this section.

3 The board may call to its assistance and avail itself of the
4 services of the employees of any State, county, or municipal
5 department, board, bureau, task force, or agency as it may require
6 and as may be available to it for its purposes, and to employ
7 stenographic and clerical assistance and incur traveling and other
8 miscellaneous expenses necessary to perform its duties, with the
9 limits of funds appropriated or otherwise made available to it for its
10 purposes.

11 The board shall submit reports to the Governor, and to the
12 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1)
13 no later than April 1, 2017 concerning the:

14 a. taxation of motor vehicles that are powered by a fuel source
15 that is not subject to the motor fuels tax P.L.2010, c.22 (C.54:39-
16 101 et seq.) or the petroleum products gross receipts tax P.L.1990,
17 c.42 (C.54:15B-1 et seq.), including, but not limited to electric
18 vehicles and hydrogen fuel cell vehicles. The report required
19 pursuant to this subsection shall include recommendations to the
20 Legislature for a new system of taxation that mandates that all
21 vehicles operating on the highways of this State contribute
22 equitably to the cost of maintaining the State transportation system.

23 b. relocation of utility company facilities that are located in,
24 on, along, over or under an infrastructure project, and require
25 relocation in order to accommodate the infrastructure project. The
26 board shall recommend a system that allows for optimal
27 coordination between the Department of Transportation and utility
28 companies in a manner that minimizes project delays that increase
29 utility costs and infrastructure project costs. The board shall
30 investigate and report on utility relocation process best practices in
31 other states and the report required pursuant to this subsection shall
32 include a proposal for legislation amending or replacing P.L.1983,
33 c.283 (C.27:7-44.9).

34 The State of Condition of Transportation Financing certification
35 shall ensure that the financing and expenditures of the New Jersey
36 Transportation Trust Fund Authority (the "authority") adhere to
37 certain standards. The standards are: a. The bonding limitation as
38 provided in subsection i. of section 9 of P.L.1984, c.73 (C.27:1B-9).
39 b. For the fiscal year commencing July 1, 2007, the amount
40 expended from the revenues and other funds of the authority for
41 permitted maintenance shall not exceed the amount expended for
42 permitted maintenance in the fiscal year commencing July 1, 2006.
43 c. The total amount authorized to be appropriated from the revenues
44 and other funds of the authority for project costs commencing with
45 the fiscal year beginning July 1, 2007 through the fiscal year
46 beginning July 1, 2015 shall not exceed \$1,600,000,000 annually,
47 and for the fiscal year beginning on July 1, 2016 through the fiscal
48 year beginning on July 1, 2025 shall not exceed an

1 aggregate \$20,000,000,000 over that 10 year period, plus any
2 additional annual amount of revenue derived from the tax imposed
3 on the sale of petroleum products pursuant to P.L.1990, c.42
4 (C.54:15B-1 et seq.) which is greater than the amount collected in
5 the fiscal year beginning on July 1, 2017, and not used for making
6 payments on authority debt.

7 Commencing with the fiscal year beginning July 1, 2007, the
8 board shall submit to the Governor, the Legislature, and the
9 commissioner on an annual basis the State of Condition of
10 Transportation Financing certification as to the requirements of
11 **【subsection a. of this section】** certification standard a. referencing
12 therein a certification with regard to **【subsections b. and c. of this**
13 **section】** certification standards b. and c. to the extent feasible,
14 given the other provisions of this section. The certifications shall
15 be based on the board's review of the State's fiscal year final
16 expenditures from the preceding fiscal year, including bonding and
17 expenditures from the annual independent audit of the authority,
18 and the amount of authority funds programmed for permitted
19 maintenance. If the capital program and its financing are found to
20 be in compliance, the first annual certification required by this
21 paragraph shall be submitted by February 1, 2008, after the
22 certification is concurred with by the members of the authority, and
23 by February 1 of each year thereafter. The board shall advise the
24 commissioner and the authority on February 1, 2008 and on each
25 succeeding February 1, if the board finds that the authority is not in
26 compliance with the bonding requirements as provided in
27 subsection a. of the section, and that a corrective action plan is
28 needed. The authority shall submit a corrective action plan that
29 would reduce its future bond sales to offset the amount of excess
30 bonding or to reduce future debt service payments, or both, as the
31 case may be. Upon approval of the corrective action plan by the
32 board, the certification shall be issued with certain conditions. The
33 Annual Transportation Capital Program submitted to the Legislature
34 for the forthcoming year shall be in compliance with the provisions
35 of the corrective action plan. If the board does not approve the
36 corrective action plan, the authority shall submit a financial plan
37 showing bonding only for existing projects, noting that no bonds
38 shall be issued for new projects shown in the department's Annual
39 Transportation Capital Program. The board shall advise the
40 commissioner on February 1, 2008 and on each succeeding
41 February 1, if the board finds that the Department of Transportation
42 has exceeded the limitation for the amount of authority funds spent
43 on permitted maintenance pursuant to **【subsection】** certification
44 standard b. of this section, or for the amount authorized to be
45 appropriated for project costs pursuant to **【subsection】** certification
46 standard c. of this section and that a corrective action plan is
47 needed. The department shall submit a corrective action plan that
48 would offset the excess amount spent, or the excess amount

1 appropriated, in the prior year with less funding for permitted
2 maintenance or for projects, as the case may be, in the proposed
3 capital budget request. Upon approval of the corrective action plan
4 by the board, a certification as to these matters shall be issued with
5 certain conditions. The Annual Transportation Capital Program
6 submitted to the Legislature for the forthcoming year shall be in
7 compliance with the provisions of the corrective action plan. If the
8 board does not approve the corrective action plan, the authority
9 shall submit a financial plan showing bonding only for existing
10 projects, noting that no bonds shall be issued for new projects
11 shown in the department's Annual Transportation Capital Program.

12 (cf: P.L.2006, c.3, s.6)

13

14 8. (New section) a. There is hereby established in but not of the
15 Department of Transportation, a body corporate and politic, with
16 corporate succession, to be known as the Annual Transportation
17 Capital Program Approval Committee. For the purpose of
18 complying with the provisions of Article V, Section IV, paragraph 1
19 of the New Jersey Constitution, the committee is hereby allocated
20 within the Department of Transportation, but, notwithstanding that
21 allocation, the committee shall be independent of any supervision or
22 control by the department or by any body or officer thereof. The
23 committee is hereby constituted as an instrumentality of the State
24 exercising public and essential governmental functions, and the
25 exercise by the committee of the powers conferred by P.L. , c.
26 (C.) (pending before the Legislature as this bill) shall be
27 deemed and held to be an essential governmental function of the
28 State.

29 b. (1) The committee shall be comprised of four members. One
30 member shall be the Commissioner of Transportation, or the
31 commissioner's designee, who shall serve ex-officio, and the
32 remaining three members shall be public members, each of whom is
33 to be appointed by the Governor upon the joint recommendation of
34 the President of the Senate and Speaker of the General Assembly;
35 one of whom shall be a resident of Salem, Cumberland, Cape May,
36 Atlantic, Gloucester, Camden, Burlington, or Ocean county; one of
37 whom shall be a resident of Monmouth, Mercer, Middlesex,
38 Hunterdon, Somerset, or Union county; and one of whom shall be a
39 resident of Warren, Sussex, Essex, Passaic, Morris, Hudson, or
40 Bergen county. Each public member shall serve a term of three
41 years, which shall run from August 1, of the year of appointment
42 until July 31 of the third year following appointment. The Annual
43 Transportation Capital Program Approval Committee shall be
44 deemed to be constituted immediately upon appointment and
45 qualification in the manner provided in this section of the three
46 public members.

47 (2) The purpose of the committee is to ensure that Legislative
48 input is provided in the process of selecting the transportation

1 capital projects to be funded annually through the Transportation
2 Trust Fund Account pursuant to P.L.1984, c.73 (C.27:1B-20), and
3 to prepare an Annual Transportation Capital Program Approval
4 Certification.

5 (3) Commencing with the fiscal year beginning July 1, 2017, the
6 board shall submit to the Governor and the Legislature on an annual
7 basis the Annual Transportation Capital Program Approval
8 Certification referencing therein a certification attested to by all
9 members of the committee that for the proposed projects of both the
10 Department of Transportation and the New Jersey Transit
11 Corporation included in the Annual Transportation Capital
12 Program, required pursuant to section 22 of P.L.1984, c.73 (27:1B-
13 22) and the list of projects proposed by the department for inclusion
14 in the State budget to be appropriated from the revenues and other
15 funds of the New Jersey Transportation Trust Fund Authority: (a)
16 the projects were developed with input from each member of the
17 committee; (b) that every member of the committee has been
18 granted access to all available information of the department
19 concerning each project; and that (c) each member of the committee
20 approves the inclusion of each project in the Annual Transportation
21 Capital Program and recommends that the project be included in the
22 list of projects to be appropriated from the revenues and other funds
23 of the New Jersey Transportation Trust Fund Authority in the
24 Annual Appropriations Act. The first annual certification required
25 by this subsection shall be submitted to the Governor and the
26 Legislature by March 1, 2017, after the certification has been
27 approved by every member of the committee, and by March 1 of
28 each year thereafter. The committee shall advise the authority on
29 July 1, 2017 and on each succeeding July 1, if members of the
30 committee have failed to unanimously approve the Annual
31 Transportation Capital Program Approval Certification. If no
32 Annual Transportation Capital Program Approval Certification has
33 been approved for a fiscal year, the Legislature shall not make any
34 appropriation from the revenues and other funds of the authority for
35 the financing of transportation projects in that fiscal year until the
36 certification has been unanimously approved. Prior to approval of
37 the certification, appropriations shall only be made for existing
38 projects and for debt service on authority bonds.

39

40 9. Section 25 of P.L.1984, c.73 (C.27:1B-25) is amended to read
41 as follows:

42 25. a. Notwithstanding the provisions of subtitle 4 of Title 27 of
43 the Revised Statutes and P.L.1946, c.301 (C.27:15A-1 et seq.), the
44 commissioner may, pursuant to appropriations or authorizations
45 being made from time to time by the Legislature according to law,
46 allocate to counties and municipalities funds for the planning,
47 acquisition, engineering, construction, reconstruction, repair,
48 resurfacing and rehabilitation of public highways and the planning,

1 acquisition, engineering, construction, reconstruction, repair,
 2 maintenance and rehabilitation of public transportation projects and
 3 of other transportation projects which a county or municipality may
 4 be authorized by law to undertake.

5 b. The commissioner shall, pursuant to appropriations or
 6 authorizations being made from time to time by the Legislature
 7 according to law, allocate at his discretion State aid to counties and
 8 municipalities for transportation projects, except that the amount to
 9 be appropriated for this program shall be ~~【10%】~~ seven percent of
 10 the total amount appropriated ~~【for the total county and municipal~~
 11 ~~aid programs】~~ pursuant to subsection d. of this section. This State
 12 aid shall be set aside prior to any formula allocations provided for
 13 in subsections c., d., ~~【and】~~ e., f., and g. of this section, and shall be
 14 known as the “Local Aid Infrastructure Fund.” In the fiscal year
 15 commencing July 1, 2016, any amount appropriated to the Local
 16 Aid Infrastructure Fund above \$7,500,000 shall be deposited into
 17 the State Transportation Infrastructure Bank Fund, established
 18 pursuant to section 39 of P.L. , c. (C.) (pending before the
 19 Legislature as this bill).

20 c. The commissioner shall, pursuant to appropriations or
 21 authorizations being made from time to time by the Legislature
 22 according to law and pursuant to the provisions of subsections b.
 23 and d. of this section, allocate State aid to municipalities for public
 24 highways under their jurisdiction. The amount to be appropriated
 25 shall be allocated on the basis of the following distribution factor:

$$26 \qquad \qquad \qquad \text{Pc} \qquad \qquad \text{Cm}$$

$$27 \qquad \text{DF} = \qquad \frac{\quad}{\text{Ps}} \qquad + \qquad \frac{\quad}{\text{Sm}}$$

$$28 \qquad \qquad \qquad \text{Ps} \qquad \qquad \text{Sm}$$

29 where, DF equals the distribution factor

30 Pc equals county population

31 Ps equals State population

32 Cm equals municipal road mileage within the county

33 Sm equals municipal road mileage within the State.

34 After the amount of aid has been allocated based on the above
 35 formula, the commissioner shall determine priority for the funding
 36 of municipal projects within each county, based upon criteria
 37 relating to volume of traffic, safety considerations, growth
 38 potential, readiness to obligate funds, and local taxing capacity. In
 39 addition to the above criteria used in determining priority of
 40 funding of municipal projects in each county, the commissioner
 41 shall consider whether a project is intended to remedy hazardous
 42 conditions as identified for the purposes of providing transportation
 43 pursuant to N.J.S.18A:39-1.2 for school pupils or to improve
 44 pedestrian safety.

45 For the purposes of this subsection, (1) "population" means the
 46 official population count as reported by the New Jersey Department
 47 of Labor and Workforce Development; and (2) "municipal road

1 mileage" means that road mileage under the jurisdiction of
2 municipalities, as determined by the department.

3 d. There shall be appropriated at least \$175,000,000 for **[the]**
4 each fiscal year commencing July 1, 2006 through the fiscal year
5 commencing July 1, 2015, and \$400,000,000 for each fiscal year
6 commencing July 1, 2016 and for each fiscal year thereafter, for the
7 purposes provided herein and in subsections b., c. **[and]**, e., f., and
8 g. of this section. (1) Of that appropriation, the commissioner shall
9 allocate **[\$5,000,000.00]** 37.5 percent of the total appropriation as
10 State aid for municipalities pursuant to the provisions of subsection
11 c. of this section, provided that \$5,000,000 for each fiscal year
12 commencing July 1, 2006 through the fiscal year commencing July
13 1, 2015, and \$10,000,000 for each fiscal year commencing July 1,
14 2016 and for each fiscal year thereafter of the amount allocated as
15 State aid for municipalities shall be set aside and sub-allocated as
16 State aid to any municipality qualifying for aid pursuant to the
17 provisions of P.L.1978, c.14 (C.52:27D-178 et seq.). The
18 commissioner shall allocate the aid to each municipality in the same
19 proportion that the municipality receives aid under P.L.1978, c.14
20 (C.52:27D-178 et seq.). (2) **[The remaining amount of the**
21 **appropriation shall be allocated pursuant to the provisions of**
22 **subsection c. of this section.]** The commissioner shall allocate 37.5
23 percent of the total appropriation pursuant to the provisions of
24 subsection e. of this section for the Local County Aid Program. (3)
25 The commissioner shall allocate seven percent of the total
26 appropriation pursuant to the provisions of subsection b. of this
27 section for the "Local Aid Infrastructure Fund." (4) The
28 commissioner shall allocate seven percent of the appropriation
29 pursuant to the provisions of subsection f. of this section for the
30 "Local Freight Impact Fund." (5) The remaining 11 percent of the
31 appropriation shall be allocated pursuant to the provisions of
32 subsection g. of this section for the "Local Bridges Fund."

33 e. The commissioner may, pursuant to appropriations or
34 authorizations being made from time to time by the Legislature
35 according to law, allocate additional funding to the Local County
36 Aid Program for public highway projects, in accordance with a
37 formula similar to that provided for in subsection c. of this section,
38 except that Cm equals road mileage under county jurisdiction and
39 Sm equals total county road mileage within the State.

40 f. The commissioner shall, pursuant to appropriations or
41 authorizations being made from time to time by the Legislature
42 according to law, allocate at the commissioner's discretion, State
43 aid to counties and municipalities for transportation projects that
44 address the impacts of freight travel in local communities and on
45 local transportation infrastructure, except that the amount to be
46 appropriated for this program shall be seven percent of the total
47 amount appropriated pursuant to subsection d. of this section. This
48 State aid shall be set aside prior to any formula allocations provided

1 for in subsections c., d., e., and g. of this section, and shall be
2 known as the "Local Freight Impact Fund."

3 g. The commissioner shall, pursuant to appropriations or
4 authorizations being made from time to time by the Legislature
5 according to law, allocate at the commissioner's discretion, State
6 aid to counties and municipalities for transportation projects that
7 address the condition of bridges under the jurisdiction of counties
8 with an emphasis on repair and reconstruction of those with the
9 greatest structural deficiencies, except that the amount to be
10 appropriated for this program shall be 11 percent of the total
11 amount appropriated pursuant to subsection d. of this section. This
12 State aid shall be set aside prior to any formula allocations provided
13 for in subsections c., d., e., and f. of this section, and shall be
14 known as the "Local Bridges Fund."

15 (cf: P.L.2012, c.13, s.9)

16

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

19 1. This act shall be known and may be cited as the "New Jersey
20 **【Environmental】** Infrastructure Trust Act."

21 (cf: P.L.1997, c.224, s.2)

22

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

25 2. a. The Legislature finds that the steady deterioration of older
26 sewage and sewer systems and wastewater treatment plants
27 endangers the availability and quality of uncontaminated water
28 resources of the State, thereby posing a grave danger to the health,
29 safety and welfare of the residents of the concerned communities
30 and the State; that the construction, rehabilitation, operation, and
31 maintenance of modern and efficient sewer systems and wastewater
32 treatment plants are essential to protecting and improving the State's
33 water quality; that in addition to protecting and improving water
34 quality, adequate wastewater treatment systems are essential to
35 economic growth and development; that many of the wastewater
36 treatment systems in New Jersey must be replaced or upgraded if an
37 inexorable decline in water quality is to be avoided during the
38 coming decades; that the United States Congress in recognition of
39 the crucial role wastewater treatment systems and plants play in
40 maintaining and improving water quality, and with an
41 understanding that the cost of financing and constructing these
42 systems must be borne by local governments and authorities with
43 limited sources of revenues, established in the "Federal Water
44 Pollution Control Act Amendments of 1972," Pub.L.92-500 (33
45 U.S.C. s.1251 et al.) a program to provide local governments with
46 grants for constructing these systems; that during the last several
47 years the amount of federal grant money available to states and
48 local governments for assistance in constructing and improving

1 wastewater treatment systems has sharply diminished; that the
2 current level of federal grant funding is inadequate to meet the cost
3 of upgrading the State's wastewater treatment capacity to comply
4 with State water quality standards; that the collective needs of the
5 State and local governments for capital financing of wastewater
6 treatment systems far exceed the sums of money presently available
7 through revenue initiatives and State and federal aid programs; and
8 that it is fitting and proper for the State to encourage local
9 governments to undertake wastewater treatment projects through
10 the establishment of a State mechanism to provide loans at the
11 lowest reasonable interest rates and to guarantee or insure local
12 capital improvement bonds.

13 b. The Legislature finds that stormwater runoff and combined
14 sewer overflows are among the major sources of ocean pollution,
15 contributing to beach closings; that combined sewer systems
16 discharge untreated wastewater and stormwater into rivers, streams
17 and coastal waters during wet weather, resulting in water pollution;
18 that some combined sewer systems have deteriorated to the point
19 that overflows occur regularly, even during dry weather; that many
20 sewer systems are on inadequate repair and replacement programs,
21 which may cause disturbances at sewage treatment plants; that
22 many municipalities are under building moratoriums due to the
23 inadequacy of their sewage and stormwater collection systems,
24 which severely affect municipal budgets; and that large unmet
25 capital expenses exist for combined sewer system separation and
26 abatement projects.

27 The Legislature further finds that funding at the federal level for
28 wastewater treatment, stormwater management and combined sewer
29 system rehabilitation projects is insufficient; that State funds
30 available for these projects are inadequate to meet current needs;
31 that local revenues are insufficient to meet these expenses; and that
32 additional funding at the State level is necessary to meet this
33 financial obligation.

34 c. The Legislature finds that construction, rehabilitation,
35 operation and maintenance of modern and efficient water supply
36 facilities are essential to protecting and improving the State's water
37 quality; that the citizens of this State, in recognition of the crucial
38 role the construction of new and the upgrading of existing water
39 supply facilities play in maintaining and augmenting the natural
40 water resources of the State, and with an understanding that the cost
41 of financing and constructing these systems is beyond the limited
42 financial resource capabilities of local governments and authorities
43 and must be subsidized by the State and repaid through a system of
44 water supply user charges, approved the enactment of the "Water
45 Supply Bond Act of 1981" (P.L.1981, c.261); that the water supply
46 needs of the State are so great that the funds allocated for this
47 purpose from the "Water Supply Fund" established by that 1981
48 bond act should be augmented and maximized, to the extent

1 practicable, through the use of alternative methods of State
2 financing to offset the costs of water supply projects and for the
3 construction of new or the rehabilitation of antiquated or inadequate
4 existing water supply facilities; that the United States Congress in
5 recognition of the essential role that safe drinking water plays in
6 protecting the public health, and with an understanding that
7 financing, constructing and maintaining water systems that meet the
8 requirements of the "Safe Drinking Water Act," 42 U.S.C. s.300f et
9 seq. exceed the financial and technical capacity of the operators of
10 some water systems, has established in the "Safe Drinking Water
11 Act Amendments of 1996," P.L.104-182, a program to provide
12 public water systems with financial assistance to meet national
13 primary drinking water regulations or to otherwise further the
14 health protection objectives of the federal law and that the State
15 must, in order to make use of the federal funds, provide State funds
16 for the program; and therefore, State funding for the program is
17 necessary to meet this financial obligation.

18 d. The Legislature finds that the transportation infrastructure of
19 the State is among the most heavily used in the nation and has
20 deteriorated in recent years, with parts of the highway system
21 reaching the end of their useful lives.

22 e. The Legislature finds that capital projects for roadways and
23 bridges are essential to protecting and improving the State's
24 transportation system; that construction of new and the upgrading of
25 existing roadways and bridges play a critical role in the
26 transportation needs of the State, and with an understanding that the
27 cost of financing and constructing these systems is beyond the
28 limited financial resource capabilities of local governments and
29 authorities and must be subsidized by the State and Federal
30 government; that the United States Congress has established "State
31 Infrastructure Bank" programs to provide funding for transportation
32 systems (23 U.S.C. 610) and that the State must, in order to make
33 use of the federal funds, provide State funds for the program; and
34 therefore, State funding for the program is necessary to meet this
35 financial obligation.

36 f. The Legislature therefore determines that it is in the public
37 interest to establish a State authority authorized to issue bonds,
38 notes and other obligations and to establish any reserve funds
39 necessary therefor, and to make loans to and guarantee debt
40 incurred by local government units for environmental and
41 transportation infrastructure projects.

42 (cf: P.L.1997, c.224, s.3)

43
44 12. Section 3 of P.L.1985, c.334 (C.58:11B-3) is amended to
45 read as follows:

46 3. As used in sections 1 through 27 of P.L.1985, c.334
47 (C.58:11B-1 through C.58:11B-27) **[and]**, sections 23 through 27
48 of P.L.1997, c.224 (C.58:11B-10.1 et al.), and sections 27 and 39

1 through 43 of P.L. , c. (C.) (pending before the Legislature
2 as this bill):

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

6 **["Combined sewer system" means a sewer system designed to**
7 **carry sanitary wastewater at all times, which is also designed to**
8 **collect and transport stormwater runoff from streets and other**
9 **sources, thereby serving a combined purpose;]**

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

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

17 "Commissioner" means the Commissioner of the Department of
18 Environmental Protection;

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

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

27 "Environmental infrastructure project" means the acquisition,
28 construction, improvement, repair or reconstruction of all or part of
29 any structure, facility or equipment, or real or personal property
30 necessary for or ancillary to any: (1) wastewater treatment system
31 project, including any stormwater management or combined sewer
32 overflow abatement projects; or (2) water supply project, as
33 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or
34 P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water
35 resources project, as authorized pursuant to P.L.2003, c.162;

36 "Federal infrastructure bank program" means the United States
37 Department of Transportation State Infrastructure Bank Program
38 provided for in section 350 of Pub.L.104-59 and Pub.L.102-240 as
39 amended or superseded;

40 "Local government unit" means (1) a State authority, county,
41 municipality, municipal, county or regional sewerage or utility
42 authority, municipal sewerage district, joint meeting, improvement
43 authority, or any other political subdivision of the State authorized
44 to construct, operate, and maintain wastewater treatment systems;
45 **[or]** (2) a State authority, district water supply commission, county,
46 municipality, municipal, county or regional utilities authority,
47 municipal water district, joint meeting, or any other political
48 subdivision of the State authorized pursuant to law to operate or

1 maintain a public water supply system or to construct, rehabilitate,
2 operate, or maintain water supply facilities or otherwise provide
3 water for human consumption; or (3) a county, municipality,
4 municipal, county or regional transportation authority, or any other
5 political subdivision of the State authorized to construct, operate,
6 and maintain public highways or transportation projects as defined
7 pursuant to this section;

8 "Notes" means notes issued by the trust pursuant to P.L.1985,
9 c.334 (C.58:11B-1 et seq.) **【or】** P.L.1997, c.224 (C.58:11B-10.1 et
10 al.), or sections 27 and 39 through 43 of P.L. , c. (C.)
11 (pending before the Legislature as this bill);

12 "Onsite septic system ordinance or regulation" means an
13 ordinance adopted by a municipality or county or regulation
14 adopted by a regional planning agency establishing the
15 requirements for construction, maintenance and repair of onsite
16 wastewater treatment and disposal systems;

17 "Onsite wastewater treatment and disposal system" means an on-
18 site system designed to treat and dispose of domestic sewage;

19 "Other assistance" means forms of financial assistance, in
20 addition to loans, authorized by the New Jersey Infrastructure Bank
21 from the State Transportation Infrastructure Bank Fund, including,
22 but not limited to, use of funds to: provide credit enhancements;
23 serve as a capital reserve for bond or other debt instrument
24 financing; subsidize interest rates; ensure the issuance of letters of
25 credit and credit instruments; finance purchase and lease
26 agreements with respect to transit projects; and provide bond or
27 other debt financing instrument security;

28 "Project" **【or "environmental infrastructure project"】** means the
29 acquisition, construction, improvement, repair or reconstruction of
30 all or part of any structure, facility, or equipment, or real or
31 personal property necessary for or ancillary to any: (1) wastewater
32 treatment system project, including any stormwater management or
33 combined sewer overflow abatement projects; **【or】** (2) water supply
34 project, as authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et
35 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water
36 resources project, as authorized pursuant to P.L.2003, c.162**【,】**; or
37 (3) transportation project authorized pursuant to sections 27 and 39
38 through 43 of P.L. , c. (C.) (pending before the Legislature
39 as this bill);

40 "Public highway" means public roads, streets, expressways,
41 freeways, parkways, motorways and boulevards, including bridges,
42 tunnels, overpasses, underpasses, interchanges, express bus
43 roadways, bus pullouts and turnarounds, park-ride facilities, traffic
44 circles, grade separations, traffic control devices, the elimination or
45 improvement of crossings of railroads and highways, whether at-
46 grade or not at-grade, bicycle and pedestrian pathways and
47 pedestrian and bicycle bridges, and any property, rights of way,

1 easements and interests therein needed for the construction,
2 improvement, and maintenance of highways;

3 "Public water utility" means any investor-owned water company
4 or small water company;

5 "Small water company" means any company, purveyor or entity,
6 other than a governmental agency, that provides water for human
7 consumption and which regularly serves less than 1,000 customer
8 connections, including nonprofit, noncommunity water systems
9 owned or operated by a nonprofit group or organization;

10 "Stormwater management system" means any equipment, plants,
11 structures, machinery, apparatus, management practices, or land, or
12 any combination thereof, acquired, used, constructed, implemented
13 or operated to prevent nonpoint source pollution, abate improper
14 cross-connections and interconnections between stormwater and
15 sewer systems, minimize stormwater runoff, reduce soil erosion, or
16 induce groundwater recharge, or any combination thereof;

17 "Transportation project" means capital projects for public
18 highways, approach roadways and other necessary land-side
19 improvements, ramps, signal systems, roadbeds, transit lanes or
20 rights of way, pedestrian walkways and bridges connecting to
21 passenger stations and servicing facilities, bridges, and grade
22 crossings;

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

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

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

45 "Wastewater treatment system project" means any work relating
46 to the acquisition, construction, improvement, repair or
47 reconstruction of all or part of any structure, facility or equipment,
48 or real or personal property necessary for or ancillary to any

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

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

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

35 "Water supply project" means any work relating to the
36 acquisition, construction, improvement, repair or reconstruction of
37 all or part of any structure, facility or equipment, or real or personal
38 property necessary for or ancillary to water supply facilities that
39 meets the requirements set forth in sections 24, 25, and 26 of
40 P.L.1997, c.224 (C.58:11B-20.1, C.58:11B-21.1, and C.58:11B-
41 22.1); or any work relating to the purposes set forth in section 4 of
42 P.L.1981, c.261; or any work relating to the purposes set forth in
43 section 6 of P.L.2003, c.162; or any work relating to any other
44 project eligible for funding pursuant to the federal "Safe Drinking
45 Water Act Amendments of 1996," Pub.L.104-182, and any
46 amendatory and supplementary acts thereto.
47 (cf: P.L.2009, c.103, s.1)

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

3 4. a. There is established in, but not of, the Department of
4 **【Environmental Protection】** the Treasury a body corporate and
5 politic, with corporate succession, to be known as the "New Jersey
6 **【Environmental】** Infrastructure **【Trust】** Bank." The trust is
7 constituted as an instrumentality of the State exercising public and
8 essential governmental functions, no part of whose revenues shall
9 accrue to the benefit of any individual, and the exercise by the trust
10 of the powers conferred by the provisions of P.L.1985, c.334
11 (C.58:11B-1 et seq.) **【or】** , P.L.1997, c.224 (C.58:11B-10.1 et al.),
12 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
13 before the Legislature as this bill), shall be deemed and held to be
14 an essential governmental function of the State.

15 b. The trust shall consist of a **【seven-member】** 10 member
16 board of directors composed of the State Treasurer, the
17 Commissioner of the Department of Community Affairs, the
18 Commissioner of the Department of Transportation, and the
19 Commissioner of the Department of Environmental Protection, who
20 shall be members ex officio; **【one person】** two people appointed by
21 the Governor upon the recommendation of the President of the
22 Senate, and **【one person】** two people appointed by the Governor
23 upon the recommendation of the Speaker of the General Assembly,
24 who shall serve during the two-year legislative term in which they
25 are appointed; and two residents of the State appointed by the
26 Governor with the advice and consent of the Senate, who shall serve
27 for terms of four years, except that the first two appointed shall
28 serve terms of two and three years respectively. Each appointed
29 director shall serve until **【his】** that director's successor has been
30 appointed and qualified. A director is eligible for reappointment.
31 Any vacancy shall be filled in the same manner as the original
32 appointment, but for the unexpired term only.

33 With respect to those public members first appointed by the
34 Governor, the appointment of each of the two members upon the
35 advice and consent of the Senate shall become effective 30 days
36 after their nomination by the Governor if the Senate has not given
37 advice and consent on those nominations within that time period;
38 the President of the Senate and the Speaker of the General
39 Assembly each shall recommend to the Governor a public member
40 for appointment within 20 days following the effective date of
41 **【this act】** P.L.1985, c.334 (C.58:11B-1 et seq.) and a public
42 member for appointment within 20 days following the effective date
43 of P.L. c. (pending before the Legislature as this bill), and a
44 recommendation made in this manner shall become effective if the
45 Governor makes the appointment in accordance with the
46 recommendation, in writing, within 10 days of the Governor's
47 receipt thereof. In each instance where the Governor fails to make
48 the appointment, the President of the Senate and the Speaker of the

1 General Assembly shall make new recommendations subject to
2 appointment by the Governor as determined in this section.

3 c. Each appointed director may be removed from office by the
4 Governor for cause, upon the Governor's consideration of the
5 findings and recommendations of an administrative law judge after
6 a public hearing before the judge, and may be suspended by the
7 Governor pending the completion of the hearing. Each director,
8 before entering upon **【his】** the director's duties, shall take and
9 subscribe an oath to perform the duties of **【his】** the director's office
10 faithfully, impartially and justly to the best of **【his】** the director's
11 ability. A record of oaths shall be filed in the office of the Secretary
12 of State.

13 d. The Governor shall designate one of the appointed members
14 to be the **【chairman】** chairperson and chief executive officer of the
15 trust and the directors shall biannually elect a **【vice-chairman】**
16 vice-chairperson from among the appointed directors. The
17 **【chairman】** chairperson shall serve as such for a term of two years
18 and until a successor has been designated. A **【chairman】**
19 chairperson shall be eligible **【to succeed himself】** for one additional
20 two-year term as chairperson. The directors shall elect a secretary
21 and treasurer, who need not be directors, and the same person may
22 be elected to serve as both secretary and treasurer.

23 The powers of the trust are vested in the directors in office from
24 time to time and **【four】** six directors shall constitute a quorum at
25 any meeting. Action may be taken and motions and resolutions
26 adopted by the trust by the affirmative majority vote of those
27 directors present, but in no event shall any action be taken or
28 motions or resolutions adopted without the affirmative vote of at
29 least **【four members】** six directors. No vacancy on the board of
30 directors of the trust shall impair the right of a quorum of the
31 directors to exercise the powers and perform the duties of the trust.

32 e. Each director and the treasurer of the trust shall execute a
33 bond to be conditioned upon the faithful performance of the duties
34 of the director or treasurer in a form and amount as may be
35 prescribed by the State Treasurer. Bonds shall be filed in the office
36 of the Secretary of State. At all times thereafter, the directors and
37 treasurer shall maintain these bonds in full effect. All costs of the
38 bonds shall be borne by the trust.

39 f. The directors of the trust shall serve without compensation,
40 but the trust shall reimburse the directors for actual and necessary
41 expenses incurred in the performance of their duties.
42 Notwithstanding the provisions of any other law to the contrary, no
43 officer or employee of the State shall be deemed to have forfeited or
44 shall forfeit **【his】** the officer's or employee's office or employment
45 or any benefits or emoluments thereof by reason of **【his】** the
46 officer's or employee's acceptance of the office of ex officio

1 director of the trust or **【his】** the ex officio director's services
2 thereon.

3 g. Each ex officio director may designate an officer of **【his】**
4 the ex officio director's department to represent **【him】** the ex
5 officio director at meetings of the trust. Each designee may lawfully
6 vote and otherwise act on behalf of the director for whom **【he】** the
7 person constitutes the designee. The designation shall be delivered
8 in writing to the trust and shall continue in effect until revoked or
9 amended in writing and delivered to the trust.

10 h. The trust may be dissolved by law; provided the trust has no
11 debts or obligations outstanding or that provision has been made for
12 the payment or retirement of these debts or obligations. The trust
13 shall continue in existence until dissolved by act of the Legislature.
14 Upon any dissolution of the trust, all property, funds and assets of
15 the trust shall be vested in the State.

16 i. A true copy of the minutes of every meeting of the trust shall
17 be forthwith delivered by and under the certification of the secretary
18 thereof to the Governor and at the same time to the Senate and
19 General Assembly. The time and act of this delivery shall be duly
20 recorded on a delivery receipt. No action taken or motion or
21 resolution adopted at a meeting by the trust shall have effect until
22 10 days, exclusive of Saturdays, Sundays and public holidays, after
23 a copy of the minutes has been delivered to the Governor, unless
24 during the 10-day period the Governor shall approve all or part of
25 the actions taken or motions or resolutions adopted, in which case
26 the action or motion or resolution shall become effective upon the
27 approval.

28 If, in the 10-day period, the Governor returns the copy of the
29 minutes with a veto of any action taken by the trust or any member
30 thereof at that meeting, the action shall be of no effect. The Senate
31 or General Assembly shall have the right to provide written
32 comments concerning the minutes to the Governor within the 10-
33 day period, which comments shall be returned to the trust by the
34 Governor with **【his】** the Governor's approval or veto of the
35 minutes.

36 The powers conferred in this subsection upon the Governor shall
37 be exercised with due regard for the rights of the holders of bonds,
38 notes and other obligations of the trust at any time outstanding, and
39 nothing in, or done pursuant to, this subsection shall in any way
40 limit, restrict or alter the obligation or powers of the trust or any
41 representative or officer of the trust to carry out and perform each
42 covenant, agreement, or contract made or entered into by or on
43 behalf of the trust with respect to its bonds, notes, or other
44 obligations or for the benefit, protection or security of the holders
45 thereof.

46 j. No resolution or other action of the trust providing for the
47 issuance of bonds, refunding bonds, notes or other obligations shall
48 be adopted or otherwise made effective by the trust without the

1 prior approval in writing of the Governor and the State Treasurer.
2 The trust shall provide the Senate and General Assembly with
3 written notice of any request for approval of the Governor and State
4 Treasurer at the time the request is made, and shall also provide the
5 Senate and General Assembly written notice of the response of the
6 Governor and State Treasurer at the time that the response is
7 received by the trust.

8 (cf: P.L.1997, c.224, s.5)

9

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

12 5. Except as otherwise limited by the provisions of P.L.1985,
13 c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et
14 al.), or sections 27 and 39 through 43 of P.L. , c. (C.)
15 (pending before the Legislature as this bill), the trust may:

16 a. Make and alter bylaws for its organization and internal
17 management and, subject to agreements with holders of its bonds,
18 notes or other obligations, make rules and regulations with respect
19 to its operations, properties and facilities;

20 b. Adopt an official seal and alter it;

21 c. Sue and be sued;

22 d. Make and enter into all contracts, leases and agreements
23 necessary or incidental to the performance of its duties and the
24 exercise of its powers under the provisions of P.L.1985, c.334
25 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
26 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
27 before the Legislature as this bill), and subject to any agreement
28 with the holders of the trust's bonds, notes or other obligations,
29 consent to any modification, amendment or revision of any contract,
30 lease or agreement to which the trust is a party;

31 e. Enter into agreements or other transactions with and accept,
32 subject to the provisions of section 23 of P.L.1985, c.334
33 (C.58:11B-23), grants, appropriations and the cooperation of the
34 State, or any State agency, in furtherance of the purposes of
35 P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224
36 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
37 c. (C.) (pending before the Legislature as this bill), and do
38 anything necessary in order to avail itself of that aid and
39 cooperation;

40 f. Receive and accept aid or contributions from any source of
41 money, property, labor or other things of value, to be held, used and
42 applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et
43 seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27
44 and 39 through 43 of P.L. , c. (C.) (pending before the
45 Legislature as this bill), subject to the conditions upon which that
46 aid and those contributions may be made, including, but not limited
47 to, gifts or grants from any department or agency of the State, or
48 any State agency, for any purpose consistent with the provisions of

- 1 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
2 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
3 c. (C.) (pending before the Legislature as this bill), subject to
4 the provisions of section 23 of P.L.1985, c.334 (C.58:11B-23);
- 5 g. Acquire, own, hold, construct, improve, rehabilitate,
6 renovate, operate, maintain, sell, assign, exchange, lease, mortgage
7 or otherwise dispose of real and personal property, or any interest
8 therein, in the exercise of its powers and the performance of its
9 duties under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.)
10 **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
11 through 43 of P.L. , c. (C.) (pending before the Legislature
12 as this bill);
- 13 h. Appoint and employ an executive director and any other
14 officers or employees as it may require for the performance of its
15 duties, without regard to the provisions of Title 11A of the New
16 Jersey Statutes;
- 17 i. Borrow money and issue bonds, notes and other obligations,
18 and secure the same, and provide for the rights of the holders
19 thereof as provided in the provisions of P.L.1985, c.334 (C.58:11B-
20 1 et seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections
21 27 and 39 through 43 of P.L. , c. (C.) (pending before the
22 Legislature as this bill);
- 23 j. Subject to any agreement with holders of its bonds, notes or
24 other obligations, invest moneys of the trust not required for
25 immediate use, including proceeds from the sale of any bonds, notes
26 or other obligations, in any obligations, securities and other
27 investments in accordance with the rules and regulations of the
28 State Investment Council or as may otherwise be approved by the
29 Director of the Division of Investment in the Department of the
30 Treasury upon a finding that such investments are consistent with
31 the corporate purposes of the trust;
- 32 k. Procure insurance to secure the payment of its bonds, notes
33 or other obligations or the payment of any guarantees or loans made
34 by it in accordance with the provisions of P.L.1985, c.334
35 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
36 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
37 before the Legislature as this bill), or against any loss in connection
38 with its property and other assets and operations, in any amounts
39 and from any insurers as it deems desirable;
- 40 l. Engage the services of attorneys, accountants, engineers, and
41 financial experts and any other advisors, consultants, experts and
42 agents as may be necessary in its judgment and fix their
43 compensation;
- 44 m. (1) Make and contract to make loans to local government
45 units, or to a local government unit on behalf of another local
46 government unit, to finance the cost of wastewater treatment system
47 projects or water supply projects and acquire and contract to acquire
48 notes, bonds or other obligations issued or to be issued by any local

1 government units to evidence the loans, all in accordance with the
2 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
3 c.224 (C.58:11B-10.1 et al.);

4 (2) Make and contract to make loans to public water utilities, or
5 to any other person or local government unit on behalf of a public
6 water utility, to finance the cost of water supply projects in
7 accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et
8 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

9 (3) Make and contract to make loans to private persons other
10 than local government units, or to any other person or local
11 government unit on behalf of a private person, to finance the cost of
12 onsite wastewater treatment and disposal systems or stormwater
13 management systems in accordance with the provisions of
14 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-
15 10.1 et al.);

16 (4) Make and contract to make loans and provide other
17 assistance to one or more local government units or consortia
18 thereof to finance the cost of transportation projects in accordance
19 with the provisions of the federal infrastructure bank program and
20 pursuant to sections 27 and 39 through 43 of P.L. , c. (C.)
21 (pending before the Legislature as this bill);

22 n. Subject to any agreement with holders of its bonds, notes or
23 other obligations, purchase bonds, notes and other obligations of the
24 trust and hold the same for resale or provide for the cancellation
25 thereof, all in accordance with the provisions of P.L.1985, c.334
26 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
27 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
28 before the Legislature as this bill);

29 o. (1) Charge to and collect from local government units,
30 private persons or public water utilities any fees and charges in
31 connection with the trust's loans, guarantees or other services,
32 including, but not limited to, fees and charges sufficient to
33 reimburse the trust for all reasonable costs necessarily incurred by it
34 in connection with its financings and the establishment and
35 maintenance of reserve or other funds, as the trust may determine to
36 be reasonable. The fees and charges shall be in accordance with a
37 uniform schedule published by the trust for the purpose of
38 providing actual cost reimbursement for the services rendered;

39 (2) Any fees and charges collected by the trust pursuant to this
40 subsection may be deposited and maintained in a special fund
41 separate from any other funds held by the trust pursuant to section
42 10 of P.L.1985, c.334 (C.58:11B-10) or section 23 of P.L.1997,
43 c.224 (C.58:11B-10.1), including the Emergency Loan Fund
44 established pursuant to section 4 of P.L.2007, c.138 (C.58:11B-9.1),
45 and shall be available for any corporate purposes of the trust,
46 including the Emergency Financing Program pursuant to section 4
47 of P.L.2007, c.138 (C.58:11B-9.1);

1 p. Subject to any agreement with holders of its bonds, notes or
2 other obligations, obtain as security or to provide liquidity for
3 payment of all or any part of the principal of and interest and
4 premium on the bonds, notes and other obligations of the trust or
5 for the purchase upon tender or otherwise of the bonds, notes or
6 other obligations, lines of credit, letters of credit and other security
7 agreements or instruments in any amounts and upon any terms as
8 the trust may determine, and pay any fees and expenses required in
9 connection therewith;

10 q. Provide to local government units any financial and credit
11 advice as these local government units may request;

12 r. Make payments to the State from any moneys of the trust
13 available therefor as may be required pursuant to any agreement
14 with the State or act appropriating moneys to the trust; and

15 s. Take any action necessary or convenient to the exercise of
16 the foregoing powers or reasonably implied therefrom.

17 (cf: P.L.2009, c.103, s.2)

18

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

21 6. a. Except as may be otherwise expressly provided in the
22 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997,
23 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
24 P.L. , c. (C.) (pending before the Legislature as this bill),
25 the trust may from time to time issue its bonds, notes, or other
26 obligations in any principal amounts as in the judgment of the trust
27 shall be necessary to provide sufficient funds for any of its
28 corporate purposes, including the payment, funding, or refunding of
29 the principal of, or interest or redemption premiums on, any bonds,
30 notes, or other obligations issued by it, whether the bonds, notes, or
31 other obligations or the interest or redemption premiums thereon to
32 be funded or refunded have or have not become due, the
33 establishment or increase of reserves or other funds to secure or to
34 pay the bonds, notes, or other obligations or interest thereon and all
35 other costs or expenses of the trust incident to and necessary to
36 carry out its corporate purposes and powers.

37 b. Whether or not the bonds, notes or other obligations of the
38 trust are of a form and character as to be negotiable instruments
39 under the terms of Title 12A of the New Jersey Statutes, the bonds,
40 notes and other obligations are made negotiable instruments within
41 the meaning of and for the purposes of Title 12A of the New Jersey
42 Statutes, subject only to the provisions of the bonds, notes and other
43 obligations for registration.

44 c. Bonds, notes or other obligations of the trust shall be
45 authorized by a resolution or resolutions of the trust and may be
46 issued in one or more series and shall bear any date or dates, mature
47 at any time or times, bear interest at any rate or rates of interest per
48 annum, be in any denomination or denominations, be in any form,

1 either coupon, registered or book entry, carry any conversion or
2 registration privileges, have any rank or priority, be executed in any
3 manner, be payable in any coin or currency of the United States
4 which at the time of payment is legal tender for the payment of
5 public and private debts, at any place or places within or without
6 the State, and be subject to any terms of redemption by the trust or
7 the holders thereof, with or without premium, as the resolution or
8 resolutions may provide. A resolution of the trust authorizing the
9 issuance of bonds, notes or other obligations may provide that the
10 bonds, notes or other obligations be secured by a trust indenture
11 between the trust and a trustee, vesting in the trustee any property,
12 rights, powers and duties in trust consistent with the provisions of
13 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
14 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
15 c. (C.)(pending before the Legislature as this bill) as the trust
16 may determine.

17 d. Bonds, notes or other obligations of the trust may be sold at
18 any price or prices and in any manner as the trust may determine.
19 Each bond, note or other obligation shall mature and be paid not
20 later than 30 years for environmental infrastructure projects, and 31
21 years for transportation projects, from the effective date thereof, or
22 the certified useful life of the project or projects to be financed by
23 the bonds, whichever is less, or a shorter period of time as may be
24 applicable to any companion loan issued pursuant to federal law or
25 regulation.

26 All bonds of the trust shall be sold at **【such】** the price or prices
27 and in **【such】** the manner as the trust shall determine, after notice
28 of sale, a summary of which shall be published at least once in at
29 least three newspapers published in the State of New Jersey and at
30 least once in a publication carrying municipal bond notices and
31 devoted primarily to financial news published in New Jersey or the
32 city of New York, the first summary notice to be at least five days
33 prior to the day of bidding. The notice of sale may contain a
34 provision to the effect that any or all bids made in pursuance thereof
35 may be rejected. In the event of such rejection or of failure to
36 receive any acceptable bid, the trust, at any time within 60 days
37 from the date of such advertised sale, may sell such bonds at private
38 sale upon terms not less favorable to the State than the terms
39 offered by any rejected bid. The trust may sell all or part of the
40 bonds of any series as issued to any State fund or to the federal
41 government or any agency thereof, at private sale, without
42 advertisement.

43 e. Bonds, notes or other obligations of the trust may be issued
44 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**,
45 P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
46 through 43 of P.L. , c. (C.) (pending before the Legislature
47 as this bill) without obtaining the consent of any department,
48 division, board, bureau or agency of the State, and without any

1 other proceedings or the happening of any other conditions or
2 things, other than those consents, proceedings, conditions or things
3 which are specifically required by P.L.1985, c.334 (C.58:11B-1 et
4 seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27
5 and 39 through 43 of P.L. , c. (C.) (pending before the
6 Legislature as this bill).

7 f. Bonds, notes or other obligations of the trust issued under
8 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.), or sections 27 and 39
10 through 43 of P.L. , c. (C.) (pending before the Legislature
11 as this bill) shall not be a debt or liability of the State or of any
12 political subdivision thereof other than the trust and shall not create
13 or constitute any indebtedness, liability or obligation of the State or
14 any political subdivision, but all these bonds, notes and other
15 obligations, unless funded or refunded by bonds, notes or other
16 obligations, shall be payable solely from revenues or funds pledged
17 or available for their payment as authorized in P.L.1985, c.334
18 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
19 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
20 before the Legislature as this bill). Each bond, note and obligation
21 shall contain on its face a statement to the effect that the trust is
22 obligated to pay the principal thereof or the interest thereon only
23 from its revenues, receipts or funds pledged or available for their
24 payment as authorized in P.L.1985, c.334 (C.58:11B-1 et seq.)
25 **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
26 through 43 of P.L. , c. (C.) (pending before the Legislature
27 as this bill), and that neither the State, nor any political subdivision
28 thereof, is obligated to pay the principal or interest and that neither
29 the faith and credit nor the taxing power of the State, or any
30 political subdivision thereof, is pledged to the payment of the
31 principal of or the interest on the bonds, notes or other obligations.

32 g. The aggregate principal amount of bonds, notes or other
33 obligations, including subordinated indebtedness of the trust, shall
34 not exceed (1) \$5,000,000,000 with respect to bonds, notes, or other
35 obligations issued to finance the Disaster Relief Emergency
36 Financing Program established pursuant to section 1 of P.L.2013,
37 c.93 (C.58:11B-9.5), and (2) **[\$2,800,000,000] \$3,800,000,000**
38 with respect to bonds, notes, or other obligations issued for all other
39 purposes of the trust. In computing the foregoing limitations there
40 shall be excluded all the bonds, notes or other obligations, including
41 subordinated indebtedness of the trust, which shall be issued for
42 refunding purposes, whenever the refunding shall be determined to
43 result in a savings.

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

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

6 (2) The Joint Budget Oversight Committee or its successor shall
7 have the authority to approve or disapprove the sales of refunding
8 bonds as included in each report submitted in accordance with
9 paragraph (1) of this subsection. The committee shall notify the
10 trust in writing of the approval or disapproval within 30 days of
11 receipt of the report. Should the committee not act within 30 days
12 of receipt of the report, the trust may proceed with the sale of the
13 refunding bonds, provided that the sale of refunding bonds shall
14 realize not less than **【3.00%】** three percent net present value debt
15 service savings.

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

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

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

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

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

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

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

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

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

12 i. The trust shall not issue any bonds, notes or other
13 obligations, or otherwise incur any additional indebtedness, on or
14 after June 30, 2033.

15 j. (Deleted by amendment, P.L.1996, c.88).
16 (cf: P.L.2015, c.106, s.1)

17

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

20 7. In any resolution of the trust authorizing or relating to the
21 issuance of any of its bonds, notes or other obligations, the trust, in
22 order to secure the payment of the bonds, notes or other obligations
23 and in addition to its other powers, may by provisions therein which
24 shall constitute covenants by the trust and contracts with the holders
25 of the bonds, notes or other obligations:

26 a. Secure the bonds, notes or other obligations as provided in
27 section 6 of P.L.1985, c.334 (C.58:11B-6);

28 b. Covenant against pledging all or part of its revenues or
29 receipts;

30 c. Covenant with respect to limitations on any right to sell,
31 mortgage, lease or otherwise dispose of any notes, bonds or other
32 obligations of local government units, or any part thereof, or any
33 property of any kind;

34 d. Covenant as to any bonds, notes or other obligations to be
35 issued by the trust, and the limitations thereon, and the terms and
36 conditions thereof, and as to the custody, application, investment
37 and disposition of the proceeds thereof;

38 e. Covenant as to the issuance of additional bonds, notes or
39 other obligations of the trust or as to limitations on the issuance of
40 additional bonds, notes or other obligations and on the incurring of
41 other debts by it;

42 f. Covenant as to the payment of the principal of or interest on
43 bonds, notes or other obligations of the trust, as to the sources and
44 methods of payment, as to the rank or priority of the bonds, notes or
45 other obligations with respect to any lien or security or as to the
46 acceleration of the maturity of the bonds, notes or other obligations;

47 g. Provide for the replacement of lost, stolen, destroyed or
48 mutilated bonds, notes or other obligations of the trust;

- 1 h. Covenant against extending the time for the payment of
2 bonds, notes or other obligations of the trust or interest thereon;
- 3 i. Covenant as to the redemption of bonds, notes and other
4 obligations by the trust or the holders thereof and privileges of
5 exchange thereof for other bonds, notes or other obligations of the
6 trust;
- 7 j. Covenant to create or authorize the creation of special funds
8 or accounts to be held in trust or otherwise for the benefit of holders
9 of bonds, notes and other obligations of the trust, or reserves for
10 other purposes and as to the use, investment, and disposition of
11 moneys held in those funds, accounts or reserves;
- 12 k. Provide for the rights and liabilities, powers and duties arising
13 upon the breach of any covenant, condition or obligation and
14 prescribe the events of default and terms and conditions upon which
15 any or all of the bonds, notes or other obligations of the trust shall
16 become or may be declared due and payable before maturity and the
17 terms and conditions upon which the declaration and its
18 consequences may be waived;
- 19 l. Vest in a trustee or trustees within or without the State any
20 property, rights, powers and duties in trust as the trust may
21 determine, which may include any or all of the rights, powers and
22 duties of any trustee appointed by the holders of any bonds, notes or
23 other obligations of the trust pursuant to section 18 of P.L.1985,
24 c.334 (C.58:11B-18), including rights with respect to the sale or
25 other disposition of notes, bonds or other obligations of local
26 government units pledged pursuant to a resolution or trust indenture
27 for the benefit of the holders of bonds, notes or other obligations of
28 the trust and the right by suit or action to foreclose any mortgage
29 pledged pursuant to the resolution or trust indenture for the benefit
30 of the holders of the bonds, notes or other obligations, and to limit
31 or abrogate the right of the holders of any bonds, notes or other
32 obligations of the trust to appoint a trustee under the provisions of
33 P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224
34 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill), and to
36 limit the rights, duties and powers of the trustee;
- 37 m. Pay the costs or expenses incident to the enforcement of the
38 bonds, notes or other obligations of the trust or of the provisions of
39 the resolution authorizing the issuance of those bonds, notes or
40 other obligations or of any covenant or agreement of the trust with
41 the holders of the bonds, notes or other obligations;
- 42 n. Limit the rights of the holders of any bonds, notes or other
43 obligations of the trust to enforce any pledge or covenant securing
44 the bonds, notes or other obligations; and
- 45 o. Make covenants other than or in addition to the covenants
46 authorized by P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997,
47 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
48 P.L. , c. (C.) (pending before the Legislature as this bill) of

1 like or different character, and make covenants to do or refrain from
2 doing any acts and things as may be necessary, or convenient and
3 desirable, in order to better secure the bonds, notes or other
4 obligations of the trust, or which, in the absolute discretion of the
5 trust, would make the bonds, notes or other obligations more
6 marketable, notwithstanding that the covenants, acts or things may
7 not be enumerated herein.

8 (cf: P.L.1997, c.224, s.8)

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

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

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

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

33 (4) The trust may make and contract to make loans and provide
34 other assistance to a local government unit or consortia thereof to
35 finance the cost of transportation projects pursuant to sections 27
36 and 39 through 43 of P.L. , c. (C.) (pending before the
37 Legislature as this bill), and provided that the federally-funded
38 subaccount is operated in accordance with the provisions of the
39 federal infrastructure bank program.

40 The loans may be made subject to those terms and conditions as
41 the trust shall determine to be consistent with the purposes thereof.
42 Each loan by the trust and the terms and conditions thereof shall be
43 subject to approval by the State Treasurer, and the trust shall make
44 available to the State Treasurer all information, statistical data and
45 reports of independent consultants or experts as the State Treasurer
46 shall deem necessary in order to evaluate the loan. Each loan to a
47 local government unit, public water utility or any other person shall
48 be evidenced by notes, bonds or other obligations thereof issued to

1 the trust. In the case of each local government unit, notes and
2 bonds to be issued to the trust and, if applicable, the State, acting by
3 and through the Department of Environmental Protection, by the
4 local government unit (1) shall be authorized and issued as provided
5 by law for the issuance of notes and bonds by the local government
6 unit, (2) notwithstanding any provisions of the "Local Authorities
7 Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.) to the
8 contrary, shall be approved by the Director of the Division of Local
9 Government Services in the Department of Community Affairs, and
10 (3)**[.]** notwithstanding the provisions of N.J.S.40A:2-27,
11 N.J.S.40A:2-28 and N.J.S.40A:2-29 or any other provisions of law
12 to the contrary, may be sold at private sale to the trust or the State,
13 as the case may be, at any price, whether or not less than par value,
14 and shall be subject to redemption prior to maturity at any times and
15 at any prices as the trust or the State, as the case may be, and local
16 government units may agree. Each loan to a local government unit,
17 public water utility or any other person and the notes, bonds or
18 other obligations thereby issued shall bear interest at a rate or rates
19 per annum as the trust or the State, as the case may be, and the local
20 government unit, public water utility or any other person, as the
21 case may be, may agree.

22 b. The trust is authorized to guarantee or contract to guarantee
23 the payment of all or any portion of the principal and interest on
24 bonds, notes or other obligations issued by a local government unit
25 to finance the cost of any wastewater treatment system project **[or]**,
26 water supply project, or transportation project which the local
27 government unit may lawfully undertake or acquire and for which
28 the local government unit is authorized by law to borrow money,
29 and the guarantee shall constitute an obligation of the trust for the
30 purposes 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.), or sections 27 and 39 through 43 of
32 P.L. , c. (C.) (pending before the Legislature as this bill).
33 Each guarantee by the trust and the terms and conditions thereof
34 shall be subject to approval by the State Treasurer, and the trust
35 shall make available to the State Treasurer all information,
36 statistical data and reports of independent consultants or experts as
37 the State Treasurer shall deem necessary in order to evaluate the
38 guarantee.

39 c. The trust shall not make or contract to make any loans or
40 guarantees to local government units, public water utilities or any
41 other person, or otherwise incur any additional indebtedness, on or
42 after June 30, 2033.

43 d. Notwithstanding any provision of P.L.1985, c.334
44 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to
45 the contrary, the trust may receive funds from any source including,
46 without limitation, any funds drawn by the trust from a revolving
47 line of credit or other similar financial vehicle that may be procured
48 by the trust, either through a competitive or negotiated process,

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

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

22 Any short-term or temporary loans made by the trust pursuant to
23 this subsection may only be made in advance of the anticipated
24 loans the trust may make and contract to make under the provisions
25 of subsection a. of this section from any source of funds anticipated
26 to be received by the trust. Any such short-term or temporary loan
27 made pursuant to the Interim Environmental Financing Program
28 shall mature no later than the last day of the third succeeding fiscal
29 year following the closing date on which the short-term or
30 temporary loan was made by the trust to the project sponsor. The
31 trust may make short-term or temporary loans pursuant to the
32 Interim Environmental Financing Program to any one or more of
33 the project sponsors, for the respective projects thereof, identified in
34 the interim financing project priority list [(hereinafter referred] to
35 be known as the "Interim Environmental Financing Program
36 Eligibility List"[]) in the form provided to the Legislature by the
37 Commissioner of Environmental Protection.

38 The Interim Environmental Financing Program Eligibility List,
39 including any revision thereof or supplement thereto, shall be
40 submitted to the Secretary of the Senate and the Clerk of the
41 General Assembly on or before June 30 of each year. The Interim
42 Environmental Financing Program Eligibility List shall be
43 submitted to the Legislature pursuant to section 2 of P.L.1991,
44 c.164 (C.52:14-19.1) at least once in each fiscal year. The
45 Secretary and the Clerk shall cause the date of submission to be
46 entered upon the Senate Journal and the Minutes of the General
47 Assembly, respectively. Any environmental infrastructure project or
48 the project sponsor thereof not identified in the Interim

1 Environmental Financing Program Eligibility List shall not be
2 eligible for a short-term or temporary loan from the Interim
3 Financing Environmental Program Fund.

4 e. Notwithstanding any provisions of the "Local Bond Law"
5 (N.J.S.40A:2-1 et seq.), the "sewerage authorities law," P.L.1946,
6 c.138 (C.40:14A-1 et seq.), or the "municipal and county utilities
7 **【authority】** authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.)
8 to the contrary, short-term or temporary loans made by the trust
9 pursuant to section 9 of P.L.1985, c.334 (C.58:11B-9), section 4 of
10 P.L.2007, c.138 (C.58:11B-9.1), section 1 of P.L.2009, c.59
11 (C.58:11B-9.2), section 5 of P.L.2009, c.103 (C.58:11B-9.3),
12 section 2 of P.L.2011, c.94 (C.58:11B-9.4), section 1 of P.L.2013,
13 c.93 (C.58:11B-9.5), or section 1 of P.L.2014, c.28 (C.58:11B-9.6),
14 and the obligations issued by project sponsors to evidence such
15 loans, may, at the discretion of the trust and upon application by the
16 project sponsor, bear interest at a variable rate determined pursuant
17 to a methodology as may be established by the trust from time to
18 time.

19 Further, notwithstanding any provisions of the "Local Bond
20 Law" (N.J.S.40A:2-1 et seq.), the "sewerage authorities law,"
21 P.L.1946, c.138 (C.40:14A-1 et seq.), or the "municipal and county
22 utilities **【authority】** authorities law," P.L.1957, c.183 (C.40:14B-1
23 et seq.) to the contrary, any short-term or temporary loans made by
24 the trust pursuant to section 9 of P.L.1985, c.334 (C.58:11B-9),
25 section 4 of P.L.2007, c.138 (C.58:11B-9.1), section 1 of P.L.2009,
26 c.59 (C.58:11B-9.2), section 5 of P.L.2009, c.103 (C.58:11B-9.3),
27 section 2 of P.L.2011, c.94 (C.58:11B-9.4), section 1 of P.L.2013,
28 c.93 (C.58:11B-9.5), or section 1 of P.L.2014, c.28 (C.58:11B-9.6),
29 and any notes or other obligations issued by project sponsors to
30 evidence such short-term or temporary loans, except as provided in
31 section 1 of P.L.2009, c.59 (C.58:11B-9.2), shall mature no later
32 than the last day of the third succeeding fiscal year following the
33 date of issuance of such notes or other obligations, without payment
34 by project sponsors of any portion of the principal thereof prior to
35 maturity.

36 f. The trust shall create and establish a special fund to be
37 known as the "Interim Transportation Financing Program Fund" for
38 the short-term or temporary loan financing or refinancing program
39 to be known as the "Interim Transportation Financing Program."

40 Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1
41 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary,
42 the trust may receive funds from any source including, without
43 limitation, any funds drawn by the trust from a revolving line of
44 credit or other similar financial vehicle that may be procured by the
45 trust, either through a competitive or negotiated process, pursuant to
46 section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit into the
47 Interim Transportation Financing Program Fund or the trust may
48 issue its bonds, notes or other obligations in any principal amounts,

1 in either case, as in the judgment of the trust shall be necessary to
2 provide sufficient funds to finance or refinance short-term or
3 temporary loans to local government units or private persons for
4 any transportation project included on the Department of
5 Transportation Interim Transportation Financing Program Project
6 Eligibility List for the ensuing fiscal year and eligible for approval
7 pursuant to sections 27 and 39 through 43 of P.L. , c. (C.)
8 (pending before the Legislature as this bill), without regard to any
9 other provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997,
10 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
11 P.L. , c. (C.) (pending before the Legislature as this bill),
12 including, without limitation, any administrative or legislative
13 approvals.

14 Any short-term or temporary loans made by the trust pursuant to
15 this subsection may only be made in advance of the anticipated
16 loans the trust may make and contract to make under the provisions
17 of subsection a. of this section from any source of funds anticipated
18 to be received by the trust. Any such short-term or temporary loan
19 made pursuant to the Interim Transportation Financing Program
20 shall mature no later than the last day of the third succeeding fiscal
21 year following the closing date on which the short-term or
22 temporary loan was made by the trust to the project sponsor. The
23 trust may make short-term or temporary loans pursuant to the
24 Interim Transportation Financing Program to any one or more of the
25 project sponsors, for the respective projects thereof, only if a
26 project is identified in the Department of Transportation Interim
27 Transportation Financing Program Project Eligibility List to be
28 known as the "Interim Transportation Financing Program Project
29 Eligibility List" in the form provided to the Legislature by the
30 Commissioner of Transportation.

31 The Interim Transportation Financing Program Project Eligibility
32 List, including any revision thereof or supplement thereto, shall be
33 submitted to the Secretary of the Senate and the Clerk of the
34 General Assembly on or before July 1 of each year. The Interim
35 Transportation Financing Program Project Eligibility List shall be
36 submitted to the Legislature pursuant to section 2 of P.L.1991,
37 c.164 (C.52:14-19.1) at least once in each fiscal year. The
38 Secretary and the Clerk shall cause the date of submission to be
39 entered upon the Senate Journal and the Minutes of the General
40 Assembly, respectively. Any transportation infrastructure project or
41 the project sponsor thereof not identified in the Interim
42 Transportation Financing Program Project Eligibility List shall not
43 be eligible for a short-term or temporary loan from the Interim
44 Transportation Financing Program Fund. The trust may revise or
45 supplement the Interim Transportation Financing Program Project
46 Eligibility List no more than three times during the fiscal year, and
47 shall submit the revised list to the Legislature when the revisions
48 are made.

1 No funds may be disbursed pursuant to this section for project
 2 activities prior to the determination and certification in writing,
 3 from the Department of Transportation, that the project activities
 4 satisfy the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.),
 5 P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
 6 through 43 of P.L. , c. (C.) (pending before the Legislature
 7 as this bill).

8 (cf: P.L.2015, c.106, s.2)

9

10 18. Section 4 of P.L.2007, c.138 (C.58:11B-9.1) is amended to
 11 read as follows:

12 4. a. The trust shall create and establish a special emergency
 13 fund **[(hereinafter referred] to be known** as the "Emergency Loan
 14 Fund"**)]** for the emergency short-term or temporary loan financing
 15 or refinancing program **[(hereinafter referred] to be known** as the
 16 "Emergency Financing Program."**)]**

17 The Emergency Loan Fund shall be credited with:

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

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

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

24 (4) such other moneys as the Legislature may appropriate to the
 25 trust for deposit into the fund at any time to finance or refinance
 26 emergency short-term or temporary loans pursuant to the
 27 Emergency Financing Program; and

28 (5) any other source of available funds deemed by the trust to be
 29 necessary or appropriate to provide sufficient funds for deposit into
 30 the Emergency Loan Fund to finance or refinance emergency short-
 31 term or temporary loans pursuant to the Emergency Financing
 32 Program, including, without limitation, any funds drawn by the trust
 33 from a revolving line of credit or other similar financial vehicle that
 34 may be procured by the trust, either through a competitive or
 35 negotiated process, pursuant to section 5 of P.L.1985, c.334
 36 (C.58:11B-5), for deposit into the Emergency Loan Fund to finance
 37 or refinance emergency short-term or temporary loans pursuant to
 38 the Emergency Financing Program.

39 b. Notwithstanding any provision of P.L.1985, c.334
 40 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
 41 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
 42 before the Legislature as this bill) to the contrary, the trust may
 43 make emergency short-term or temporary loans to (1) local
 44 government units to finance or refinance wastewater treatment
 45 system projects not included on the project priority list for the
 46 ensuing fiscal year or eligible for approval pursuant to section 20 of
 47 P.L.1985, c.334 (C.58:11B-20); or (2) public water utilities or
 48 private persons to finance or refinance water supply projects not

1 included on the project priority list for the ensuing fiscal year or
2 eligible for approval pursuant to section 24 of P.L.1997, c.224
3 (C.58:11B-20.1), as applicable, whenever the Commissioner of
4 Environmental Protection has determined and certified, in writing,
5 that any such project constitutes an emergency project because of
6 an imminent threat to the environment or the public health, safety or
7 welfare caused by structural or mechanical failure, sabotage or act
8 of God, without regard to any other provisions of P.L.1985, c.334
9 **【or】** (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.),
10 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
11 before the Legislature as this bill), including, without limitation, the
12 provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section
13 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Environmental
14 Financing Program Eligibility List pursuant to subsection d. of
15 section 9 of P.L.1985, c.334 (C.58:11B-9), or any administrative or
16 legislative approvals.
17 (cf: P.L.2015, c.106, s.3)

18

19 19. Section 1 of P.L.2009, c.59 (C.58:11B-9.2) is amended to
20 read as follows:

21 1. a. The trust shall create and establish a special fund
22 **【(hereinafter referred】 to be known as the "Planning and Design**
23 **Fund"【】】** for the short-term or temporary financing or refinancing
24 of environmental planning and engineering design costs
25 **【(hereinafter referred】 to be known as the "Planning and Design**
26 **Financing Program_ "【】.】**

27 The Planning and Design Fund shall be credited with:

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

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

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

34 (4) moneys deposited in the Interim Environmental Financing
35 Program Fund established pursuant to section 9 of P.L.1985, c.334
36 (C.58:11B-9) subject to the provisions of subsection c. of this
37 section;

38 (5) such other moneys as the Legislature may appropriate to the
39 trust for deposit into the fund at any time to finance or refinance
40 short-term or temporary loans pursuant to the Planning and Design
41 Financing Program; and

42 (6) any other source of available funds deemed by the trust to be
43 necessary or appropriate to provide sufficient funds for deposit into
44 the Planning and Design Fund to finance or refinance short-term or
45 temporary loans pursuant to the Planning and Design Financing
46 Program, including, without limitation, any funds drawn by the trust
47 from a revolving line of credit or other similar financial vehicle that
48 may be procured by the trust, either through a competitive or

1 negotiated process, pursuant to section 5 of P.L.1985, c.334
2 (C.58:11B-5), for deposit into the Planning and Design Fund to
3 finance or refinance short-term or temporary loans pursuant to the
4 Planning and Design Financing Program.

5 b. Notwithstanding any provision of P.L.1985, c.334
6 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
7 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
8 before the Legislature as this bill) to the contrary, the trust may
9 make short-term or temporary loans for environmental planning and
10 engineering design costs to (1) local government units to finance or
11 refinance wastewater treatment system projects not included on the
12 project priority list for the ensuing fiscal year or eligible for
13 approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20);
14 or (2) public water utilities or private persons to finance or
15 refinance water supply projects not included on the project priority
16 list for the ensuing fiscal year or eligible for approval pursuant to
17 section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable,
18 without regard to any other provisions of P.L.1985, c.334 **[or]**
19 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or
20 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
21 before the Legislature as this bill), including, without limitation, the
22 provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section
23 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Environmental
24 Financing Program Eligibility List pursuant to subsection d. of
25 section 9 of P.L.1985, c.334 (C.58:11B-9), or any administrative or
26 legislative approvals. Except for Combined Sewer Overflow
27 Abatement Projects, any such short-term or temporary loan made
28 pursuant to the Planning and Design Financing Program shall
29 mature no later than the last day of the third succeeding fiscal year
30 following the closing date on which the Planning and Design loan
31 was made by the trust to the project sponsor. Planning and Design
32 loans made to Combined Sewer Overflow Abatement Projects shall
33 mature no later than the last day of the tenth succeeding fiscal year
34 following the closing date on which the Planning and Design loan
35 was made by the trust to the project sponsor.

36 c. Notwithstanding any provision of P.L.1985, c.334
37 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
38 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
39 before the Legislature as this bill) to the contrary, the trust may
40 utilize moneys deposited in the Interim Environmental Financing
41 Program Fund established pursuant to subsection d. of section 9 of
42 P.L.1985, c.334 (C.58:11B-9) to make short-term or temporary
43 loans for environmental planning and engineering design costs to
44 (1) local government units to finance or refinance wastewater
45 treatment system projects included on the project priority list
46 pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20); or (2)
47 public water utilities or private persons to finance or refinance
48 water supply projects included on the project priority list pursuant

1 to section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, in
2 advance of the anticipated loans the trust may make and contract to
3 make under the provisions of subsection a. of section 9 of P.L.1985,
4 c.334 (C.58:11B-9) to be financed or refinanced through the
5 issuance of bonds, notes or other obligations of the trust authorized
6 under section 6 of P.L.1985, c.334 (C.58:11B-6), without regard to
7 any other provisions of P.L.1985, c.334 **【or】** (C.58:11B-1 et seq.),
8 P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
9 through 43 of P.L. , c. (C.) (pending before the Legislature
10 as this bill), including, without limitation, the provisions of section
11 20 of P.L.1985, c.334 (C.58:11B-20), section 24 of P.L.1997, c.224
12 (C.58:11B-20.1), the Interim Environmental Financing Program
13 Eligibility List pursuant to subsection d. of section 9 of P.L.1985,
14 c.334 (C.58:11B-9), or any administrative or legislative approvals.
15 (cf: P.L.2015, c.106, s.4)

16

17 20. Section 5 of P.L.2009, c.103 (C.58:11B-9.3) is amended to
18 read as follows:

19 5. a. The trust shall create and establish a special fund
20 **【(hereinafter referred】 to be known as the "Onsite Wastewater**
21 **Disposal Loan Fund"【】** for the purposes of an onsite wastewater
22 disposal loan financing or refinancing program **【(hereinafter**
23 **referred】 to be known as the "Onsite Wastewater Disposal**
24 **Financing Program."【].】**

25 The Onsite Wastewater Disposal Loan Fund shall be credited
26 with:

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

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

32 (3) any interest earnings received on the moneys in the fund;
33 and

34 (4) such other moneys as the Legislature may appropriate to the
35 trust for deposit into the fund at any time to finance or refinance
36 onsite wastewater disposal loans pursuant to the Onsite Wastewater
37 Disposal Financing Program.

38 b. Notwithstanding any provision of P.L.1985, c.334
39 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
40 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
41 before the Legislature as this bill) to the contrary, the trust may
42 make onsite wastewater disposal loans for a period not to exceed 10
43 years to private persons or to local government units on behalf of
44 private persons to finance the cost of alterations, repairs or
45 replacements to individual subsurface sewage disposal systems
46 performed pursuant to an onsite septic system ordinance approved
47 by the Department of Environmental Protection, the New Jersey
48 Pinelands Commission or the New Jersey Highlands Council,

1 without regard to any other provisions of P.L.1985, c.334 **【or**
2 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or
3 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
4 before the Legislature as this bill), including, without limitation, the
5 provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section
6 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Environmental
7 Financing Program Eligibility List pursuant to subsection d. of
8 section 9 of P.L.1985, c.334 (C.58:11B-9), or any administrative or
9 legislative approvals.
10 (cf: P.L.2011, c.94, s.1)

11

12 21. Section 2 of P.L.2011, c.94 (C.58:11B-9.4) is amended to
13 read as follows:

14 2. a. The trust shall create and establish a special fund
15 **【(hereinafter referred】 to be known as the "Supplemental Loan**
16 **Fund"【】】** for the short-term or temporary supplemental loan
17 financing or refinancing program **【(hereinafter referred】 to be**
18 **known as the "Supplemental Financing Program."【】.】**

19 The Supplemental Loan Fund shall be credited with:

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

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

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

26 (4) such other moneys as the Legislature may appropriate to the
27 trust for deposit into the fund at any time to finance or refinance
28 short-term or temporary supplemental loans pursuant to the
29 Supplemental Financing Program; and

30 (5) any other source of available funds deemed by the trust to be
31 necessary or appropriate to provide sufficient funds for deposit into
32 the Supplemental Loan Fund to finance or refinance short-term or
33 temporary loans pursuant to the Supplemental Financing Program,
34 including, without limitation, any funds drawn by the trust from a
35 revolving line of credit or other similar financial vehicle that may
36 be procured by the trust, either through a competitive or negotiated
37 process, pursuant to section 5 of P.L.1985, c.334 (C.58:11B-5), for
38 deposit into the Supplemental Loan Fund to finance or refinance
39 short-term or temporary loans pursuant to the Supplemental
40 Financing Program.

41 b. Notwithstanding any provision of P.L.1985, c.334
42 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to
43 the contrary, the trust may make short-term or temporary loans for a
44 project for which a loan has been previously issued pursuant to
45 subsection a. of section 9 of P.L.1985, c.334 (C.58:11B-9) to pay
46 for eligible costs incurred in excess of the previous loan amount for
47 activities specifically approved in the previous project loan to: (1)
48 local government units to finance or refinance wastewater treatment

1 system projects not included on the project priority list for the
2 ensuing fiscal year or eligible for approval pursuant to section 20 of
3 P.L.1985, c.334 (C.58:11B-20); or (2) public water utilities or
4 private persons to finance or refinance water supply projects not
5 included on the project priority list for the ensuing fiscal year or
6 eligible for approval pursuant to section 24 of P.L.1997, c.224
7 (C.58:11B-20.1), as applicable, without regard to any other
8 provisions of P.L.1985, c.334 **【or】** (C.58:11B-1 et seq.), P.L.1997,
9 c.224 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of
10 P.L. , c. (C.) (pending before the Legislature as this bill),
11 including, without limitation, the provisions of section 20 of
12 P.L.1985, c.334 (C.58:11B-20), section 24 of P.L.1997, c.224
13 (C.58:11B-20.1), the Interim Environmental Financing Program
14 Eligibility List pursuant to subsection d. of section 9 of P.L.1985,
15 c.334 (C.58:11B-9), or any administrative or legislative approvals.
16 (cf: P.L.2015, c.106, s.5)

17

18 22. Section 1 of P.L.2013, c.93 (C.58:11B-9.5) is amended to
19 read as follows:

20 1. a. The trust shall create and establish a special fund
21 **【(hereinafter referred】 to be known as the "Disaster Relief
22 Emergency Financing Program Fund【"]】** for the disaster relief
23 emergency short-term or temporary loan program of the trust
24 **【(hereinafter referred】 to be known as the "Disaster Relief
25 Emergency Financing Program_."【).】**

26 The Disaster Relief Emergency Financing Program Fund shall be
27 credited with:

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

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

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

34 (4) such other moneys as the Legislature may appropriate to the
35 trust for deposit into the fund at any time to finance or refinance
36 emergency short-term or temporary loans pursuant to the Disaster
37 Relief Emergency Financing Program;

38 (5) the proceeds of any bonds, notes or other obligations that
39 may be issued by the trust from time to time in any principal
40 amounts as in the judgment of the trust shall be necessary or
41 appropriate to provide sufficient funds for deposit into the fund to
42 finance or refinance emergency short-term or temporary loans
43 pursuant to the Disaster Relief Emergency Financing Program; and

44 (6) any other source of available funds that may be deemed by
45 the trust to be necessary or appropriate to provide sufficient funds
46 for deposit into the fund to finance or refinance emergency short-
47 term or temporary loans pursuant to the Disaster Relief Emergency
48 Financing Program, including, without limitation, any funds drawn

1 by the trust from a revolving line of credit or other similar financial
2 vehicle, either through a competitive or negotiated process, that
3 may be procured by the trust pursuant to the provisions of section 5
4 of P.L.1985, c.334 (C.58:11B-5), for deposit into the fund to
5 finance or refinance emergency short-term or temporary loans
6 pursuant to the Disaster Relief Emergency Financing Program.

7 b. Notwithstanding any provision of P.L.1985, c.334
8 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
9 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
10 before the Legislature as this bill) to the contrary, the trust may
11 make emergency short-term or temporary Disaster Relief
12 Emergency Financing Program loans to: (1) local government units
13 to finance or refinance the costs incurred in the environmental
14 planning and design associated with such wastewater treatment
15 system projects, and wastewater treatment system projects, as
16 applicable; or (2) local government units, public water utilities, or
17 private persons to finance or refinance the costs incurred in the
18 environmental planning and design of water supply projects, and
19 water supply projects, as applicable.

20 Emergency short-term or temporary loans may be made upon the
21 determination and certification in writing by the department that
22 any such project is necessary and appropriate to: repair damages to
23 a wastewater treatment system or water supply facility directly
24 arising from an act of terrorism, seismic activity, or weather
25 conditions that occurred within the prior three fiscal years that gave
26 rise to a declaration by the Governor of a state of emergency,
27 provided the wastewater treatment system or water supply facility is
28 located in a county included in the Governor's state of emergency
29 declaration; or mitigate the risk of future damage to a wastewater
30 treatment system or water supply facility from an act of terrorism,
31 seismic activity, or weather conditions comparable in scope and
32 severity to the act of terrorism, seismic activity, or weather
33 conditions that occurred within the prior three fiscal years that gave
34 rise to a declaration by the Governor of a state of emergency,
35 provided the wastewater treatment system or water supply facility is
36 located in a county included in the Governor's state of emergency
37 declaration, without regard to any other provisions of P.L.1985,
38 c.334 **[or]** (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et
39 al.), or sections 27 and 39 through 43 of P.L. , c. (C.)
40 (pending before the Legislature as this bill), including, without
41 limitation, the provisions of section 20 of P.L.1985, c.334
42 (C.58:11B-20), section 24 of P.L.1997, c.224 (C.58:11B-20.1), the
43 Interim Environmental Financing Program Eligibility List pursuant
44 to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9), or
45 any administrative or legislative approvals. Any such short-term or
46 temporary loan pursuant to the Disaster Relief Emergency
47 Financing Program shall mature no later than the last day of the
48 third succeeding fiscal year following the closing date on which the

1 short-term or temporary loan was made by the trust to the project
2 sponsor.

3 c. The trust may make short-term or temporary loans pursuant
4 to the Disaster Relief Emergency Financing Program to one or more
5 of the project sponsors, for the respective projects thereof,
6 identified on the Disaster Relief Emergency Financing Program
7 project priority list **[(hereinafter referred] to be known as the**
8 **"Disaster Relief Emergency Financing Program Eligibility List" [)]**
9 in the form provided to the Legislature by the Commissioner of
10 Environmental Protection. The Disaster Relief Emergency
11 Financing Program Eligibility List shall be submitted to the
12 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1)
13 at least once in each fiscal year. An environmental infrastructure
14 project or a project sponsor thereof not identified on the Disaster
15 Relief Emergency Financing Program Eligibility List submitted to
16 the Legislature shall not be eligible for a short-term or temporary
17 loan from the Disaster Relief Emergency Financing Program Fund.
18 (cf: P.L.2015, c.106, s.6)

19

20 23. Section 1 of P.L.2014, c.28 (C.58:11B-9.6) is amended to
21 read as follows:

22 1. a. The trust shall create and establish a special fund
23 **[(hereinafter referred] to be known as the "Equipment Loan**
24 **Fund" [)]** for the short-term or temporary equipment loan program
25 of the trust **[(hereinafter referred] to be known as the "Equipment**
26 **Loan Program." [).]**

27 The Equipment Loan Fund shall be credited with:

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

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

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

34 (4) such other moneys as the Legislature may appropriate to the
35 trust for deposit into the fund at any time to finance or refinance
36 short-term or temporary loans pursuant to the Equipment Loan
37 Program;

38 (5) the proceeds of any bonds, notes or other obligations that
39 may be issued by the trust from time to time in any principal
40 amounts as in the judgment of the trust shall be necessary or
41 appropriate to provide sufficient funds for deposit into the fund to
42 finance or refinance short-term or temporary loans pursuant to the
43 Equipment Loan Program; and

44 (6) any other source of available funds that may be deemed by
45 the trust to be necessary or appropriate to provide sufficient funds
46 for deposit into the fund to finance or refinance short-term or
47 temporary loans pursuant to the Equipment Loan Program,
48 including, without limitation, any funds drawn by the trust from a

1 revolving line of credit or other similar financial vehicle, that may
 2 be procured by the trust, either through a competitive or negotiated
 3 process, pursuant to the provisions of section 5 of P.L.1985, c.334
 4 (C.58:11B-5), for deposit into the fund to finance or refinance
 5 short-term or temporary loans pursuant to the Equipment Loan
 6 Program.

7 b. Notwithstanding any provision of P.L.1985, c.334
 8 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
 9 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
 10 before the Legislature as this bill) to the contrary, the trust may
 11 make short-term or temporary equipment loans to: (1) local
 12 government units to finance wastewater treatment system
 13 equipment projects not included on the project priority list for the
 14 ensuing fiscal year or eligible for approval pursuant to section 20 of
 15 P.L.1985, **[c.332]** c.334 (C.58:11B-20); or (2) public water utilities
 16 or private persons to finance water supply equipment projects not
 17 included on the project priority list for the ensuing fiscal year or
 18 eligible for approval pursuant to section 24 of P.L.1997, c.224
 19 (C.58:11B-20.1).

20 The loans may be made without regard to any other provisions of
 21 P.L.1985, c.334 **[or]** (C.58:11B-1 et seq.), P.L.1997, c.224
 22 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
 23 c. (C.) (pending before the Legislature as this bill),
 24 including, without limitation, the provisions of section 20 of
 25 P.L.1985, c.334 (C.58:11B-20), section 24 of P.L.1997, c.224
 26 (C.58:11B-20.1), the Interim Environmental Financing Program
 27 Eligibility List pursuant to subsection d. of section 9 of P.L.1985,
 28 c.334 (C.58:11B-9), or any administrative or legislative approvals.
 29 (cf: P.L.2015, c.106, s.7)

30

31 24. Section 10 of P.L.1985, c.334 (C.58:11B-10) is amended to
 32 read as follows:

33 10. The trust shall create and establish a special fund to be
 34 known as the "wastewater treatment system general loan fund."

35 Subject to the provisions of the legislation appropriating moneys
 36 to the trust, subject to any other provision of P.L.1985, c.334
 37 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
 38 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
 39 before the Legislature as this bill) providing otherwise, and subject
 40 to agreements with the holders of bonds, notes and other obligations
 41 of the trust, the trust shall deposit into the wastewater treatment
 42 system general loan fund all revenues and receipts of the trust,
 43 including moneys received by the trust as payment of the principal
 44 of and the interest or premium on loans made from moneys in any
 45 wastewater treatment system fund or account held by the trust under
 46 P.L.1985, c.334 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224
 47 (C.58:11B-10.1 et al.), or 27 and sections 39 through 43 of P.L. ,
 48 c. (C.) (pending before the Legislature as this bill), and the

1 earnings on the moneys in any wastewater treatment system fund or
2 account of the trust, and all grants, appropriations, other than those
3 referred to in section 11 of P.L.1985, c.334 (C.58:11B-11),
4 contributions, or other moneys from any source, available for the
5 making of loans to local government units. The amounts in the
6 wastewater treatment system general loan fund shall be available
7 for application by the trust for loans to local government units for
8 the cost of wastewater treatment system projects, and for other
9 corporate purposes of the trust related to wastewater treatment
10 systems, subject to agreements with the holders of bonds, notes or
11 other obligations of the trust.

12 (cf: P.L.1997, c.224, s.10)

13

14 25. Section 23 of P.L.1997, c.224 (C.58:11B-10.1) is amended
15 to read as follows:

16 23. The trust shall create and establish a special fund to be
17 known as the "water supply facilities general loan fund."

18 Subject to the provisions of the legislation appropriating moneys
19 to the trust, subject to any other provision of P.L.1985, c.334
20 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
21 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
22 before the Legislature as this bill) providing otherwise, and subject
23 to agreements with the holders of bonds, notes and other obligations
24 of the trust, the trust shall deposit into the water supply facilities
25 general loan fund all revenues and receipts of the trust, including
26 moneys received by the trust as payment of the principal of and the
27 interest or premium on loans made from moneys in any fund or
28 account held by the trust under the provisions of 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.),
30 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
31 before the Legislature as this bill), and the earnings on the moneys
32 in any fund or account of the trust, and all grants, appropriations,
33 other than those referred to in section 11 of P.L.1985, c.334
34 (C.58:11B-11), contributions, or other moneys from any source,
35 available for the making of loans to local government units, public
36 water utilities, or to any other person or local government unit on
37 behalf of a public water utility, for water supply projects. The
38 amounts in the water supply facilities general loan fund shall be
39 available for application by the trust for loans to local government
40 units, public water utilities or any other person for the cost of water
41 supply projects, and for other corporate purposes of the trust,
42 subject to agreements with the holders of bonds, notes or other
43 obligations of the trust.

44 (cf: P.L.1999, c.175, s.4)

45

46 26. Section 1 of P.L.2005, c.202 (C.58:11B-10.2) is amended to
47 read as follows:

1 1. a. There is established in the New Jersey **【Environmental】**
2 Infrastructure **【Trust】 Bank** a special fund to be known as the
3 Department of Environmental Protection Loan Origination Fee
4 Fund.

5 The Department of Environmental Protection Loan Origination
6 Fee Fund shall be credited with:

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

12 (2) any interest accumulated on the amounts of the Department
13 of Environmental Protection loan origination fees.

14 b. Moneys in the Department of Environmental Protection
15 Loan Origination Fee Fund shall be used by the Department of
16 Environmental Protection for administrative and operating expenses
17 incurred by the department in administering the New Jersey
18 Environmental Infrastructure Financing Program, except that the
19 total amount utilized by the department for administrative and
20 operating expenses in any fiscal year shall not exceed \$5,000,000.
21 The amounts in the Department of Environmental Protection Loan
22 Origination Fee Fund shall also be available for application by the
23 department for State matching funds or loans to local government
24 units for the cost of wastewater treatment system or water supply
25 projects. Amounts in excess of revenue anticipation shall be carried
26 forward into the following year.

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

33 (cf: P.L.2015, c.106, s.8)

34

35 27. (New section) a. There is established in the New Jersey
36 Infrastructure Bank a special fund to be known as the Department
37 of Transportation Loan Origination Fee Fund.

38 The Department of Transportation Loan Origination Fee Fund
39 shall be credited with:

40 (1) moneys deposited into the fund as loan origination fees
41 received by the Department of Transportation and paid by project
42 sponsors of transportation projects financed under the New Jersey
43 Transportation Infrastructure Financing Program; and

44 (2) any interest accumulated on the amounts of the Department
45 of Transportation loan origination fees.

46 b. Moneys in the Department of Transportation Loan
47 Origination Fee Fund shall be used by the Department of
48 Transportation for administrative and operating expenses incurred

1 by the department in administering the New Jersey Transportation
2 Infrastructure Financing Program, except that the total amount
3 utilized by the department for administrative and operating
4 expenses in any fiscal year shall not exceed \$8,000,000. The
5 amounts in the Department of Transportation Loan Origination Fee
6 Fund shall also be available for application by the department for
7 State matching funds or loans to local government units for the cost
8 of transportation projects. Amounts in excess of revenue
9 anticipation shall be carried forward into the following year.

10 c. As used in this section, "Department of Transportation loan
11 origination fee" means the fee charged by the Department of
12 Transportation and financed under the trust loan to pay a portion of
13 the costs incurred by the department in the implementation of the
14 New Jersey Transportation Infrastructure Financing Program.

15

16 28. Section 12 of P.L.1985, c.334 (C.58:11B-12) is amended to
17 read as follows:

18 12. a. To assure the continued operation and solvency of the
19 trust, the trust may require that if a local government unit fails or is
20 unable to pay to the trust in full when due any obligations of the
21 local government unit to the trust, an amount sufficient to satisfy
22 the deficiency shall be paid by the State Treasurer to the trust from
23 State aid payable to the local government unit. As used in this
24 section, obligations of the local government unit include the
25 principal of or interest on bonds, notes or other obligations of a
26 local government unit issued to or guaranteed by the trust, including
27 the subrogation of the trust to the right of the holders of those
28 obligations, any fees or charges payable to the trust, and any
29 amounts payable by a local government unit under any service
30 contract or other contractual arrangement the payments under which
31 are pledged to secure any bonds or notes issued to the trust by
32 another local government unit. State aid includes business personal
33 property tax replacement revenues, State urban aid and State
34 revenue sharing, as these terms are defined in section 2 of **【P.L.**
35 **1976, c. 38 (C. 40A:3-3)】** P.L.1976, c.38 (C.40A:3-3), or other
36 similar forms of State aid payable to the local government unit and
37 to the extent permitted by federal law, federal moneys appropriated
38 or apportioned to the local government unit by the State, and for
39 loans made in support of transportation projects, State aid shall also
40 include county and municipal transportation aid issued pursuant to
41 section 25 of P.L.1984, c.73 (C.27:1B-25).

42 (1) If the trust requires, and there has been a failure or inability
43 by a local government unit to pay its obligations to the trust
44 remaining uncured for a period of 30 days, the chairman of the trust
45 shall certify to the State Treasurer, with written notice to the fiscal
46 officer of the local government unit and to the Legislature, the
47 amount remaining unpaid, and the State Treasurer shall pay that
48 amount to the trust, or if the right to receive those payments has

1 been pledged or assigned to a trustee for benefit of the holders of
2 bonds, notes or other obligations of the trust, to that trustee, out of
3 the State aid payable to the local government unit, until the amount
4 so certified is paid.

5 (2) The amount paid over to the trust shall be deducted from the
6 corresponding appropriation or apportionment of State aid payable
7 to the local government unit and shall not obligate the State to
8 make, nor entitle the local government unit to receive, any
9 additional appropriation or apportionment. The obligation of the
10 State Treasurer to make payments to the trust or trustee and the
11 right of the trust or trustee to receive those payments shall be
12 subject and subordinate to the rights of holders of qualified bonds
13 issued or to be issued pursuant to **[P.L. 1976, c. 38 (C. 40A:3-1 et**
14 **seq.)]** P.L.1976, c.38 (C.40A:3-1 et seq.).

15 (3) In those instances where the local government units are
16 municipal or county sewerage, utility or improvement authorities
17 created pursuant to **[P.L. 1946, c. 138 (C. 40:14A-1 et seq.)]**
18 P.L.1946, c.138 (C.40:14A-1 et seq.) or **[P.L. 1957, c. 183 (C.**
19 **40:14B-1 et seq.)]** P.L.1957, c.183 (C.40:14B-1 et seq.), the trust
20 may require the municipalities or counties which receive service or
21 other benefits from the districts or authorities to enter into service
22 contracts or other contractual arrangements under which they would
23 be required to make payments which would satisfy any deficiencies
24 in the revenues of the districts or authorities to repay the loans
25 made by the trust, which contracts would be pledged to secure the
26 payment of the loans of the trust.

27 b. Whenever a local government unit covenants or pledges to or
28 secures the payment of its obligations to the trust by, in whole or in
29 part, certain revenues of the local government unit derived by the
30 local government unit from the imposition of rates, fees and
31 charges, and the local government unit, and if payments by another
32 local government unit under a service contract or other contractual
33 arrangement are pledged to the payment of the obligations, the other
34 local government unit, fails or is unable to pay in full when due any
35 of the obligations and the State aid revenues for any reason have not
36 been made available for the payment of the obligations or have not
37 been made available in sufficient amounts to pay the obligations in
38 full, the trust is authorized during the period of such failure to cause
39 the local government unit, in accordance with the covenants or
40 pledges established in any loan or other agreement relating thereto,
41 to establish and collect rates, fees and charges in the amounts
42 required to pay the obligations in accordance with the covenants or
43 pledges established in the loan or other agreement relating thereto.

44 c. In the event that a local government unit, consortia thereof
45 or private entity receiving a loan from the trust fails or is unable to
46 pay to the trust in full when due any obligations of the local
47 government unit, consortia thereof, or private entity to the trust, the
48 trust shall have the authority to exercise any and all recourses

1 available to it under the law in an effort to recover any amounts
2 owed to the trust.

3 (cf: P.L.1985, c.334, s.12)

4

5 29. Section 13 of P.L.1985, c.334 (C.58:11B-13) is amended to
6 read as follows:

7 13. Neither the directors of the trust nor any person executing
8 bonds, notes or other obligations of the trust issued pursuant to
9 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
10 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
11 c. (C.) (pending before the Legislature as this bill) shall be
12 liable personally on the bonds, notes or other obligations by reason
13 of the issuance thereof.

14 (cf: P.L.1997, c.224, s.11)

15

16 30. Section 14 of P.L.1985, c.334 (C.58:11B-14) is amended to
17 read as follows:

18 14. The State does pledge to and covenant and agree with the
19 holders of any bonds, notes or other obligations of the trust issued
20 pursuant to authorization of P.L.1985, c.334 (C.58:11B-1 et seq.)
21 **【or】**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27 and 39
22 through 43 of P.L. , c. (C.) (pending before the Legislature
23 as this bill) that the State shall not limit or alter the rights or powers
24 vested in the trust to perform and fulfill the terms of any agreement
25 made with the holders of the bonds, notes or other obligations or to
26 fix, establish, charge and collect any rents, fees, rates, payments or
27 other charges as may be convenient or necessary to produce
28 sufficient revenues to meet all expenses of the trust and to fulfill the
29 terms of any agreement made with the holders of bonds, notes or
30 other obligations, including the obligations to pay the principal of
31 and interest and premium on those bonds, notes or other
32 obligations, with interest on any unpaid installments of interest, and
33 all costs and expenses in connection with any action or proceedings
34 by or on behalf of the holders, and shall not limit or alter the rights
35 and powers of any local government unit to pay and perform its
36 obligations owed to the trust in connection with loans received from
37 the trust, until the bonds, notes and other obligations of the trust,
38 together with interest thereon, are fully met and discharged or
39 provided for.

40 (cf: P.L.1997, c.224, s.12)

41

42 31. Section 15 of P.L.1985, c.334 (C.58:11B-15) is amended to
43 read as follows:

44 15. The State and all public officers, governmental units and
45 agencies thereof, all banks, trust companies, savings banks and
46 institutions, building and loan associations, savings and loan
47 associations, investment companies, and other persons carrying on a
48 banking business, all insurance companies, insurance associations

1 and other persons carrying on an insurance business, and all
2 executors, administrators, guardians, trustees and other fiduciaries
3 may legally invest any sinking funds, moneys or other funds
4 belonging to them or within their control in any bonds, notes or
5 other obligations issued pursuant to P.L.1985, c.334 (C.58:11B-1 et
6 seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 27
7 and 39 through 43 of P.L. , c. (C.) (pending before the
8 Legislature as this bill), and those bonds, notes or other obligations
9 shall be authorized security for any and all public deposits.
10 (cf: P.L.1997, c.224, s.13)

11

12 32. Section 17 of P.L.1985, c.334 (C.58:11B-17) is amended to
13 read as follows:

14 17. All property of the trust is declared to be public property
15 devoted to an essential public and governmental function and
16 purpose and the revenues, income and other moneys received or to
17 be received by the trust shall be exempt from all taxes of the State
18 or any political subdivision thereof. All bonds, notes and other
19 obligations of the trust issued pursuant to P.L.1985, c.334
20 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
21 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
22 before the Legislature as this bill) are declared to be issued by a
23 body corporate and politic of the State and for an essential public
24 and governmental purpose and those bonds, notes and other
25 obligations, and interest thereon and the income therefrom and from
26 the sale, exchange or other transfer thereof shall at all times be
27 exempt from taxation, except for transfer inheritance and estate
28 taxes.

29 (cf: P.L.1997, c.224, s.14)

30

31 33. Section 18 of P.L.1985, c.334 (C.58:11B-18) is amended to
32 read as follows:

33 18. a. If the trust defaults in the payment of principal of, or
34 interest on, any issue of its bonds, notes or other obligations after
35 these are due, whether at maturity or upon call for redemption, and
36 the default continues for a period of 30 days or if the trust defaults
37 in any agreement made with the holders of any issue of bonds, notes
38 or other obligations, the holders of **[25%]** 25 percent in aggregate
39 principal amount of the bonds, notes or other obligations of the
40 issue then outstanding, by instrument or instruments filed in the
41 office of the clerk of any county in which the trust operates and has
42 an office and proved or acknowledged in the same manner as
43 required for a deed to be recorded, may direct a trustee to represent
44 the holders of the bonds, notes or other obligations of the issuers for
45 the purposes herein provided.

46 b. Upon default, the trustee may, and upon written request of the
47 holders of **[25%]** 25 percent in principal amount of the bonds,

1 notes or other obligations of the trust of a particular issue then
2 outstanding shall, in **【his or its】** the trustee's own name:

3 (1) By suit, action or proceeding enforce all rights of the holders
4 of bonds, notes or other obligations of the issue, to require the trust
5 to carry out any other agreements with the holders of the bonds,
6 notes or other obligations of the issue and to perform its duties
7 under P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
8 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
9 c. (C.) (pending before the Legislature as this bill);

10 (2) Bring suit upon the bonds, notes or other obligations of the
11 issue;

12 (3) By action or suit, require the trust to account as if it were the
13 trustee of an express trust for the holders of the bonds, notes or
14 other obligations of the issue;

15 (4) By action or suit, enjoin any acts or things which may be
16 unlawful or in violation of the rights of the holders of the bonds,
17 notes or other obligations of the issue;

18 (5) Sell or otherwise dispose of bonds and notes of local
19 government units pledged pursuant to resolution or trust indenture
20 for benefit of holders of bonds, notes, or other obligations of the
21 issue on any terms as resolution or trust indenture may provide;

22 (6) By action or suit, foreclose any mortgage pledged pursuant
23 to the resolution or trust indenture for the benefit of the holders of
24 the bonds, notes or other obligations of the issue;

25 (7) Declare all bonds, notes or other obligations of the issue due
26 and payable, and if all defaults are made good, then with the
27 consent of the holders of **【50%】** 50 percent of the principal amount
28 of the bonds, notes or other obligations of the issue then
29 outstanding, to annul the declaration and its consequences.

30 c. The trustee shall, in addition to the foregoing, have those
31 powers necessary or appropriate for the exercise of any function
32 specifically set forth herein or incident to the general representation
33 of holders of bonds, notes or other obligations of the trust in the
34 enforcement and protection of their rights.

35 d. The Superior Court shall have jurisdiction over any suit,
36 action or proceeding by the trustees on behalf of the holders of
37 bonds, notes or other obligations of the trust. The venue of any suit,
38 action or proceeding shall be in the county in which the principal
39 office of the trust is located.

40 e. Before declaring the principal of bonds, notes or other
41 obligations of the trust due and payable as a result of a trust default
42 on any of its bonds, notes or other obligations, the trustee shall first
43 give 30 days' notice in writing to the trust and to the Governor,
44 State Treasurer, President of the Senate and Speaker of the General
45 Assembly.

46 (cf: P.L.1997, c.224, s.15)

1 34. Section 19 of P.L.1985, c.334 (C.58:11B-19) is amended to
2 read as follows:

3 19. Sums of money received pursuant to the authority of
4 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
5 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
6 c. (C.) (pending before the Legislature as this bill), whether
7 as proceeds from the sale of particular bonds, notes or other
8 obligations of the trust or as particular revenues or receipts of the
9 trust, are deemed to be trust funds, to be held and applied solely as
10 provided in the resolution or trust indenture under which the bonds,
11 notes or obligations are authorized or secured. Any officer with
12 whom or any bank or trust company with which those sums of
13 money are deposited as trustee thereof shall hold and apply the
14 same for the purposes thereof, subject to any provision as the
15 aforementioned acts and the resolution or trust indenture
16 authorizing or securing the bonds, notes or other obligations of the
17 trust may provide.

18 (cf: P.L.1997, c.224, s.16)

19

20 35. Section 23 of P.L.1985, c.334 (C.58:11B-23) is amended to
21 read as follows:

22 23. a. No funds from State sources or State bond issues used to
23 capitalize the trust shall be available for use by the trust unless
24 appropriated by law to the trust.

25 b. No funds shall be expended by the trust for its annual
26 operating expenses unless appropriated by law to the trust. Unless
27 required to be otherwise applied pursuant to law, funds generated
28 by the operation of the trust, including, but not limited to: proceeds
29 from the sale of the trust's bonds, notes or other obligations;
30 revenues derived from investments by the trust; loan repayments
31 from local government units; and fees and charges levied by the
32 trust, may thereafter be applied in accordance with the provisions of
33 P.L.1985, c.334 (C.58:11B-1 et seq.) **【or】**, P.L.1997, c.224
34 (C.58:11B-10.1 et al.), or sections 27 and 39 through 43 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill) for any
36 corporate purpose of the trust without appropriation; except that the
37 funds shall only be used to make loans or guarantees approved by
38 the Legislature in accordance with the provisions of sections 20, 21,
39 and 22 of P.L.1985, c.334 (C.58:11B-20, C.58:11B-21 and
40 C.58:11B-22), **【or】** sections 24, 25, and 26 of P.L.1997, c.224
41 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1), or section 40
42 through 42 of P.L. , c. (C.) (pending before the Legislature
43 as this bill).

44 c. The trust shall not apply for any federal funds, including
45 funds which are authorized pursuant to the "Federal Water Pollution
46 Control Act Amendments of 1972," Pub.L. 92-500 (33 U.S.C.
47 s.1251 et al.), and any amendatory or supplementary acts thereto.

1 The trust, with the concurrence of the Commissioner of
2 Environmental Protection, may receive, accept or utilize moneys
3 received from local government units as repayments of principal
4 and interest on loans made from the State Revolving Fund Accounts
5 established pursuant to section 1 of P.L.1988, c.133.

6 (cf: P.L.1997, c.224, s.20)

7
8 36. Section 25 of P.L.1985, c.334 (C.58:11B-25) is amended to
9 read as follows:

10 25. The trust shall establish the rules and regulations governing
11 the making and use of loans or guarantees, including, but not
12 limited to, procedures for the submission of loan guarantee
13 requests, standards for the evaluation of requests, provisions
14 implementing priority systems for projects, reporting requirements
15 of the recipient of any loan or guarantee concerning the progress
16 and the expenditure of funds, and limitations, restrictions or
17 requirements concerning the use of loan funds as the trust shall
18 prescribe; provided that the rules and regulations shall be in
19 compliance with the terms and provisions of P.L.1985, c.334
20 (C.58:11B-1 et seq.) **[or]**, P.L.1997, c.224 (C.58:11B-10.1 et al.),
21 or sections 27 and 39 through 43 of P.L. , c. (C.) (pending
22 before the Legislature as this bill) relating to the making of or
23 eligibility for loans or guarantees for environmental infrastructure
24 projects generally or for any particular type or class of wastewater
25 treatment system or water supply projects.

26 (cf: P.L.1997, c.224, s.21)

27
28 37. Section 26 of P.L.1985, c.334 (C.58:11B-26) is amended to
29 read as follows:

30 26. a. The trust shall adopt **[the]** rules and regulations requiring
31 a local government unit which receives a loan or guarantee for a
32 project to establish an affirmative action program for the hiring of
33 minority workers in the performance of any construction contract
34 for that project and to establish a program to provide opportunities
35 for socially and economically disadvantaged contractors and
36 vendors to supply materials and services for the contract, consistent
37 with the provisions of the "Law Against Discrimination," **[P.L.**
38 **1945, c. 169 (C. 10:5-1 et seq.)]** P.L.1945, c.169 (C.10:5-1 et seq.).
39 Not less than **[10%]** 10 percent of the amount of any contract for
40 construction, materials or services for a project shall be awarded to
41 small business concerns owned and controlled by socially and
42 economically disadvantaged individuals as defined in **[section 8(a)**
43 **and 8(d) of]** the "Small Business Act," **[Pub.L. 75-536 (15 U.S.C.**
44 **s. 637(a) and (d))]** Pub.L.85-536 (15 U.S.C. s.631 et seq.), and any
45 regulations promulgated pursuant thereto.

46 b. The trust shall adopt **[the]** rules and regulations requiring **[a**
47 **local government unit]** any entity, which receives a loan, grant, or

1 guarantee for a project to pay not less than the prevailing wage rate
2 to workers employed in the performance of any construction
3 contract for that project, in accordance with the rate determined by
4 the Commissioner of Labor and Workforce Development pursuant
5 to **[P.L. 1963, c. 150 (C. 34:11-56.25 et seq.)]** P.L.1963, c.150
6 (C.34:11-56.25 et seq.).

7 c. Every contract subject to the provisions of P.L.1985, c.334
8 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or
9 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
10 before the Legislature as this bill), procured pursuant to the “Local
11 Public Contracts Law,” P.L.1971, c.198, (C.40A:11-1 et seq.), shall
12 provide that every worker employed in the performance of that
13 contract is an apprentice participating in a registered apprenticeship
14 program or has completed a registered apprenticeship, unless the
15 contractor or subcontractor certifies that every worker shall be paid
16 not less than the journeyworker’s rate established for the
17 apprenticeable trade performed pursuant to P.L.1963, c.150
18 (C.34:11-56.25 et seq.). “Registered apprenticeship program”
19 means an apprenticeship program which is registered with and
20 approved by the United States Department of Labor and which
21 provides each trainee with combined classroom and on-the-job
22 training under the direct and close supervision of a highly skilled
23 worker in an occupation recognized as an apprenticeable trade and
24 meets the program performance standards of enrollment and
25 graduation under 29 C.F.R. s.29.6.

26 (cf: P.L.1985, c.334, s.26)

27

28 38. Section 27 of P.L.1985, c.334 (C.58:11B-27) is amended to
29 read as follows:

30 27. The trust shall adopt such rules and regulations as it deems
31 necessary to effectuate the purposes of P.L.1985, c.334 (C.58:11B-1
32 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including those
33 required pursuant to sections 25 and 26 of P.L.1985, c.334
34 (C.58:11B-25 and C.58:11B-26), and sections 27 and 39 through 43
35 of P.L. , c. (C.) (pending before the Legislature as this
36 bill), in accordance with the "Administrative Procedure Act,"
37 P.L.1968, c.410 (C.52:14B-1 et seq.).

38 (cf: P.L.1997, c.224, s.22)

39

40 39. (New section) a. There is established in the New Jersey
41 Infrastructure Bank a special fund to be known as the State
42 Transportation Infrastructure Bank Fund. There shall be established
43 within the fund, two subaccounts: (1) a federally-funded subaccount
44 that shall be approved to receive federal funds and related State
45 matching funds pursuant to the federal infrastructure bank program
46 provided for in section 350 of Pub.L.104-59 and Pub.L.102-240 as
47 amended or superseded, and (2) a State-funded subaccount that
48 shall be approved to receive only State funds in excess of those

1 required to be deposited in the federally-funded subaccount. The
2 State-funded subaccount shall be ineligible to receive any federal
3 funds. However, funds in the State-funded subaccount shall be
4 eligible for transfer into the federally-funded subaccount in the
5 discretion of the trust for the purpose of related match funding of
6 the federally-funded subaccount.

7 The State Transportation Infrastructure Bank Fund shall be
8 credited with:

9 (1) (a) State and federal funds appropriated to a federal
10 subaccount of the State Transportation Infrastructure Bank Fund
11 pursuant to the federal infrastructure bank program provided for in
12 section 350 of Pub.L.104-59 and Pub.L.102-240 as amended or
13 superseded, and

14 (b) State funds in excess of any minimum State match required
15 under the federal infrastructure bank program, appropriated to the
16 State-funded subaccount of the State Transportation Infrastructure
17 Bank Fund;

18 (2) monetary donations made available to the State to support
19 the State Transportation Infrastructure Bank Fund;

20 (3) moneys received as repayment of the principal of and the
21 interest or premium on loans made from the State Transportation
22 Infrastructure Bank Fund;

23 (4) any interest earnings received on the moneys in the State
24 Transportation Infrastructure Bank Fund; and

25 (5) such other moneys as the Legislature may appropriate to the
26 trust for deposit into the State Transportation Infrastructure Bank
27 Fund at any time to finance or refinance transportation loans issued
28 from the State Transportation Infrastructure Bank Fund.

29 b. Notwithstanding any provision of P.L.1985, c.334
30 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.) or
31 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
32 before the Legislature as this bill) to the contrary, all moneys placed
33 into the State Transportation Infrastructure Bank Fund shall be held
34 separate from other funds of the trust, and no transportation funds
35 shall be combined or comingled with any funds that finance (1)
36 wastewater treatment system projects, (2) water supply projects, or
37 (3) other environmental infrastructure projects, that are not
38 transportation projects.

39 c. All moneys placed into the State-funded subaccount of the
40 State Transportation Infrastructure Bank Fund shall be held separate
41 from any federal funds provided for the federally-funded
42 subaccount of the State Transportation Infrastructure Bank Fund.

43 d. Notwithstanding any provision of P.L.1985, c.334
44 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.) or
45 sections 27 and 39 through 43 of P.L. , c. (C.) (pending
46 before the Legislature as this bill) to the contrary, the trust may
47 provide loans or other assistance to one or more local government
48 units or consortia thereof for the purpose of financing all or a

1 portion of the costs incurred for the planning, acquisition,
2 engineering, construction, reconstruction, repair, and rehabilitation
3 of a transportation project, provided that monies from the federally-
4 funded subaccount are limited to the purposes permitted under the
5 federal infrastructure bank program.

6 e. In addition to the financing described in subsection d. of this
7 section, a portion, not to exceed 10 percent, of the assistance
8 provided from the State-funded sub-account of the State
9 Transportation Infrastructure Bank Fund may be issued in the form
10 of grants.

11 f. Loans or other assistance granted pursuant to this section
12 shall be considered an investment or reinvestment by the State
13 Transportation Infrastructure Bank Fund, provided that monies from
14 the federally-funded subaccount are limited to the purposes
15 permitted under the federal infrastructure bank program, and not a
16 loan within the meaning of section 12 of P.L.1995, c.108 (C.27:1B-
17 21.5).

18 g. The refinancing of debt relating to an existing transportation
19 project shall not be an eligible form of assistance from the State
20 Transportation Infrastructure Bank Fund, and a loan shall not be
21 granted unless the applicant can demonstrate to the satisfaction of
22 the trust that the assistance being sought is not for the refinancing
23 of debt relating to an existing transportation project.

24 h. Any project, the use or purpose of which is private and for
25 which no public benefit is created, shall not be eligible for financial
26 assistance from the trust.

27 i. The trust shall consider the following factors when setting an
28 interest rate on a loan provided pursuant to this section: (1) the
29 current market rates for comparable obligations; (2) the nature of
30 the project; (3) the financing structure of the project; (4) the
31 creditworthiness of the borrower; and (5) the term of the proposed
32 obligation.

33 j. The long term loan repayment schedule for each project
34 shall require: (1) the repayment of the loan commencing six months
35 after construction completion, the date the facility has opened to
36 traffic, or three years after execution of the long term financing
37 obligation, whichever is first, however, in the case of a highway
38 project, it shall be whichever is later; and (2) a final maturity date
39 of not more than 35 years following the completion of the project.

40 k. The trust may establish or direct the establishment of federal
41 and State accounts or subaccounts as may be necessary to meet any
42 applicable federal law requirements or desirable for the efficient
43 administration of the trust.

44

45 40. (New section) a. The trust shall maintain the administrative
46 responsibilities for financing projects approved for assistance
47 through the State Transportation Infrastructure Bank Fund, in
48 accordance with any applicable federal laws regarding the use of

1 federal funds on transportation projects, as well as any provision of
2 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
3 10.1 et al.) and sections 27 and 39 through 43 of P.L. , c. (C.
4) (pending before the Legislature as this bill), and provided that
5 monies from the federally-funded subaccount are limited by the
6 provisions of the federal infrastructure bank program. The trust is
7 authorized to enter into agreements with one or more local
8 government units or consortia thereof for the use of monies from
9 the State Transportation Infrastructure Bank Fund to provide loans
10 or other assistance for the purpose of financing all or a portion of
11 the costs incurred for the planning, acquisition, engineering,
12 construction, reconstruction, repair, and rehabilitation of a
13 transportation project, provided that monies from the federally-
14 funded subaccount are limited to the purposes permitted under the
15 federal infrastructure bank program. The terms of the federally-
16 funded subaccount agreements shall be consistent with the
17 requirements of the federal infrastructure bank program and the
18 trust may adopt rules and regulations to carry out these functions.

19 b. The trust shall also develop a formal relationship with the
20 Department of Transportation for purposes, including, but not
21 limited to, the evaluation of potential transportation projects,
22 fulfilling federal regulations regarding capital projects, coordinating
23 with metropolitan planning organizations, ensuring that any projects
24 obtaining assistance are consistent with the Statewide capital
25 investment strategy, monitoring borrower creditworthiness
26 standards, and advancing local, regional, and Statewide
27 transportation objectives.

28
29 41. (New section) a. The Commissioner of Transportation
30 shall, for each fiscal year, develop a priority system for
31 transportation projects. The Commissioner of Transportation shall
32 set forth a Transportation Financing Program Project Priority List
33 for long-term funding by the trust for each fiscal year and shall
34 include the aggregate amount of funds of the trust to be authorized
35 for these purposes. The Commissioner of Transportation may
36 include a transportation project on the Transportation Financing
37 Program Project Priority List if it meets the eligibility requirements
38 for funding pursuant to Pub.L.114-94, the "Fixing America's
39 Transportation Act," or any successor legislation. The
40 Transportation Financing Program Project Priority List shall include
41 a description of each project and an explanation of the manner in
42 which projects are ranked. The Transportation Financing Program
43 Project Priority List for the ensuing fiscal year shall be submitted to
44 the Legislature on or before January 15 of each year.

45 b. The Commissioner of Transportation shall set forth an
46 Interim Transportation Financing Program Project Eligibility List
47 for short-term funding by the trust and shall include the aggregate
48 amount of funds to be authorized for these purposes. The Interim

1 Transportation Financing Program Project Eligibility List shall
2 consist of Transportation Financing Program Project Priority List
3 projects certified by the Department of Transportation that have
4 commenced construction and demonstrated to the department a high
5 likelihood of construction completion on or before the end of the
6 ensuing fiscal year. The Interim Transportation Financing Program
7 Project Eligibility List established pursuant to this subsection shall
8 be considered by the budget committees of each House of the
9 Legislature for inclusion in the annual appropriations act. On or
10 before June 30 of each year, the Legislature shall include the
11 Interim Transportation Financing Program Project Eligibility List
12 with any modifications in the annual appropriations act, including
13 any amendatory or supplementary provisions thereto, which act
14 shall include the authorization of an aggregate amount of funds of
15 the trust to be expended for loans and guarantees for the specific
16 transportation projects, including the individual amounts therefor,
17 on the list. The initial Interim Transportation Financing Program
18 Project Eligibility List for the ensuing fiscal year shall be submitted
19 to the Legislature on or before July 1 of each year. The Secretary
20 and the Clerk shall cause the date of submission to be entered upon
21 the Senate Journal and the Minutes of the General Assembly,
22 respectively. Incremental revisions or supplements to the Interim
23 Transportation Financing Program Project Eligibility List may be
24 submitted to the Legislature as provided in subsection e. of section
25 9 of P.L.1985 c.334 (C.58:11B-9).

26 c. On or before October 15 of each year, the trust may submit
27 an amended Interim Transportation Financing Program Project
28 Eligibility List to be introduced in each House in the form of
29 legislative appropriations bills for approval by the Legislature on or
30 before January 15 of the following calendar year in the manner set
31 forth in subsection a. and subsection b. of this section.

32 d. The trust shall not expend any money for a long-term loan or
33 guarantee during a fiscal year for any transportation project unless
34 the expenditure is authorized pursuant to a State annual
35 appropriations act of the current or three immediate preceding fiscal
36 years as provided in the provisions of this section, or as otherwise
37 set forth in the State's annual appropriations act.

38 e. The trust shall submit to the Secretary of the Senate and the
39 Clerk of the General Assembly on or before January 15 of each year
40 a report which shall identify the transportation projects financed
41 during the prior fiscal year, including a project description, the
42 amount of the loan provided for each project, and the duration of
43 each loan.

44 f. The source of projects for the Transportation Financing
45 Program Project Priority List and the Interim Transportation
46 Financing Program Project Eligibility List shall be: (1) applications
47 made by counties and municipalities seeking aid through the State
48 Transportation Infrastructure Bank Fund in accordance with section

1 25 of P.L.1984, c.73 (C.27:1B-25) and the procedures established
2 therein for the allocation of State aid to counties and municipalities
3 through the local aid program, and (2) eligible projects within the
4 most recent 10-year Statewide Transportation Improvement
5 Program as issued by the Department of Transportation. Projects
6 deriving from either of these sources shall identify a consistent
7 source of revenue that will be utilized to repay any loan financing
8 provided by the trust either from the project itself or from the
9 sponsoring local government unit or consortia thereof that will be
10 receiving assistance.

11

12 42. (New section) a. On or before May 15 of each year, the
13 trust shall submit to the Speaker of the General Assembly and the
14 President of the Senate a financial plan designed to implement the
15 financing of the transportation projects either on the Transportation
16 Financing Program Project Priority List or the Interim
17 Transportation Financing Program Project Eligibility List approved
18 pursuant to P.L. , c. (C.) (pending before the Legislature as
19 this bill) or as otherwise approved by the Legislature. The financial
20 plan shall list the bonds, notes or other obligations of the trust
21 which the trust intends to issue, including the amounts thereof and
22 the terms and conditions thereof, a list of loans to be made to local
23 government units or private persons, including the terms and
24 conditions thereof and the anticipated rate of interest per annum and
25 repayment schedule therefor, and a list of loan guarantees or
26 contracts to guarantee the payment of all or a portion of the
27 principal and interest on bonds, notes or other obligations issued by
28 a local government unit to finance the cost of a transportation
29 project, and the terms and conditions thereof.

30 The financial plan shall also set forth a complete operating and
31 financial statement covering proposed operations through the fund
32 during the forthcoming fiscal year, including amounts of income
33 from all sources, and the uniform schedule of fees and charges
34 established by the trust pursuant to subsection o. of section 5 of
35 P.L.1985, c.334 (C.58:11B-5), and the amounts to be derived
36 therefrom, and shall summarize the status of each transportation
37 project for which loans or guarantees have been made by the trust,
38 and shall describe major impediments to the accomplishment of the
39 planned transportation projects.

40 b. On or before June 30 of each year the Legislature may reject
41 the financial plan through the adoption by both houses of a
42 concurrent resolution. If the Legislature rejects the financial plan,
43 the project list shall be removed from the annual appropriations act
44 and the trust shall not undertake any of the proposed activities
45 contained therein. If the Legislature takes no action on or before
46 June 30, the financial plan shall be deemed approved.

47 c. The financial plan for the State Transportation Infrastructure
48 Bank Fund shall not be eligible for inclusion in a consolidated

1 financial plan as established in section 27 of P.L.1997, c.224
2 (C.58:11B-22.2).

3

4 43. (New section) Nothing in this act shall decrease, diminish,
5 lessen, or otherwise reduce allocations made to counties and
6 municipalities pursuant to section 25 of P.L.1984, c.73 (C.27:1B-25
7 et seq.), except for amounts above \$7,500,000 each year allocated
8 into the Local Aid Infrastructure Fund, which may be used to
9 capitalize the State Transportation Infrastructure Bank.

10

11 44. Sections 1 through 4 of P.L.1997, c.142 (C.27:1B-21.10
12 through C.27:1B-21.13) are repealed.

13

14 45. This act shall take effect on July 1, 2016, but sections 10
15 through 44 shall remain inoperative until the appropriation by the
16 State of eligible federal or State funds into the State Infrastructure
17 Bank Fund pursuant to section 39 of P.L. , c. (C.) (pending
18 before the Legislature as this bill) and funds are appropriated to the
19 trust to cover administrative and operational expenses related to the
20 State Transportation Infrastructure Bank, and section 2 shall take
21 effect on the same day that Assembly Concurrent Resolution No.1
22 of 2015, a constitutional amendment to Article VIII, section II,
23 paragraph 4 of the New Jersey Constitution, takes effect.

24

25

26

STATEMENT

27

28 This bill amends the “New Jersey Transportation Trust Fund
29 Authority Act of 1984” to make changes necessary to support the
30 State’s Capital Transportation Program for Fiscal Years 2017
31 through 2026.

32

33 This bill will provide the New Jersey Transportation Trust Fund
34 Authority (authority) with \$15 billion in bonding authorization and
35 authorizes \$20 billion in State transportation capital program
36 expenditures for a ten year period from Fiscal Year (FY) 2017
37 through Fiscal Year 2026. The bill allows for an average annual
38 transportation capital program size of \$2 billion per year, an
39 increase from the \$1.6 billion program amount in the previous
40 capital program. The bill also anticipates the revenue necessary to
41 finance an average of \$500 million per year of “pay-as-you-go”
42 funding, which is funding available for projects that do not rely on
43 debt or non-State resources. In the previous four years, the amount
44 of “pay-as-you-go” funding was less than \$10 million per year.

45

46 The bill provides that through Fiscal Year 2026, if the amount of
47 revenue generated by the Petroleum Products Gross Receipts Tax in
48 any year is greater than the amount of revenue generated in Fiscal
Year 2018, then the capital program authorization shall be increased
by an amount equivalent to that revenue difference. In addition, the

1 bill requires that amount of additional revenue to be dedicated to
2 projects expanding the mass transit system in this State.

3 The bill dedicates all revenues from the Motor Fuels Tax and the
4 Petroleum Products Gross Receipts Tax to the Transportation Trust
5 Fund. This language mirrors the language proposed in Assembly
6 Concurrent Resolution No. 1 of 2015 that is scheduled to appear as
7 a ballot question in the November 2016 general election, and would
8 constitutionally dedicate these revenues in addition to the statutory
9 dedication that is provided for in this bill.

10 The bill requires the authority to create a website to provide
11 active monitoring of authority projects to be reported at least
12 monthly to the public as well as a single location for public
13 documentation related to the project. The reporting requirements
14 for the website require real time reporting of construction projects
15 and any potential sources of delays or increased cost.

16 The bill also incorporates bond premiums into the calculation of
17 the authority's bonding cap, so that the bonding cap reflects the
18 total amount of money generated by a bond issuance, rather than the
19 par amount of bonds issued. This reflects the real amount of
20 borrowing taking place in a bond issuance.

21 The bill also creates a "Transportation Trust Fund Account
22 Subaccount for Capital Reserves." This subaccount will hold
23 excess revenues which are constitutionally dedicated to the
24 Transportation Trust Fund Account and will be deposited after
25 making authority debt service payments payable in a given fiscal
26 year, and after transferring to the "Special Transportation Fund" the
27 annually appropriated amount of "pay-as-you-go" funding which is
28 money appropriated for expenses of the State transportation capital
29 program that does not derive from borrowing. Amounts placed into
30 this fund are intended to ensure that the Transportation Trust Fund
31 is sufficiently capitalized to support the funding needs of the State
32 transportation capital program in the final years of the 10 year
33 capital plan, and to improve the financial position of the authority
34 by maintaining a capital reserve that can insulate the authority
35 against any variability in the collection of revenues dedicated to the
36 authority.

37 The bill increases the amount of information that is required to
38 be reported in the annual Transportation Capital Program to better
39 reflect the information currently provided by the Department of
40 Transportation (DOT) and to more closely reflect the information
41 provided in the federally required State Transportation
42 Improvement Program document.

43 The bill converts the Financial Policy Review Board (board) into
44 the Transportation Policy Review Board. The board is expanded to
45 nine members, given expanded responsibilities to independently
46 analyze and report on the cost effectiveness of spending in the
47 transportation capital program, conduct and commission research on
48 best practices in the areas of transportation and public

1 transportation construction, planning, finance, and engineering, and
2 to provide policy recommendations to the Legislature on the best
3 ways to organize the capital program and appropriate capital
4 program funds. The board is also to meet before the Senate Budget
5 and Appropriations Committee, Assembly Budget Committee,
6 Assembly Transportation, Public Works, and Independent
7 Authorities Committee, and Senate Transportation Committee at
8 least one time each year, and to perform research and provide
9 policy recommendations to the Legislature as requested.

10 The board is required to submit to the Governor and Legislature,
11 no later than April 1, 2017, a report concerning the taxation of
12 motor vehicles that are powered by a fuel source that is not subject
13 to the Motor Fuel Tax Act or Petroleum Products Gross Receipts
14 Tax Act, and is required to include a new system of taxation to
15 ensure that all vehicles operating on the highways of this State
16 contribute in an equitable fashion to the cost of maintaining the
17 State transportation system.

18 By April 1, 2017, the board is to provide the Legislature with
19 recommendations on improving the coordination between DOT and
20 the utility companies when utility facilities must be relocated to
21 accommodate an infrastructure project. The new system is to
22 minimize the cost of infrastructure projects and for the utility
23 companies.

24 The bill establishes the Annual Transportation Capital Program
25 Approval Committee. The committee is to ensure that Legislative
26 input is provided in the process of selecting transportation capital
27 projects that are funded through the Transportation Trust Fund
28 Account. The committee is to consist of the Commissioner of
29 Transportation, and three public members appointed by the
30 Governor upon the joint recommendation of the Senate President
31 and the Speaker of the General Assembly; one from certain counties
32 of northern New Jersey, one from certain counties of central New
33 Jersey, and one from certain counties of southern New Jersey. Each
34 member will serve a three year term. The committee is to issue a
35 certification each year known as the Annual Transportation Capital
36 Program Approval Certification, which all four members are
37 required to approve, or the Legislature is prohibited from
38 appropriating money to support new transportation projects for that
39 fiscal year, until the certification has been approved.

40 The bill requires an annual capital program appropriation of \$25
41 million per year to support freight rail projects. The current capital
42 program includes an \$8 million appropriation for the State rail
43 freight assistance program. This requirement represents a \$17
44 million increase in freight rail projects over FY 2016.

45 The bill also increases the size of the local aid program to \$400
46 million per year and adjusts the allocation of funds in the program
47 so that the Local Aid Infrastructure Fund is funded at seven percent
48 of the total or \$28 million per year, up from a proposed \$7.5 million

1 for FY 2017; the county aid program is funded at 37.5 percent of
2 the total or \$150 million per year, up from a proposed \$78.75
3 million for FY 2017; the municipal aid program is funded at 37.5
4 percent of the total or \$150 million with \$10 million being sub-
5 allocated to the municipal aid urban aid program, compared with
6 \$78.5 million program proposed for FY 2017 with \$5 million being
7 sub-allocated to the municipal aid urban aid program. The bill
8 creates a “Local Bridges Fund” which mirrors the capital program
9 line item for “Local Bridges, Future Needs” and provides 11
10 percent of total funding or \$44 million per year, up from \$25
11 million proposed for FY 2017. The bill also creates a “Local
12 Freight Impact Fund” which is newly created and intended to assist
13 counties and municipalities with the impacts on local transportation
14 infrastructure associated with the State’s freight industry which will
15 be funded at seven percent of the total or \$28 million per year.

16 The bill allocates any amount above \$7.5 million appropriated to
17 the Local Aid Infrastructure Fund in FY 2017 to be deposited into
18 the State Transportation Infrastructure Bank Fund.

19 The bill renames the New Jersey Environmental Infrastructure
20 Trust as the New Jersey Infrastructure Bank (“trust”) and
21 establishes a special non-lapsing, revolving fund in the trust to be
22 known as the State Transportation Infrastructure Bank Fund, which
23 is to replace the State Transportation Infrastructure Bank that
24 previously resided as a subaccount of the Special Transportation
25 Fund. The bill repeals the statutory language which created the
26 existing State Transportation Infrastructure Bank.

27 The bill makes various changes to existing statutes related to the
28 trust in order to expand its mission from water and environmental
29 infrastructure projects, to include transportation projects. This bill
30 provides that the aggregate principal amount of bonds, notes or
31 other obligations of the trust is not to exceed \$3.8 billion for all
32 purposes of the trust except the Disaster Relief Emergency
33 Financing Program. The bill requires that funds and accounts of the
34 trust be segregated in such a way as to prevent the mixing of
35 transportation monies and water or environmental infrastructure
36 monies.

37 The bill creates an interim financing program for transportation
38 projects similar the existing interim financing program for
39 environmental projects and establishes a Department of
40 Transportation Loan Origination Fee Fund within the trust.

41 Establishment of the State Transportation Infrastructure Bank
42 Program is required by federal law as a depository for federal
43 transportation infrastructure bank monies. The federal program
44 currently allows states to enter into agreements whereby monies in
45 the State Transportation Infrastructure Bank are loaned or used to
46 provide other financial assistance to public or private entities for the
47 planning, acquisition, engineering, construction, reconstruction,

1 repair, and rehabilitation of a transportation project or for any other
2 purpose permitted under the federal program.

3 The bill also establishes an account to be established within the
4 fund that only receives State funds so that grants can be issued
5 without violating the terms of the federal program.

6 The program is to be administered by the trust with assistance
7 from the DOT. The Commissioner of DOT is to become an ex-
8 officio member of the board of directors for the trust, and the DOT
9 is to be responsible for establishing the list of projects that the trust
10 is to finance and the priority in which they are to be funded. The
11 trust is also directed to collaborate with the DOT on the evaluation
12 of potential transportation projects, fulfilling federal regulations
13 regarding capital projects, coordinating with metropolitan planning
14 organizations, ensuring that any projects obtaining assistance are
15 consistent with the Statewide capital investment strategy, and
16 advancing local, regional, and Statewide transportation objectives.

17 The Legislature is to consider the full DOT project list through
18 the Senate Budget and Appropriations Committee and Assembly
19 Budget Committee before its inclusion in the annual appropriations
20 act. The Legislature is to receive a copy of the transportation
21 financial plan developed by the trust for the implementation of the
22 financing of the DOT project list. The Legislature will have until
23 June 30th to reject the transportation financial plan through a
24 concurrent resolution. If the Legislature rejects the financial plan,
25 the project list is removed from the budget and the trust is
26 prohibited from financing any transportation projects in that fiscal
27 year. If the transportation financial plan is not rejected by June
28 30th, it is considered approved by the Legislature.

29 The State Transportation Infrastructure Bank Fund may be
30 credited with State and federal funds appropriated to the fund,
31 monetary donations made available to the State to support the State
32 Transportation Infrastructure Bank Program, any monies received
33 as repayment of the monies loaned or otherwise provided pursuant
34 to the program, and interest earnings received on the monies in the
35 fund, and other moneys the Legislature appropriates to the trust for
36 deposit into the State Transportation Infrastructure Bank Fund to
37 finance or refinance transportation loans issued from the fund.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2412

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 23, 2016

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2412, with committee amendments.

As amended, this bill amends the “New Jersey Transportation Trust Fund Authority Act of 1984” to make changes necessary to support the State’s Capital Transportation Program for Fiscal Years 2017 through 2026.

This bill will provide the New Jersey Transportation Trust Fund Authority (authority) with \$15 billion in bonding authorization, contingent upon voter approval of Assembly Concurrent Resolution No. 1 of 2015, which would constitutionally dedicate all Petroleum Products Gross Receipts Tax and Motor Fuels Tax revenue, and authorizes \$20 billion in State transportation capital program expenditures for a 10 year period from Fiscal Year (FY) 2017 through FY 2026. The bill allows for an average annual transportation capital program size of \$2 billion per year, an increase from the \$1.6 billion program amount in the previous capital program. The bill also anticipates the revenue necessary to finance an average of \$500 million per year of “pay-as-you-go” funding, which is funding available for projects that do not rely on debt or non-State resources. In the previous four years, the amount of “pay-as-you-go” funding was less than \$10 million per year.

The bill dedicates all revenues from the Motor Fuels Tax and the Petroleum Products Gross Receipts Tax to the Transportation Trust Fund. This language mirrors the language proposed in Assembly Concurrent Resolution No. 1 of 2015 that is scheduled to appear as a ballot question in the November 2016 general election, and would constitutionally dedicate these revenues in addition to the statutory dedication that is provided for in this bill.

The bill requires the authority to create a website to provide active monitoring of authority projects to be reported at least monthly to the public as well as a single location for public documentation related to the project. The reporting requirements for the website require real time reporting of construction projects and any potential sources of delays or increased cost.

The bill also incorporates bond premiums into the calculation of the authority's bonding cap, so that the bonding cap reflects the total amount of money generated by a bond issuance, rather than the par amount of bonds issued. This reflects the real amount of borrowing taking place in a bond issuance.

The bill also creates a "Transportation Trust Fund Account Subaccount for Capital Reserves." This subaccount will hold excess revenues which are constitutionally dedicated to the Transportation Trust Fund Account and will be deposited after making authority debt service payments payable in a given fiscal year, and after transferring to the "Special Transportation Fund" the annually appropriated amount of "pay-as-you-go" funding which is money appropriated for expenses of the State transportation capital program that does not derive from borrowing. Amounts placed into this fund are intended to ensure that the Transportation Trust Fund is sufficiently capitalized to support the funding needs of the State transportation capital program in the final years of the 10 year capital plan, and to improve the financial position of the authority by maintaining a capital reserve that can insulate the authority against any variability in the collection of revenues dedicated to the authority.

The bill increases the amount of information that is required to be reported in the annual Transportation Capital Program to better reflect the information currently provided by the Department of Transportation (DOT) and to more closely reflect the information provided in the federally required State Transportation Improvement Program document.

The bill converts the Financial Policy Review Board (board) into the Transportation Policy Review Board. The board is expanded to nine members, given expanded responsibilities to independently analyze and report on the cost effectiveness of spending in the transportation capital program, conduct and commission research on best practices and cost savings in the areas of transportation and public transportation construction, planning, finance, infrastructure, and governance, and to provide policy recommendations to the Legislature on the best ways to organize the capital program and appropriate capital program funds. The board is also to meet before the Senate Budget and Appropriations Committee, Assembly Budget Committee, Assembly Transportation and Independent Authorities Committee, and Senate Transportation Committee at least one time each year, and to perform research and provide policy recommendations to the Legislature as requested.

The board is required to submit to the Governor and Legislature, no later than April 1, 2017, a report concerning the taxation of motor vehicles that are powered by a fuel source that is not subject to the Motor Fuel Tax Act or Petroleum Products Gross Receipts Tax Act, and is required to include a new system of taxation to ensure that all vehicles operating on the highways of this State contribute in an

equitable fashion to the cost of maintaining the State transportation system.

The bill establishes the Annual Transportation Capital Program Approval Committee. The committee is to ensure that Legislative input is provided in the process of selecting transportation capital projects that are funded through the Transportation Trust Fund Account. The committee is to consist of the Commissioner of Transportation, and three public members appointed by the Governor upon the joint recommendation of the Senate President and the Speaker of the General Assembly; one from certain counties of northern New Jersey, one from certain counties of central New Jersey, and one from certain counties of southern New Jersey. Each member will serve a three year term. The committee is to issue a certification each year known as the Annual Transportation Capital Program Approval Certification, which all four members are required to approve, or the Legislature is prohibited from appropriating money to support new transportation projects for that fiscal year, until the certification has been approved.

The bill requires an annual capital program appropriation of \$25 million per year to support freight rail projects. The current capital program includes an \$8 million appropriation for the State rail freight assistance program. This requirement represents a \$17 million increase in freight rail projects over FY 2016.

The bill also increases the size of the local aid program to \$400 million per year and adjusts the allocation of funds in the program so that the Local Aid Infrastructure Fund is funded at seven percent of the total or \$28 million per year, up from a proposed \$7.5 million for FY 2017; the county aid program is funded at 37.5 percent of the total or \$150 million per year, up from a proposed \$78.75 million for FY 2017; the municipal aid program is funded at 37.5 percent of the total or \$150 million with \$10 million being sub-allocated to the municipal aid urban aid program, compared with \$78.5 million program proposed for FY 2017 with \$5 million being sub-allocated to the municipal aid urban aid program. The bill creates a “Local Bridges Fund” which mirrors the capital program line item for “Local Bridges, Future Needs” and provides 11 percent of total funding or \$44 million per year, up from \$25 million proposed for FY 2017. The bill also creates a “Local Freight Impact Fund” which is newly created and intended to assist counties and municipalities with the impacts on local transportation infrastructure associated with the State’s freight industry which will be funded at seven percent of the total or \$28 million per year.

The bill allocates any amount above \$7.5 million appropriated to the Local Aid Infrastructure Fund in FY 2017 to be deposited into the State Transportation Infrastructure Bank Fund.

The bill renames the New Jersey Environmental Infrastructure Trust as the New Jersey Infrastructure Bank (“trust”) and establishes a

special non-lapsing, revolving fund in the trust to be known as the State Transportation Infrastructure Bank Fund, which is to replace the State Transportation Infrastructure Bank that previously resided as a subaccount of the Special Transportation Fund. The bill repeals the statutory language which created the existing State Transportation Infrastructure Bank.

The bill makes various changes to existing statutes related to the trust in order to expand its mission from water and environmental infrastructure projects, to include transportation projects. This bill provides that the aggregate principal amount of bonds, notes or other obligations of the trust is not to exceed \$3.8 billion for all purposes of the trust except the Disaster Relief Emergency Financing Program. The bill requires that funds and accounts of the trust be segregated in such a way as to prevent the mixing of transportation monies and water or environmental infrastructure monies.

The bill creates an interim financing program for transportation projects similar the existing interim financing program for environmental projects and establishes a Department of Transportation Loan Origination Fee Fund within the trust.

Establishment of the State Transportation Infrastructure Bank Program is required by federal law as a depository for federal transportation infrastructure bank monies. The federal program currently allows states to enter into agreements whereby monies in the State Transportation Infrastructure Bank are loaned or used to provide other financial assistance to public or private entities for the planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of a transportation project or for any other purpose permitted under the federal program.

The bill also establishes an account to be established within the fund that only receives State funds so that grants can be issued without violating the terms of the federal program.

The program is to be administered by the trust with assistance from the DOT. The Commissioner of DOT is to become an ex-officio member of the board of directors for the trust, and the DOT is to be responsible for establishing the list of projects that the trust is to finance and the priority in which they are to be funded. The trust is also directed to collaborate with the DOT on the evaluation of potential transportation projects, fulfilling federal regulations regarding capital projects, coordinating with metropolitan planning organizations, ensuring that any projects obtaining assistance are consistent with the Statewide capital investment strategy, and advancing local, regional, and Statewide transportation objectives.

The Legislature is to consider the full DOT project list through the Senate Budget and Appropriations Committee and Assembly Budget Committee before its inclusion in the annual appropriations act. The Legislature is to receive a copy of the transportation financial plan developed by the trust for the implementation of the financing of the

DOT project list. The Legislature will have until June 30th to reject the transportation financial plan through a concurrent resolution. If the Legislature rejects the financial plan, the project list is removed from the budget and the trust is prohibited from financing any transportation projects in that fiscal year. If the transportation financial plan is not rejected by June 30th, it is considered approved by the Legislature.

The State Transportation Infrastructure Bank Fund may be credited with State and federal funds appropriated to the fund, monetary donations made available to the State to support the State Transportation Infrastructure Bank Program, any monies received as repayment of the monies loaned or otherwise provided pursuant to the program, interest earnings received on the monies in the fund, and other moneys the Legislature appropriates to the trust for deposit into the State Transportation Infrastructure Bank Fund to finance or refinance transportation loans issued from the fund.

COMMITTEE AMENDMENTS:

The committee amendments add to the responsibilities of the Transportation Policy Review Board by requiring that the board's independent research on best practices include research on cost savings in the areas of transportation and public transportation construction, planning, finance, infrastructure, and governance. The committee amendments also remove from the board's April 1, 2017 reporting requirements, that the board include recommendations on improving the coordination between the DOT and the utility companies when utility facilities must be relocated to accommodate an infrastructure project.

The bill is also being amended so that if the petroleum products gross receipts tax revenue, exceeds the FY 2018 level, the \$20 billion appropriation cap will no longer be increased by that increased amount. The bill also removes the restriction on the use of the increased revenue amount, limiting it to mass transit expansion or the retirement of debt. The bill also changes the Transportation Policy Review Board's State of Condition of Transportation Financing certification requirements so that the total appropriations they are to certify, is limited to \$20 billion in total from FY 2017-2026.

The committee amendments make technical changes to the bill.

FISCAL IMPACT:

The bill authorizes up to \$15 billion in borrowing by the Transportation Trust Fund Authority, contingent upon voter approval of Assembly Concurrent Resolution No. 1 of 2015, and \$20 billion in appropriations from the authority's revenues over 10 fiscal years, FY 2017 to FY 2026 inclusive. The bill does not specify any annual minimums or maximums for either borrowing or appropriations.

The Office of Legislative Services finds that the authority's sole sources of revenue with which to fund transportation capital projects and to retire its bonds are the proceeds of borrowing and State

appropriations. If the authority funds \$2 billion in projects annually (an increase of \$753 million per year increase over FY 2016,) and issues \$1.5 billion in bonds annually, the OLS estimates that, based on a 31-year level debt service maturity schedule, annual State appropriations of \$86 million will be required for 31 years for debt service payments on each bond issuance. After issuance of all \$15 billion in bonds, annual debt service will total \$860 million per year. Further, the State will be required to appropriate \$500 million annually to fund the portion of annual transportation capital projects not funded by the proceeds of borrowing. Thus, annual State appropriations would increase by \$586 million in FY 2017, and then increase above that amount by about \$86 million annually thereafter (e.g., to \$672 million in FY 2018, to \$750 million in FY 2019), to a total of about \$1.36 billion in FY 2026.

The actual level of annual appropriations from the authority's revenues for transportation capital projects will be determined by the Legislature and Governor, and may differ from the assumptions above. The actual timing and amount of authority bonds issuances will be determined by the authority, and may also differ from the assumptions above. The actual annual impact on State expenditures could thus be significantly different than the OLS estimates.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2412

with committee amendments

STATE OF NEW JERSEY

DATED: JULY 29, 2016

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2412 (1R), with committee amendments.

As amended, this bill revises the “New Jersey Transportation Trust Fund Authority Act of 1984” to make changes necessary to support the State’s Capital Transportation Program for Fiscal Years 2017 through 2024.

This bill will provide the New Jersey Transportation Trust Fund Authority (authority) with \$12 billion in bonding authorization, contingent upon voter approval of Assembly Concurrent Resolution (ACR) No. 1 of 2015, which would constitutionally dedicate all Petroleum Products Gross Receipts Tax and Motor Fuels Tax revenue, and authorizes \$16 billion in State transportation capital program expenditures for an eight year period from Fiscal Year (FY) 2017 through FY 2024. The bill allows for an average annual transportation capital program size of \$2 billion per year, an increase from the \$1.6 billion program amount in the previous capital program. The bill also anticipates the revenue necessary to finance an average of \$500 million per year of “pay-as-you-go” funding, which is funding available for projects that do not rely on debt or non-State resources. In the previous four years, the amount of “pay-as-you-go” funding was less than \$10 million per year.

The bill dedicates all revenues from the Motor Fuels Tax and the Petroleum Products Gross Receipts Tax to the Transportation Trust Fund. This language mirrors the language proposed in ACR No. 1 of 2015 that is scheduled to appear as a ballot question in the November 2016 general election, and would constitutionally dedicate these revenues in addition to the statutory dedication that is provided for in this bill.

The bill requires the authority to create a website to provide active monitoring of authority projects to be reported at least monthly to the public as well as a single location for public documentation related to the project. The reporting requirements for the website require real time reporting of construction projects and any potential sources of delays or increased cost.

The bill also incorporates bond premiums into the calculation of the authority's bonding cap, so that the bonding cap reflects the total amount of money generated by a bond issuance, rather than the par amount of bonds issued. This reflects the real amount of borrowing taking place in a bond issuance.

The bill also creates a "Transportation Trust Fund Account Subaccount for Capital Reserves." This subaccount will hold excess revenues which are constitutionally dedicated to the Transportation Trust Fund Account and will be deposited after making authority debt service payments payable in a given fiscal year, and after transferring to the "Special Transportation Fund" the annually appropriated amount of "pay-as-you-go" funding which is money appropriated for expenses of the State transportation capital program that does not derive from borrowing. Amounts placed into this fund are intended to ensure that the Transportation Trust Fund is sufficiently capitalized to support the funding needs of the State transportation capital program in the final years of the eight-year capital plan, and to improve the financial position of the authority by maintaining a capital reserve that can insulate the authority against any variability in the collection of revenues dedicated to the authority.

The bill increases the amount of information that is required to be reported in the annual Transportation Capital Program to better reflect the information currently provided by the Department of Transportation (DOT) and to more closely reflect the information provided in the federally required State Transportation Improvement Program document.

The bill converts the Financial Policy Review Board (board) into the Transportation Policy Review Board. The board is expanded to nine members, given expanded responsibilities to independently analyze and report on the cost effectiveness of spending in the transportation capital program, conduct and commission research on best practices and cost savings in the areas of transportation and public transportation construction, planning, finance, infrastructure, and governance and to provide policy recommendations to the Legislature on the best ways to organize the capital program and appropriate capital program funds. The board is also to meet before the Senate Budget and Appropriations Committee, Assembly Budget Committee, Assembly Transportation and Independent Authorities Committee, and Senate Transportation Committee at least one time each year, and to perform research and provide policy recommendations to the Legislature as requested.

The board is required to submit to the Governor and Legislature, no later than April 1, 2017, a report concerning the taxation of motor vehicles that are powered by a fuel source that is not subject to the Motor Fuel Tax Act or Petroleum Products Gross Receipts Tax Act, and is required to include recommendations for a new system of taxation that ensures that all vehicles operating on the highways of this State contribute in an equitable fashion to the cost of maintaining the State transportation system.

The bill establishes the Annual Transportation Capital Program Approval Committee. The committee is to ensure that Legislative input is provided in the process of selecting transportation capital projects that are funded through the Transportation Trust Fund Account. The committee is to consist of the Commissioner of Transportation, and three public members appointed by the Governor upon the joint recommendation of the Senate President and the Speaker of the General Assembly; one from certain counties of northern New Jersey, one from certain counties of central New Jersey, and one from certain counties of southern New Jersey. Each member will serve a three year term. The committee is to issue a certification each year known as the Annual Transportation Capital Program Approval Certification, which all four members are required to approve, or the Legislature is prohibited from appropriating money to support new transportation projects for that fiscal year, until the certification has been approved.

The bill requires that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to comply with the federal Disadvantaged Business Enterprise Program, administered by the United States Department of Transportation (USDOT), in the same manner as the programs administered for federally-assisted contracts funded, in whole or in part, by federal-aid highway dollars. The bill also requires that, with respect to State moneys expended with private firms for construction and professional services, the DOT is to adopt a goal for the expenditure of State capital transportation funds equal to the goal for the expenditure of federal funds for federally-assisted transportation projects approved by the USDOT, for moneys to be expended, either directly or through subcontracting requirements, with businesses owned and controlled by socially and economically disadvantaged individuals.

The bill requires that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to include mandatory equal employment opportunity and affirmative action contract provisions that require contractors to make a good faith effort to recruit and employ minority and women applicants and, where feasible, to interview and hire minority and women applicants that reside near the transportation project. The contract is required to provide that payment may be withheld for failure by the contractor to demonstrate to the satisfaction of the reporting agency that the required good faith effort was made.

The bill requires the Division of Public Contracts Equal Employment Opportunity Compliance in the Department of the Treasury to, within 90 days of the commencement of each contract, issue a report on its website as to whether a contractor has made a good faith effort to, where feasible, interview and hire applicants that reside near the transportation project and to recruit and employ minority and women applicants.

The bill requires the DOT to submit annually, to the Governor and to the Legislature, a report which contains: the data provided to the USDOT pursuant to the provisions of 49 C.F.R. s.26.11; information concerning the progress of the DOT, the New Jersey Transit Corporation, counties, and municipalities towards the achievement of the goals for contracting with businesses owned and controlled by socially and economically disadvantaged individuals; and the recruitment, interview, and employment data concerning minority applicants, women applicants, minority applicants that reside near a transportation project, and women applicants that reside near a transportation project.

The bill requires an annual capital program appropriation of \$25 million per year to support freight rail projects. The current capital program includes an \$8 million appropriation for the State rail freight assistance program. This requirement represents a \$17 million increase in freight rail projects over FY 2016.

The bill also increases the size of the local aid program to \$400 million per year and adjusts the allocation of funds in the program so that the Local Aid Infrastructure Fund is funded at seven percent of the total or \$28 million per year, up from a proposed \$7.5 million for FY 2017; the county aid program is funded at 37.5 percent of the total or \$150 million per year, up from a proposed \$78.75 million for FY 2017; the municipal aid program is funded at 37.5 percent of the total or \$150 million with \$10 million being sub-allocated to the municipal aid urban aid program, compared with \$78.5 million program proposed for FY 2017 with \$5 million being sub-allocated to the municipal aid urban aid program. The bill creates a “Local Bridges Fund” which mirrors the capital program line item for “Local Bridges, Future Needs” and provides 11 percent of total funding or \$44 million per year, up from \$25 million proposed for FY 2017. The bill also creates a “Local Freight Impact Fund” which is newly created and intended to assist counties and municipalities with the impacts on local transportation infrastructure associated with the State’s freight industry which will be funded at seven percent of the total or \$28 million per year.

The bill allocates any amount above \$7.5 million appropriated to the Local Aid Infrastructure Fund in FY 2017 to be deposited into the State Transportation Infrastructure Bank Fund.

The bill renames the New Jersey Environmental Infrastructure Trust as the New Jersey Infrastructure Bank (“trust”) and establishes a special non-lapsing, revolving fund in the trust to be known as the State Transportation Infrastructure Bank Fund, which is to replace the State Transportation Infrastructure Bank that previously resided as a subaccount of the Special Transportation Fund. The bill repeals the statutory language which created the existing State Transportation Infrastructure Bank.

The bill makes various changes to existing statutes related to the trust in order to expand its mission from water and environmental infrastructure projects, to include transportation projects. This bill

provides that the aggregate principal amount of bonds, notes or other obligations of the trust is not to exceed \$3.8 billion for all purposes of the trust except the Disaster Relief Emergency Financing Program. The bill requires that funds and accounts of the trust be segregated in such a way as to prevent the mixing of transportation monies and water or environmental infrastructure monies.

The bill creates an interim financing program for transportation projects similar to the existing interim financing program for environmental projects and establishes a Department of Transportation Loan Origination Fee Fund within the trust.

Establishment of the State Transportation Infrastructure Bank Program is required by federal law as a depository for federal transportation infrastructure bank monies. The federal program currently allows states to enter into agreements whereby monies in the State Transportation Infrastructure Bank are loaned or used to provide other financial assistance to public or private entities for the planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of a transportation project or for any other purpose permitted under the federal program.

The bill also establishes an account to be established within the fund that only receives State funds so that grants can be issued without violating the terms of the federal program.

The program is to be administered by the trust with assistance from the DOT. The Commissioner of the DOT is to become an ex-officio member of the board of directors for the trust, and the DOT is to be responsible for establishing the list of projects that the trust is to finance and the priority in which they are to be funded. The trust is also directed to collaborate with the DOT on the evaluation of potential transportation projects, fulfilling federal regulations regarding capital projects, coordinating with metropolitan planning organizations, ensuring that any projects obtaining assistance are consistent with the Statewide capital investment strategy, and advancing local, regional, and Statewide transportation objectives.

The Legislature is to consider the full DOT project list through the Senate Budget and Appropriations Committee and Assembly Budget Committee before its inclusion in the annual appropriations act. The Legislature is to receive a copy of the transportation financial plan developed by the trust for the implementation of the financing of the DOT project list. The Legislature will have until June 30th to reject the transportation financial plan through a concurrent resolution. If the Legislature rejects the financial plan, the project list is removed from the budget and the trust is prohibited from financing any transportation projects in that fiscal year. If the transportation financial plan is not rejected by June 30th, it is considered approved by the Legislature.

The State Transportation Infrastructure Bank Fund may be credited with State and federal funds appropriated to the fund, monetary donations made available to the State to support the State Transportation Infrastructure Bank Program, any monies received as repayment of the monies loaned or otherwise provided pursuant to the

program, interest earnings received on the monies in the fund, and other moneys the Legislature appropriates to the trust for deposit into the State Transportation Infrastructure Bank Fund to finance or refinance transportation loans issued from the fund.

As amended and reported, this bill is identical to Assembly Bill No. 10 (2R), as also amended and reported by the committee.

COMMITTEE AMENDMENTS:

The amendments reduce the amount of authorized Transportation Trust Fund Authority bonding from \$15 billion through June 30, 2026 to \$12 billion through June 30, 2024, following voter approval of ACR No. 1 of 2015. The amendments also reduce the amount of authorized appropriations from the revenues and other funds of the Transportation Trust Fund from \$20 billion over 10 years from FY 2017 through FY 2026, to \$16 billion over eight years, from FY 2017 through FY 2024. The amendments also make changes to the Transportation Policy Review Board's State of Condition of Transportation Financing certification requirements so that the total appropriations the board is to certify is limited to \$16 billion in total from FY 2017-2024.

The amendments remove the requirement that no funds are to be expended on a transportation project that is not updated at least once per month on the authority website.

The amendments require that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to comply with the federal Disadvantaged Business Enterprise Program. The amendments also require that, with respect to State moneys expended with private firms for construction and professional services, the DOT is to adopt a goal for the expenditure of State capital transportation funds equal to the goal for the expenditure of federal funds for federally-assisted transportation projects approved by the USDOT, for moneys to be expended, either directly or through subcontracting requirements, with businesses owned and controlled by socially and economically disadvantaged individuals.

The amendments require that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to include mandatory equal employment opportunity and affirmative action contract provisions that require contractors to make a good faith effort to recruit and employ minority and women applicants and, where feasible, to interview and hire minority and women applicants that reside near the transportation project. The provisions of the contract are to provide that payment may be withheld for failure by the contractor to demonstrate to the satisfaction of the reporting agency that the required good faith effort was made.

The amendments require the Division of Public Contracts Equal Employment Opportunity Compliance to, within 90 days of the commencement of each contract, issue a report on its website as to whether a contractor has made a good faith effort to, where feasible,

interview and hire applicants that reside near the transportation project and to recruit and employ minority and women applicants.

The amendments require the DOT to annually submit a report to the Governor and to the Legislature which contains certain data and information as provided for in the amendments.

The amendments also make technical changes, including clarifying the statutory dedication of motor fuels tax revenues.

FISCAL IMPACT:

The bill authorizes up to \$12 billion in borrowing by the Transportation Trust Fund Authority and \$16 billion in appropriations from the authority's revenues over eight fiscal years, FY 2017 to FY 2024 inclusive. The bill does not specify any annual minimums or maximums for either borrowing or appropriations.

The Office of Legislative Services finds that the authority's sole sources of revenue with which to fund transportation capital projects and to retire its bonds are the proceeds of borrowing and State appropriations. If the authority funds \$2 billion in projects annually (an increase of \$753 million per year increase over FY 2016,) and issues \$1.5 billion in bonds annually, the OLS estimates that, based on a 31-year level debt service maturity schedule, annual State appropriations of \$86 million will be required for 31 years for debt service payments on each bond issuance. After issuance of all \$12 billion in bonds, annual debt service will total \$688 million per year. Further, the State will be required to appropriate \$500 million annually to fund the portion of annual transportation capital projects not funded by the proceeds of borrowing. Thus, annual State appropriations would increase by \$586 million in FY 2017, and then increase above that amount by about \$86 million annually thereafter (e.g., to \$672 million in FY 2018, to \$758 million in FY 2019), to a total of about \$1.19 billion in FY 2024.

The actual level of annual appropriations from the authority's revenues for transportation capital projects will be determined by the Legislature and Governor, and may differ from the assumptions above. The actual timing and amount of authority bonds issuances will be determined by the authority, and may also differ from the assumptions above. The actual annual impact on State expenditures could thus be significantly different than the OLS estimates.

STATEMENT TO
[Second Reprint]
SENATE, No. 2412

with Senate Floor Amendments
(Proposed by Senator SARLO)

ADOPTED: OCTOBER 5, 2016

These Senate amendments remove a requirement that every worker employed in the performance of a contract financed by the New Jersey Infrastructure Bank participate in a registered apprenticeship program or be paid at least the journeyworker's rate. The amendments also change the bill's effective date so that it is effective immediately. The amendments also make a technical correction.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 2412

STATE OF NEW JERSEY 217th LEGISLATURE

DATED: AUGUST 4, 2016

SUMMARY

- Synopsis:** Revises “New Jersey Transportation Trust Fund Authority Act”; establishes State Transportation Infrastructure Bank within NJ Environmental Infrastructure Trust; renames NJ Environmental Infrastructure Trust.
- Type of Impact:** Increased State and Transportation Trust Fund Authority Expenditures
- Agencies Affected:** New Jersey Transportation Trust Fund Authority, New Jersey Department of Transportation, New Jersey Transit Corporation, county governments, and municipal governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
State Expenditure	\$586 million	\$672 million	\$758 million
TTF Expenditure	\$2 billion average per year over eight years		
Local Revenue	\$400 million	\$400 million	\$400 million

- The bill authorizes up to \$12 billion in borrowing by the Transportation Trust Fund Authority (authority) and \$16 billion in appropriations from the authority’s revenues over eight fiscal years (FY), FY 2017 to FY 2024 inclusive. The bill specifies that the appropriation from the authority’s revenues is to contain \$400 million per year in grants for local government entities. The bill does not specify any annual minimums or maximums for either borrowing or appropriations.
- The Office of Legislative Services (OLS) notes that the authority’s sole sources of revenue with which to fund transportation capital projects and to retire its bonds are the proceeds of borrowing and State appropriations. If the authority funds \$2 billion in projects annually, and issues \$1.5 billion in bonds annually, the OLS estimates that, based on a 31-year level debt service maturity schedule, annual State appropriations of \$86 million will be required for 31 years for debt service payments on each bond issuance. After issuance of all \$12 billion in bonds, annual debt service will total \$688 million per year. Further, the State will be required to appropriate \$500 million annually to fund the portion of annual transportation capital

projects not funded by the proceeds of borrowing. Thus, annual State appropriations will increase by \$586 million in FY 2017, and then increase above that amount by about \$86 million annually thereafter (e.g., to \$672 million in FY 2018, to \$758 million in FY 2019), to a total of about \$1.19 billion in FY 2024.

- If the authority funds \$2 billion in projects per year over eight years, that will mark an increase of \$753 million per year over the FY 2016 funding level. That funding level will be enough to offset \$353 million in funding from the Port Authority of New York and New Jersey for FY 2016 which had been used to supplement the State transportation capital funding, and also to increase spending on State transportation projects by an additional \$400 million per year. Included in this spending will be \$400 million in local aid grants that are provided to local government units for transportation costs, a \$210 million increase over FY 2016.
- The actual level of annual appropriations from the authority's revenues for transportation capital projects will be determined by the Legislature and Governor, and may differ from the assumptions above. The actual timing and amount of authority bonds issuances will be determined by the authority, and may also differ from the assumptions above. The actual annual impact on State expenditures could thus be significantly different than the OLS estimates.

BILL DESCRIPTION

Senate Bill No. 2412 (2R) of 2016 amends the "New Jersey Transportation Trust Fund Authority Act of 1984" to make changes necessary to support the State's Capital Transportation Program for Fiscal Years 2017 through 2024.

This bill will provide the New Jersey Transportation Trust Fund Authority (authority) with \$12 billion in bonding authorization, contingent upon voter approval of Assembly Concurrent Resolution (ACR) No. 1 of 2015, which would constitutionally dedicate all Petroleum Products Gross Receipts Tax and Motor Fuels Tax revenue, and authorizes \$16 billion in State transportation capital program expenditures for an eight year period from FY 2017 through FY 2024. The bill allows for an average annual transportation capital program size of \$2 billion per year, an increase from the \$1.6 billion program amount in the previous capital program. The bill also anticipates the revenue necessary to finance an average of \$500 million per year of "pay-as-you-go" funding, which is funding available for projects that do not rely on debt or non-State resources. In the previous four years, the amount of "pay-as-you-go" funding was less than \$10 million per year.

The bill dedicates all revenues from the Motor Fuels Tax and the Petroleum Products Gross Receipts Tax to the Transportation Trust Fund. This language mirrors the language proposed in ACR No. 1 of 2015 that is scheduled to appear as a ballot question in the November 2016 general election, and would constitutionally dedicate these revenues in addition to the statutory dedication that is provided for in this bill.

The bill requires the authority to create a website to provide active monitoring of authority projects to be reported at least monthly to the public as well as a single location for public documentation related to the project. The reporting requirements for the website require real time reporting of construction projects and any potential sources of delays or increased cost.

The bill also incorporates bond premiums into the calculation of the authority's bonding cap, so that the bonding cap reflects the total amount of money generated by a bond issuance, rather

than the par amount of bonds issued. This reflects the real amount of borrowing taking place in a bond issuance.

The bill also creates a "Transportation Trust Fund Account Subaccount for Capital Reserves." This subaccount will hold excess revenues which are constitutionally dedicated to the Transportation Trust Fund Account and will be deposited after making authority debt service payments payable in a given fiscal year, and after transferring to the "Special Transportation Fund" the annually appropriated amount of "pay-as-you-go" funding which is money appropriated for expenses of the State transportation capital program that does not derive from borrowing. Amounts placed into this fund are intended to ensure that the Transportation Trust Fund is sufficiently capitalized to support the funding needs of the State transportation capital program in the final years of the eight-year capital plan, and to improve the financial position of the authority by maintaining a capital reserve that can insulate the authority against any variability in the collection of revenues dedicated to the authority.

The bill increases the amount of information that is required to be reported in the annual Transportation Capital Program to better reflect the information currently provided by the Department of Transportation (DOT) and to more closely reflect the information provided in the federally required State Transportation Improvement Program document.

The bill converts the Financial Policy Review Board (board) into the Transportation Policy Review Board. The board is expanded to nine members, given expanded responsibilities to independently analyze and report on the cost effectiveness of spending in the transportation capital program, conduct and commission research on best practices and cost savings in the areas of transportation and public transportation construction, planning, finance, infrastructure, and governance and to provide policy recommendations to the Legislature on the best ways to organize the capital program and appropriate capital program funds. The board is also to meet before the Senate Budget and Appropriations Committee, Assembly Budget Committee, Assembly Transportation and Independent Authorities Committee, and Senate Transportation Committee at least one time each year, and to perform research and provide policy recommendations to the Legislature as requested.

The board is required to submit to the Governor and Legislature, no later than April 1, 2017, a report concerning the taxation of motor vehicles that are powered by a fuel source that is not subject to the Motor Fuel Tax Act or Petroleum Products Gross Receipts Tax Act, and is required to include recommendations for a new system of taxation that ensures that all vehicles operating on the highways of this State contribute in an equitable fashion to the cost of maintaining the State transportation system.

The bill establishes the Annual Transportation Capital Program Approval Committee. The committee is to ensure that Legislative input is provided in the process of selecting transportation capital projects that are funded through the Transportation Trust Fund Account. The committee is to consist of the Commissioner of Transportation, and three public members appointed by the Governor upon the joint recommendation of the Senate President and the Speaker of the General Assembly; one from certain counties of northern New Jersey, one from certain counties of central New Jersey, and one from certain counties of southern New Jersey. Each member will serve a three year term. The committee is to issue a certification each year known as the Annual Transportation Capital Program Approval Certification, which all four members are required to approve, or the Legislature is prohibited from appropriating money to support new transportation projects for that fiscal year, until the certification has been approved.

The bill requires that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to comply with the federal Disadvantaged Business Enterprise Program, administered by the United States Department of Transportation (USDOT), in the same manner as the program administered for federally-assisted

contracts funded, in whole or in part, by federal-aid highway dollars. The bill also requires that, with respect to State moneys expended with private firms for construction and professional services, the DOT is to adopt a goal for the expenditure of State capital transportation funds equal to the goal for the expenditure of federal funds for federally-assisted transportation projects approved by the USDOT, for moneys to be expended, either directly or through subcontracting requirements, with businesses owned and controlled by socially and economically disadvantaged individuals.

The bill requires that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to include mandatory equal employment opportunity and affirmative action contract provisions that require contractors to make a good faith effort to recruit and employ minority and women applicants and, where feasible, to interview and hire minority and women applicants that reside near the transportation project. The contract is required to provide that payment may be withheld for failure by the contractor to demonstrate to the satisfaction of the reporting agency that the required good faith effort was made.

The bill requires the DOT to submit annually, to the Governor and to the Legislature, a report which contains: the data provided to the USDOT pursuant to the provisions of 49 C.F.R. s.26.11; information concerning the progress of the DOT, the New Jersey Transit Corporation, counties, and municipalities towards the achievement of the goals for contracting with businesses owned and controlled by socially and economically disadvantaged individuals; and the recruitment, interview, and employment data concerning minority applicants, women applicants, minority applicants that reside near a transportation project, and women applicants that reside near a transportation project.

The bill requires an annual capital program appropriation of \$25 million per year to support freight rail projects. The current capital program includes an \$8 million appropriation for the State rail freight assistance program. This requirement represents a \$17 million increase in freight rail projects over FY 2016.

The bill also increases the size of the local aid program to \$400 million per year and adjusts the allocation of funds in the program so that the Local Aid Infrastructure Fund is funded at seven percent of the total or \$28 million per year, up from a proposed \$7.5 million for FY 2017; the county aid program is funded at 37.5 percent of the total or \$150 million per year, up from a proposed \$78.75 million for FY 2017; the municipal aid program is funded at 37.5 percent of the total or \$150 million with \$10 million being sub-allocated to the municipal aid urban aid program, compared with \$78.5 million program proposed for FY 2017 with \$5 million being sub-allocated to the municipal aid urban aid program. The bill creates a "Local Bridges Fund" which mirrors the capital program line item for "Local Bridges, Future Needs" and provides 11 percent of total funding or \$44 million per year, up from \$25 million proposed for FY 2017. The bill also creates a "Local Freight Impact Fund" which is newly created and intended to assist counties and municipalities with the impacts on local transportation infrastructure associated with the State's freight industry which will be funded at seven percent of the total or \$28 million per year.

The bill allocates any amount above \$7.5 million appropriated to the Local Aid Infrastructure Fund in FY 2017 to be deposited into the State Transportation Infrastructure Bank Fund.

The bill renames the New Jersey Environmental Infrastructure Trust as the New Jersey Infrastructure Bank ("trust") and establishes a special non-lapsing, revolving fund in the trust to be known as the State Transportation Infrastructure Bank Fund, which is to replace the State Transportation Infrastructure Bank that previously resided as a subaccount of the Special Transportation Fund. The bill repeals the statutory language which created the existing State Transportation Infrastructure Bank.

The bill makes various changes to existing statutes related to the trust in order to expand its mission from water and environmental infrastructure projects, to include transportation projects. This bill provides that the aggregate principal amount of bonds, notes or other obligations of the trust is not to exceed \$3.8 billion for all purposes of the trust except the Disaster Relief Emergency Financing Program. The bill requires that funds and accounts of the trust be segregated in such a way as to prevent the mixing of transportation monies and water or environmental infrastructure monies.

The bill creates an interim financing program for transportation projects similar to the existing interim financing program for environmental projects and establishes a Department of Transportation Loan Origination Fee Fund within the trust.

Establishment of the State Transportation Infrastructure Bank Program is required by federal law as a depository for federal transportation infrastructure bank monies. The federal program currently allows states to enter into agreements whereby monies in the State Transportation Infrastructure Bank are loaned or used to provide other financial assistance to public or private entities for the planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of a transportation project or for any other purpose permitted under the federal program.

The bill also establishes an account to be established within the fund that only receives State funds so that grants can be issued without violating the terms of the federal program.

The program is to be administered by the trust with assistance from the DOT. The Commissioner of the DOT is to become an ex-officio member of the board of directors for the trust, and the DOT is to be responsible for establishing the list of projects that the trust is to finance and the priority in which they are to be funded. The trust is also directed to collaborate with the DOT on the evaluation of potential transportation projects, fulfilling federal regulations regarding capital projects, coordinating with metropolitan planning organizations, ensuring that any projects obtaining assistance are consistent with the Statewide capital investment strategy, and advancing local, regional, and Statewide transportation objectives.

The Legislature is to consider the full DOT project list through the Senate Budget and Appropriations Committee and Assembly Budget Committee before its inclusion in the annual appropriations act. The Legislature is to receive a copy of the transportation financial plan developed by the trust for the implementation of the financing of the DOT project list. The Legislature will have until June 30th to reject the transportation financial plan through a concurrent resolution. If the Legislature rejects the financial plan, the project list is removed from the budget and the trust is prohibited from financing any transportation projects in that fiscal year. If the transportation financial plan is not rejected by June 30th, it is considered approved by the Legislature.

The State Transportation Infrastructure Bank Fund may be credited with State and federal funds appropriated to the fund, monetary donations made available to the State to support the State Transportation Infrastructure Bank Program, any monies received as repayment of the monies loaned or otherwise provided pursuant to the program, interest earnings received on the monies in the fund, and other moneys the Legislature appropriates to the trust for deposit into the State Transportation Infrastructure Bank Fund to finance or refinance transportation loans issued from the fund.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The bill authorizes up to \$12 billion in borrowing by the Transportation Trust Fund Authority and \$16 billion in appropriations from the authority's revenues over eight fiscal years, FY 2017 to FY 2024 inclusive. The bill specifies that the appropriation from the authority's revenues is to contain \$400 million per year in grants for local government entities. The bill does not specify any annual minimums or maximums for either borrowing or appropriations.

The OLS notes that the authority's sole sources of revenue with which to fund transportation capital projects and to retire its bonds are the proceeds of borrowing and State appropriations. If the authority funds \$2 billion in projects annually, and issues \$1.5 billion in bonds annually, the OLS estimates that, based on a 31-year level debt service maturity schedule, annual State appropriations of \$86 million will be required for 31 years for debt service payments on each bond issuance. After issuance of all \$12 billion in bonds, annual debt service will total \$688 million per year. Further, the State will be required to appropriate \$500 million annually to fund the portion of annual transportation capital projects not funded by the proceeds of borrowing. Thus, annual State appropriations would increase by \$586 million in FY 2017, and then increase above that amount by about \$86 million annually thereafter (e.g., to \$672 million in FY 2018, to \$758 million in FY 2019), to a total of about \$1.19 billion in FY 2024.

While this scenario represents a possible outcome under the legislation, there are many other possible outcomes. If Assembly Concurrent Resolution No. 1 is not approved by the voters, the bill will provide no increase in bonding capacity and, as a result, the State will only be able to support transportation capital projects through the direct appropriation of revenues that would otherwise be available to the General Fund for any State purpose.

The bill provides a limit on borrowing and appropriations so it is also possible that in future years any combination of borrowing and transportation capital project funding could comprise amounts less than \$12 billion and \$16 billion respectively.

The average debt service cost of borrowing in this projection is subject to significant interest rate risk. It cannot be known what prevailing interest rates will be in future years, and as a result the amount of debt service required to support borrowing for transportation capital projects may be significantly higher than projected.

If the authority funds \$2 billion in projects per year over eight years, that will mark an increase of \$753 million per year over the FY 2016 funding level. That funding level will be enough to offset \$353 million in funding from the Port Authority of New York and New Jersey for FY 2016 which had been used to supplement the State transportation capital funding, and also to increase spending on State transportation projects by an additional \$400 million per year. Included in this spending will be \$400 million in local aid grants that are provided to local government units for transportation costs, a \$210 million increase over FY 2016. This increase in local aid grants will represent a shift of authority appropriations for transportation capital projects to local governments that will become available to them as revenue to support their own transportation projects, thus this local revenue comes out of the \$2 billion in average State expenditures. Similarly, the \$500 million of State appropriations to the authority for transportation capital projects is, in turn, appropriated by the authority for the actual transportation projects.

The requirement that State projects adhere to the federal disadvantaged business enterprise (DBE) program for contracting, will likely entail additional State costs for monitoring and DBE

business development. The current federal capital program includes \$350,000 in federal grants to support the federal DBE program. The State could similarly appropriate \$100,000 to \$200,000 in State capital program funds to increase the capacity of the DBE program to handle State projects. This increase in State transportation capital program funding would come from the \$400 million increase provided for in the bill, and not result in a requirement for direct State appropriations.

The total amount of spending on transportation projects under the bill is a maximum of \$16 billion over eight years or an average of \$2 billion per year. All of the State appropriations required as a result of this bill are in support of that spending authorization, either to directly fund that spending, or to provide a source of debt service to repay borrowing that will be used to fund that spending.

The actual level of annual appropriations from the authority's revenues for transportation capital projects will be determined by the Legislature and Governor, and may differ from the assumptions above. The actual timing and amount of authority bonds issuances will be determined by the authority, and may also differ from the assumptions above. The actual annual impact on State expenditures could thus be significantly different than the OLS estimates.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Patrick Brennan
Senior Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

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

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

SENATE, No. 2412 STATE OF NEW JERSEY 217th LEGISLATURE

DATED: OCTOBER 13, 2016

SUMMARY

- Synopsis:** Revises “New Jersey Transportation Trust Fund Authority Act”; establishes State Transportation Infrastructure Bank within NJ Environmental Infrastructure Trust; renames NJ Environmental Infrastructure Trust.
- Type of Impact:** Increased State and Transportation Trust Fund Authority Expenditures
- Agencies Affected:** New Jersey Transportation Trust Fund Authority, New Jersey Department of Transportation, New Jersey Transit Corporation, county governments, and municipal governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
State Expenditure	\$586 million	\$672 million	\$758 million
TTF Expenditure	\$2 billion average per year over eight years		
Local Revenue	\$400 million	\$400 million	\$400 million

- The bill authorizes up to \$12 billion in borrowing by the Transportation Trust Fund Authority (authority) and \$16 billion in appropriations from the authority’s revenues over eight fiscal years (FY), FY 2017 to FY 2024 inclusive. The bill specifies that the appropriation from the authority’s revenues is to contain \$400 million per year in grants for local government entities. The bill does not specify any annual minimums or maximums for either borrowing or appropriations.
- The Office of Legislative Services (OLS) notes that the authority’s sole sources of revenue with which to fund transportation capital projects and to retire its bonds are the proceeds of borrowing and State appropriations. If the authority funds \$2 billion in projects annually, and issues \$1.5 billion in bonds annually, the OLS estimates that, based on a 31-year level debt service maturity schedule, annual State appropriations of \$86 million will be required for 31 years for debt service payments on each bond issuance. After issuance of all \$12 billion in bonds, annual debt service will total \$688 million per year. Further, the State will be required to appropriate \$500 million annually to fund the portion of annual transportation capital

projects not funded by the proceeds of borrowing. Thus, annual State appropriations will increase by \$586 million in FY 2017, and then increase above that amount by about \$86 million annually thereafter (e.g., to \$672 million in FY 2018, to \$758 million in FY 2019), to a total of about \$1.19 billion in FY 2024.

- If the authority funds \$2 billion in projects per year over eight years, that will mark an increase of \$753 million per year over the FY 2016 funding level. That funding level will be enough to offset \$353 million in funding from the Port Authority of New York and New Jersey for FY 2016 which had been used to supplement the State transportation capital funding, and also to increase spending on State transportation projects by an additional \$400 million per year. Included in this spending will be \$400 million in local aid grants that are provided to local government units for transportation costs, a \$210 million increase over FY 2016.
- The actual level of annual appropriations from the authority's revenues for transportation capital projects will be determined by the Legislature and Governor, and may differ from the assumptions above. The actual timing and amount of authority bonds issuances will be determined by the authority, and may also differ from the assumptions above. The actual annual impact on State expenditures could thus be significantly different than the OLS estimates.

BILL DESCRIPTION

Senate Bill No. 2412 (3R) of 2016 amends the "New Jersey Transportation Trust Fund Authority Act of 1984" to make changes necessary to support the State's Capital Transportation Program for Fiscal Years 2017 through 2024.

This bill will provide the New Jersey Transportation Trust Fund Authority (authority) with \$12 billion in bonding authorization, contingent upon voter approval of Assembly Concurrent Resolution (ACR) No. 1 of 2015, which would constitutionally dedicate all Petroleum Products Gross Receipts Tax and Motor Fuels Tax revenue, and authorizes \$16 billion in State transportation capital program expenditures for an eight year period from FY 2017 through FY 2024. The bill allows for an average annual transportation capital program size of \$2 billion per year, an increase from the \$1.6 billion program amount in the previous capital program. The bill also anticipates the revenue necessary to finance an average of \$500 million per year of "pay-as-you-go" funding, which is funding available for projects that do not rely on debt or non-State resources. In the previous four years, the amount of "pay-as-you-go" funding was less than \$10 million per year.

The bill dedicates all revenues from the Motor Fuels Tax and the Petroleum Products Gross Receipts Tax to the Transportation Trust Fund. This language mirrors the language proposed in ACR No. 1 of 2015 that is scheduled to appear as a ballot question in the November 2016 general election, and would constitutionally dedicate these revenues in addition to the statutory dedication that is provided for in this bill.

The bill requires the authority to create a website to provide active monitoring of authority projects to be reported at least monthly to the public as well as a single location for public documentation related to the project. The reporting requirements for the website require real time reporting of construction projects and any potential sources of delays or increased cost.

The bill also incorporates bond premiums into the calculation of the authority's bonding cap, so that the bonding cap reflects the total amount of money generated by a bond issuance, rather than the par amount of bonds issued. This reflects the real amount of borrowing taking place in a bond issuance.

The bill also creates a "Transportation Trust Fund Account Subaccount for Capital Reserves." This subaccount will hold excess revenues which are constitutionally dedicated to the Transportation Trust Fund Account and will be deposited after making authority debt service payments payable in a given fiscal year, and after transferring to the "Special Transportation Fund" the annually appropriated amount of "pay-as-you-go" funding which is money appropriated for expenses of the State transportation capital program that does not derive from borrowing. Amounts placed into this fund are intended to ensure that the Transportation Trust Fund is sufficiently capitalized to support the funding needs of the State transportation capital program in the final years of the eight-year capital plan, and to improve the financial position of the authority by maintaining a capital reserve that can insulate the authority against any variability in the collection of revenues dedicated to the authority.

The bill increases the amount of information that is required to be reported in the annual Transportation Capital Program to better reflect the information currently provided by the Department of Transportation (DOT) and to more closely reflect the information provided in the federally required State Transportation Improvement Program document.

The bill converts the Financial Policy Review Board (board) into the Transportation Policy Review Board. The board is expanded to nine members, given expanded responsibilities to independently analyze and report on the cost effectiveness of spending in the transportation capital program, conduct and commission research on best practices and cost savings in the areas of transportation and public transportation construction, planning, finance, infrastructure, and governance and to provide policy recommendations to the Legislature on the best ways to organize the capital program and appropriate capital program funds. The board is also to meet before the Senate Budget and Appropriations Committee, Assembly Budget Committee, Assembly Transportation and Independent Authorities Committee, and Senate Transportation Committee at least one time each year, and to perform research and provide policy recommendations to the Legislature as requested.

The board is required to submit to the Governor and Legislature, no later than April 1, 2017, a report concerning the taxation of motor vehicles that are powered by a fuel source that is not subject to the Motor Fuel Tax Act or Petroleum Products Gross Receipts Tax Act, and is required to include recommendations for a new system of taxation that ensures that all vehicles operating on the highways of this State contribute in an equitable fashion to the cost of maintaining the State transportation system.

The bill establishes the Annual Transportation Capital Program Approval Committee. The committee is to ensure that Legislative input is provided in the process of selecting transportation capital projects that are funded through the Transportation Trust Fund Account. The committee is to consist of the Commissioner of Transportation, and three public members appointed by the Governor upon the joint recommendation of the Senate President and the Speaker of the General Assembly; one from certain counties of northern New Jersey, one from certain counties of central New Jersey, and one from certain counties of southern New Jersey. Each member will serve a three year term. The committee is to issue a certification each year known as the Annual Transportation Capital Program Approval Certification, which all four members are required to approve, or the Legislature is prohibited from appropriating money to support new transportation projects for that fiscal year, until the certification has been approved.

The bill requires that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to comply with the federal

Disadvantaged Business Enterprise Program, administered by the United States Department of Transportation (USDOT), in the same manner as the program administered for federally-assisted contracts funded, in whole or in part, by federal-aid highway dollars. The bill also requires that, with respect to State moneys expended with private firms for construction and professional services, the DOT is to adopt a goal for the expenditure of State capital transportation funds equal to the goal for the expenditure of federal funds for federally-assisted transportation projects approved by the USDOT, for moneys to be expended, either directly or through subcontracting requirements, with businesses owned and controlled by socially and economically disadvantaged individuals.

The bill requires that all construction contracts funded by State appropriations from the revenues and other funds of the authority for capital purposes are to include mandatory equal employment opportunity and affirmative action contract provisions that require contractors to make a good faith effort to recruit and employ minority and women applicants and, where feasible, to interview and hire minority and women applicants that reside near the transportation project. The contract is required to provide that payment may be withheld for failure by the contractor to demonstrate to the satisfaction of the reporting agency that the required good faith effort was made.

The bill requires the DOT to submit annually, to the Governor and to the Legislature, a report which contains: the data provided to the USDOT pursuant to the provisions of 49 C.F.R. s.26.11; information concerning the progress of the DOT, the New Jersey Transit Corporation, counties, and municipalities towards the achievement of the goals for contracting with businesses owned and controlled by socially and economically disadvantaged individuals; and the recruitment, interview, and employment data concerning minority applicants, women applicants, minority applicants that reside near a transportation project, and women applicants that reside near a transportation project.

The bill requires an annual capital program appropriation of \$25 million per year to support freight rail projects. The current capital program includes an \$8 million appropriation for the State rail freight assistance program. This requirement represents a \$17 million increase in freight rail projects over FY 2016.

The bill also increases the size of the local aid program to \$400 million per year and adjusts the allocation of funds in the program so that the Local Aid Infrastructure Fund is funded at seven percent of the total or \$28 million per year, up from a proposed \$7.5 million for FY 2017; the county aid program is funded at 37.5 percent of the total or \$150 million per year, up from a proposed \$78.75 million for FY 2017; the municipal aid program is funded at 37.5 percent of the total or \$150 million with \$10 million being sub-allocated to the municipal aid urban aid program, compared with \$78.5 million program proposed for FY 2017 with \$5 million being sub-allocated to the municipal aid urban aid program. The bill creates a "Local Bridges Fund" which mirrors the capital program line item for "Local Bridges, Future Needs" and provides 11 percent of total funding or \$44 million per year, up from \$25 million proposed for FY 2017. The bill also creates a "Local Freight Impact Fund" which is newly created and intended to assist counties and municipalities with the impacts on local transportation infrastructure associated with the State's freight industry which will be funded at seven percent of the total or \$28 million per year.

The bill allocates any amount above \$7.5 million appropriated to the Local Aid Infrastructure Fund in FY 2017 to be deposited into the State Transportation Infrastructure Bank Fund.

The bill renames the New Jersey Environmental Infrastructure Trust as the New Jersey Infrastructure Bank ("trust") and establishes a special non-lapsing, revolving fund in the trust to be known as the State Transportation Infrastructure Bank Fund, which is to replace the State Transportation Infrastructure Bank that previously resided as a subaccount of the Special

Transportation Fund. The bill repeals the statutory language which created the existing State Transportation Infrastructure Bank.

The bill makes various changes to existing statutes related to the trust in order to expand its mission from water and environmental infrastructure projects, to include transportation projects. This bill provides that the aggregate principal amount of bonds, notes or other obligations of the trust is not to exceed \$3.8 billion for all purposes of the trust except the Disaster Relief Emergency Financing Program. The bill requires that funds and accounts of the trust be segregated in such a way as to prevent the mixing of transportation monies and water or environmental infrastructure monies.

The bill creates an interim financing program for transportation projects similar to the existing interim financing program for environmental projects and establishes a Department of Transportation Loan Origination Fee Fund within the trust.

Establishment of the State Transportation Infrastructure Bank Program is required by federal law as a depository for federal transportation infrastructure bank monies. The federal program currently allows states to enter into agreements whereby monies in the State Transportation Infrastructure Bank are loaned or used to provide other financial assistance to public or private entities for the planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of a transportation project or for any other purpose permitted under the federal program.

The bill also establishes an account to be established within the fund that only receives State funds so that grants can be issued without violating the terms of the federal program.

The program is to be administered by the trust with assistance from the DOT. The Commissioner of the DOT is to become an ex-officio member of the board of directors for the trust, and the DOT is to be responsible for establishing the list of projects that the trust is to finance and the priority in which they are to be funded. The trust is also directed to collaborate with the DOT on the evaluation of potential transportation projects, fulfilling federal regulations regarding capital projects, coordinating with metropolitan planning organizations, ensuring that any projects obtaining assistance are consistent with the Statewide capital investment strategy, and advancing local, regional, and Statewide transportation objectives.

The Legislature is to consider the full DOT project list through the Senate Budget and Appropriations Committee and Assembly Budget Committee before its inclusion in the annual appropriations act. The Legislature is to receive a copy of the transportation financial plan developed by the trust for the implementation of the financing of the DOT project list. The Legislature will have until June 30th to reject the transportation financial plan through a concurrent resolution. If the Legislature rejects the financial plan, the project list is removed from the budget and the trust is prohibited from financing any transportation projects in that fiscal year. If the transportation financial plan is not rejected by June 30th, it is considered approved by the Legislature.

The State Transportation Infrastructure Bank Fund may be credited with State and federal funds appropriated to the fund, monetary donations made available to the State to support the State Transportation Infrastructure Bank Program, any monies received as repayment of the monies loaned or otherwise provided pursuant to the program, interest earnings received on the monies in the fund, and other moneys the Legislature appropriates to the trust for deposit into the State Transportation Infrastructure Bank Fund to finance or refinance transportation loans issued from the fund.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The bill authorizes up to \$12 billion in borrowing by the Transportation Trust Fund Authority and \$16 billion in appropriations from the authority's revenues over eight fiscal years, FY 2017 to FY 2024 inclusive. The bill specifies that the appropriation from the authority's revenues is to contain \$400 million per year in grants for local government entities. The bill does not specify any annual minimums or maximums for either borrowing or appropriations.

The OLS notes that the authority's sole sources of revenue with which to fund transportation capital projects and to retire its bonds are the proceeds of borrowing and State appropriations. If the authority funds \$2 billion in projects annually, and issues \$1.5 billion in bonds annually, the OLS estimates that, based on a 31-year level debt service maturity schedule, annual State appropriations of \$86 million will be required for 31 years for debt service payments on each bond issuance. After issuance of all \$12 billion in bonds, annual debt service will total \$688 million per year. Further, the State will be required to appropriate \$500 million annually to fund the portion of annual transportation capital projects not funded by the proceeds of borrowing. Thus, annual State appropriations would increase by \$586 million in FY 2017, and then increase above that amount by about \$86 million annually thereafter (e.g., to \$672 million in FY 2018, to \$758 million in FY 2019), to a total of about \$1.19 billion in FY 2024.

While this scenario represents a possible outcome under the legislation, there are many other possible outcomes. If Assembly Concurrent Resolution No. 1 is not approved by the voters, the bill will provide no increase in bonding capacity and, as a result, the State will only be able to support transportation capital projects through the direct appropriation of revenues that would otherwise be available to the General Fund for any State purpose.

The bill provides a limit on borrowing and appropriations so it is also possible that in future years any combination of borrowing and transportation capital project funding could comprise amounts less than \$12 billion and \$16 billion respectively.

The average debt service cost of borrowing in this projection is subject to significant interest rate risk. It cannot be known what prevailing interest rates will be in future years, and as a result the amount of debt service required to support borrowing for transportation capital projects may be significantly higher than projected.

If the authority funds \$2 billion in projects per year over eight years, that will mark an increase of \$753 million per year over the FY 2016 funding level. That funding level will be enough to offset \$353 million in funding from the Port Authority of New York and New Jersey for FY 2016 which had been used to supplement the State transportation capital funding, and also to increase spending on State transportation projects by an additional \$400 million per year. Included in this spending will be \$400 million in local aid grants that are provided to local government units for transportation costs, a \$210 million increase over FY 2016. This increase in local aid grants will represent a shift of authority appropriations for transportation capital projects to local governments that will become available to them as revenue to support their own transportation projects, thus this local revenue comes out of the \$2 billion in average State expenditures. Similarly, the \$500 million of State appropriations to the authority for

transportation capital projects is, in turn, appropriated by the authority for the actual transportation projects.

The requirement that State projects adhere to the federal disadvantaged business enterprise (DBE) program for contracting, will likely entail additional State costs for monitoring and DBE business development. The current federal capital program includes \$350,000 in federal grants to support the federal DBE program. The State could similarly appropriate \$100,000 to \$200,000 in State capital program funds to increase the capacity of the DBE program to handle State projects. This increase in State transportation capital program funding would come from the \$400 million increase provided for in the bill, and not result in a requirement for direct State appropriations.

The total amount of spending on transportation projects under the bill is a maximum of \$16 billion over eight years or an average of \$2 billion per year. All of the State appropriations required as a result of this bill are in support of that spending authorization, either to directly fund that spending, or to provide a source of debt service to repay borrowing that will be used to fund that spending.

The actual level of annual appropriations from the authority's revenues for transportation capital projects will be determined by the Legislature and Governor, and may differ from the assumptions above. The actual timing and amount of authority bonds issuances will be determined by the authority, and may also differ from the assumptions above. The actual annual impact on State expenditures could thus be significantly different than the OLS estimates.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Patrick Brennan
Senior Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

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

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Christie Takes Action On Pending Legislation And Issues Executive Order Lifting Moratorium On Transportation Projects

Friday, October 14, 2016

Tags: [Transportation](#)



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Trenton, NJ – Governor Chris Christie issued the following statement after taking action on pending legislation providing tax relief for New Jersey residents while also updating and authorizing funding for the Transportation Trust Fund Authority (“TTFA”):

“Through this legislation, we are continuing our commitment to providing tax relief for working New Jerseyans of all income levels, senior citizens, military veterans and property owners, while ensuring solid, reliable, state-of-the-art roads, bridges and mass transit systems,” said Governor Christie. “Over the next eight years, a record \$32 billion in state and federal funds will be invested in infrastructure improvements and modernizations in New Jersey. “This compromise legislation locks in what I called for from the beginning: tax fairness for all residents, leading to a more affordable state and an improved economy.”

BILL SIGNINGS:

A-10/S-2412 (Prieto, Vainieri Huttie, McKeon, Schaer, Sumter, Caputo, Mukherji, Singleton, Pintor Marin, Giblin, Rible/Sarlo, Oroho) - Revises "New Jersey Transportation Trust Fund Authority Act"; establishes State Transportation Infrastructure Bank within NJ Environmental Infrastructure Trust; renames NJ Environmental Infrastructure Trust

A-12/S-2411 (Prieto, McKeon, Schaer, Sumter, Caputo, Vainieri Huttie, Giblin, Rible/Sarlo, Oroho) - Adjusts certain State taxes to support strengthened investments in public and private assets in this State

EXECUTIVE ORDER

Executive Order No. 216 (TTFA) - Orders Executive Order No. 210, signed on June 30, 2016, and Executive Order No. 213, signed on August 17, 2016, rescinded. Executive Order No. 210, declared a State of Emergency and ordered the Commissioner of the Department of Transportation (“DOT”) and the Executive Director of New Jersey Transit (“NJT”) to plan an immediate and orderly shutdown of all nonessential work on the State’s transportation infrastructure that was funded by the TTFA. Executive Order No. 213 declared a continuing State of Emergency and ordered that general State funds be transferred to the TTFA in amounts sufficient to permit transportation projects essential for health and safety to continue.

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12/8/2017

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