

58:11B-6

**LEGISLATIVE HISTORY CHECKLIST**  
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(Ceiling debt--suspends)

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

**LAWS OF:** 1995 **CHAPTER:** 220

**BILL NO:** A64

**SPONSOR(S):** Bark

**DATE INTRODUCED:** May 15, 1995

**COMMITTEE:** **ASSEMBLY** Appropriations

**SENATE:** Budget

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:** **ASSEMBLY:** June 12, 1995

**SENATE:** June 22, 1995

**DATE OF APPROVAL:** August 15, 1995

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes

**SENATE:** Yes

**FISCAL NOTE:** No

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

**REPORTS:** No

**HEARINGS:** No

New Jersey Wastewater Treatment Financing Program--Financial Plan:  
974.901 New Jersey. Wastewater Treatment Trust.

W6:1 New Jersey Wastewater Treatment financing program.  
Financial Plan. May 1995. Trenton, 1995.

KBG:pp

P.L.1985, CHAPTER 220, approved August 15, 1995  
1985 Assembly No. 84

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

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

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

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

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

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

**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 duties in trust consistent with the provisions of P.L.1985, c.334  
2 (C.58:11B-1 et seq.) as the trust may determine.

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

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

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

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

53 g. The aggregate principal amount of bonds, notes or other  
54 obligations, including subordinated indebtedness of the trust, shall

1 not exceed \$600,000,000.00, except that, for the purpose of  
2 implementing the Fiscal Year (1995) 1995 Financial Plan as  
3 approved by the Legislature pursuant to SCR No. (74 of 1994) \_  
4 of 1995 and ACR No. (78 of 1994) \_ of 1995, and in compliance  
5 with subsection j. of this section, the trust may exceed the  
6 foregoing limitations. In computing the foregoing limitations  
7 there shall be excluded all the bonds, notes or other obligations,  
8 including subordinated indebtedness of the trust, which shall be  
9 issued for refunding purposes, whenever the refunding shall be  
10 determined to result in a debt service savings, as hereinafter  
11 provided:

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

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

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

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

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

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

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

1 pledge or assignment of any notes, bonds or other obligations of  
2 any local government unit and the rights and interest of the trust  
3 therein;

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

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

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

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

21 i. The trust shall not issue any bonds, notes or other  
22 obligations, or otherwise incur any additional indebtedness, on or  
23 after November 5, 2005.

24 j. For the purpose of implementing the Fiscal Year [1995] 1996  
25 Financial Plan as approved by the Legislature pursuant to SCR  
26 No. [74 of 1994] of 1995 and ACR No. [78 of 1994] of 1995,  
27 the trust shall provide the Senate Budget and Appropriations and  
28 the Assembly Appropriations Committee, or their successors,  
29 with a detailed statement by the trust of the costs of issuance of  
30 any bonds issued to implement the Fiscal Year [1995] 1996  
31 Financial Plan, within thirty days of the issuance thereof, with  
32 specific reference, where applicable, to itemized costs for the  
33 following services:

34 (1) bond counsel, tax counsel and special counsel;

35 (2) financial advisor;

36 (3) paying agent and registrar;

37 (4) rating agencies;

38 (5) official statement printing;

39 (6) bond printing;

40 (7) trustee;

41 (8) credit enhancement;

42 (9) liquidity facility; and

43 (10) miscellaneous issuance costs; and

44 a calculation of underwriters' spread, broken down into the  
45 following components, and accompanied by a list of underwriters'  
46 spreads from recent comparable bond issues:

47 (1) management fees;

48 (2) underwriters' fees;

49 (3) selling concessions;

50 (4) underwriters' counsel; and

51 (5) other costs.

52 (cf: P.L.1994, c.107, s.1)

53 2. This act shall take effect immediately.

## STATEMENT

1  
2  
3 This bill suspends for one year the debt ceiling established  
4 under P.L.1985, c.334, which limits the aggregate principal  
5 amount of bonded indebtedness, including subordinated  
6 indebtedness, that the New Jersey Wastewater Treatment Trust  
7 may incur to \$600 million.

8 Specifically, this bill authorizes the Trust to incur bonded  
9 indebtedness in excess of the current debt ceiling in order to  
10 implement the Trust's Fiscal Year 1996 Financial Plan as  
11 approved by the Legislature pursuant to SCR No. of 1995 and  
12 ACR No. of 1995, and as embodied in Senate Bill Nos. and of  
13 1995 and Assembly Bill Nos. and of 1995. Under the Fiscal  
14 Year 1996 Financial Plan, the Trust and the Department of  
15 Environmental Protection would make loans to local governments  
16 for the construction of eligible wastewater treatment system  
17 projects.

18 Under Senate Bill No. of 1995 and Assembly Bill No. of  
19 1995, the Trust is authorized to expend up to \$50 million, and any  
20 unexpended balances from the authorizations made by P.L.1988,  
21 c.132, P.L.1989, c.190, P.L.1990, c.97, P.L.1991, c.324, P.L.1992,  
22 c.37, P.L.1993, c.192 and P.L.1994, c.105 to provide loans with an  
23 interest rate at or below the prevailing market rate to local  
24 governments to finance the costs of eligible wastewater  
25 treatment system projects, which are included in the "State  
26 Fiscal Year 1996 Project Priority List."

27 A companion bill (Senate Bill No. of 1995 and Assembly Bill  
28 No. of 1995) appropriates up to \$50,333,085 in federal moneys  
29 received pursuant to the federal "Water Quality Act of 1987,"  
30 and from fees and penalties from the federal "Marine Protection,  
31 Research and Sanctuaries Act of 1972," to the DEP for use to  
32 provide zero interest loans to local governments for the  
33 remaining portion of eligible project costs and for the  
34 supplemental costs of six existing projects. These bills together  
35 provide loan financing for the total eligible costs of a wastewater  
36 treatment system project: approximately one-half of the loan  
37 amount from the Trust with interest at or below the prevailing  
38 market rate and one-half from a zero interest loan from the DEP.

39 In 1993, the Legislature enacted P.L.1993, c.194, which  
40 suspended for one year the \$600 million debt ceiling established  
41 under P.L.1985, c.334 to permit the Trust to issue bonds in order  
42 to implement the Fiscal Year 1994 Financial Plan. In 1994, the  
43 Legislature enacted P.L.1994, c.107, which suspended the debt  
44 ceiling for an additional year to permit the Trust to issue bonds in  
45 order to implement the Fiscal Year 1995 Financial Plan.

46 This bill extends the debt ceiling suspension for a third time to  
47 allow the Trust to issue bonds in order to implement the Fiscal  
48 Year 1996 Financial Plan.

49  
50  
51  
52  
53 Suspends for one year the debt ceiling on the amount of bonded  
54 indebtedness that the New Jersey Wastewater Treatment Trust  
55 may incur.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 64

STATE OF NEW JERSEY

DATED: JUNE 1, 1995

The Assembly Appropriations Committee reports favorably Assembly Bill No. 64.

Assembly Bill No. 64 suspends for one year the debt ceiling established under P.L.1985, c.334, which limits the aggregate principal amount of bonded indebtedness, including subordinated indebtedness, that the New Jersey Wastewater Treatment Trust may incur to \$600 million.

This bill authorizes the Trust to incur bonded indebtedness in excess of the current debt ceiling in order to implement the Trust's Fiscal Year 1996 Financial Plan as approved by the Legislature pursuant to ACR No. 15 of 1995, and as embodied in Assembly Bill Nos. 62 and 63 of 1995. Under the Fiscal Year 1996 Financial Plan, the Trust and the Department of Environmental Protection would make loans to local governments for the construction of eligible wastewater treatment system projects.

Under Assembly Bill No. 62 of 1995, the Trust is authorized to expend up to \$50 million, and any unexpended balances from the authorizations made by P.L.1988, c.132, P.L.1989, c.190, P.L.1990, c.97, P.L.1991, c.324, P.L.1992, c.37, P.L.1993, c.192 and P.L.1994, c.105 to provide loans with an interest rate at or below the prevailing market rate to local governments to finance the costs of eligible wastewater treatment system projects, which are included in the "State Fiscal Year 1996 Project Priority List."

A companion bill (Assembly Bill No. 63 of 1995) appropriates up to \$50,333,085 in federal moneys received pursuant to the federal "Water Quality Act of 1987," and from fees and penalties from the federal "Marine Protection, Research and Sanctuaries Act of 1972," to the DEP for use to provide zero interest loans to local governments for the remaining portion of eligible project costs and for the supplemental costs of six existing projects. These bills together provide loan financing for the total eligible costs of a wastewater treatment system project: approximately one-half of the loan amount from the Trust with interest at or below the prevailing market rate and one-half from a zero interest loan from the DEP.

In 1993, the Legislature enacted P.L.1993, c.194, which suspended for one year the \$600 million debt ceiling established under P.L.1985, c.334 to permit the Trust to issue bonds in order to implement the Fiscal Year 1994 Financial Plan. In 1994, the Legislature enacted P.L.1994, c.107, which suspended the debt ceiling for an additional year to permit the Trust to issue bonds in order to implement the Fiscal Year 1995 Financial Plan.

This bill extends the debt ceiling suspension for a third time to allow the Trust to issue bonds in order to implement the Fiscal Year 1996 Financial Plan.

FISCAL IMPACT:

This bill does not make an appropriation, however, Assembly Bill No. 62 of 1995 authorizes the New Jersey Wastewater Treatment Trust to expend up to \$50 million. The current cap on the debt that the Trust may incur is \$600 million. By suspending the debt ceiling for a year, this bill permits the Trust to issue bonds in order to implement the Fiscal Year 1996 Financial Plan.

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SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 64

STATE OF NEW JERSEY

DATED: JUNE 19, 1995

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 64.

Assembly Bill No. 64 suspends for one year the debt ceiling established under P.L.1985, c.334, which limits the aggregate principal amount of bonded indebtedness, including subordinated indebtedness, that the New Jersey Wastewater Treatment Trust may incur to \$600 million.

This bill authorizes the Trust to incur bonded indebtedness in excess of the current debt ceiling in order to implement the Trust's Fiscal Year 1996 Financial Plan. Under the Fiscal Year 1996 Financial Plan, the Trust and the Department of Environmental Protection would make loans to local governments for the construction of eligible wastewater treatment system projects.

Under a companion bill, the Trust is authorized to expend up to \$50 million, and any unexpended balances from the authorizations made by P.L.1988, c.132, P.L.1989, c.190, P.L.1990, c.97, P.L.1991, c.324, P.L.1992, c.37, P.L.1993, c.192 and P.L.1994, c.105 to provide loans with an interest rate at or below the prevailing market rate to local governments to finance the costs of eligible wastewater treatment system projects, which are included in the "State Fiscal Year 1996 Project Priority List."

A companion bill appropriates up to \$50,333,085 in federal moneys received pursuant to the federal "Water Quality Act of 1987," and from fees and penalties from the federal "Marine Protection, Research and Sanctuaries Act of 1972," to the DEP for use to provide zero interest loans to local governments for the remaining portion of eligible project costs and for the supplemental costs of six existing projects. These bills together provide loan financing for the total eligible costs of a wastewater treatment system project: approximately one-half of the loan amount from the Trust with interest at or below the prevailing market rate and one-half from a zero interest loan from the DEP.

In 1993, the Legislature enacted P.L.1993, c.194, which suspended for one year the \$600 million debt ceiling established under P.L.1985, c.334 to permit the Trust to issue bonds in order to implement the Fiscal Year 1994 Financial Plan. In 1994, the Legislature enacted P.L.1994, c.107, which suspended the debt ceiling for an additional year to permit the Trust to issue bonds in order to implement the Fiscal Year 1995 Financial Plan.

This bill extends the debt ceiling suspension for a third time to allow the Trust to issue bonds in order to implement the Fiscal Year 1996 Financial Plan.

As reported, this bill is identical to Senate Bill No. 2104 of 1995.

FISCAL IMPACT

This bill does not make an appropriation, however, a companion bill authorizes the New Jersey Wastewater Treatment Trust to expend up to \$50 million. The current cap on the debt that the Trust may incur is \$600 million. By suspending the debt ceiling for a year, this bill permits the Trust to issue bonds in order to implement the Fiscal Year 1996 Financial Plan.

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**ASSEMBLY, No. 64**  
**STATE OF NEW JERSEY**

INTRODUCED MAY 15, 1985

By Assemblywoman BARK

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

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

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

8 6. a. Except as may be otherwise expressly provided in the  
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11 any principal amounts as in the judgment of the trust shall be  
12 necessary to provide sufficient funds for any of its corporate  
13 purposes, including the payment, funding or refunding of the  
14 principal of, or interest or redemption premiums on, any bonds,  
15 notes or other obligations issued by it, whether the bonds, notes  
16 or other obligations or the interest or redemption premiums  
17 thereon to be funded or refunded have or have not become due,  
18 the establishment or increase of reserves or other funds to secure  
19 or to pay the bonds, notes or other obligations or interest thereon  
20 and all other costs or expenses of the trust incident to and  
21 necessary to carry out its corporate purposes and powers.

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

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

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above bill is not enacted and is intended to be omitted in the law.

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2 (C.58:11B-1 et seq.) as the trust may determine.

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6 later than 20 years from the effective date thereof, or the  
7 certified useful life of the project or projects to be financed by  
8 the bonds, whichever is less.

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

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

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

53 g. The aggregate principal amount of bonds, notes or other  
54 obligations, including subordinated indebtedness of the trust, shall

1 not exceed \$800,000,000.00, except that, for the purpose of  
2 implementing the Fiscal Year [1995] ~~1995~~ Financial Plan as  
3 approved by the Legislature pursuant to SCR No. [74 of 1994] \_\_\_  
4 of 1995 and ACR No. [78 of 1994] \_\_\_ of 1995, and in compliance  
5 with subsection j. of this section, the trust may exceed the  
6 foregoing limitations. In computing the foregoing limitations  
7 there shall be excluded all the bonds, notes or other obligations,  
8 including subordinated indebtedness of the trust, which shall be  
9 issued for refunding purposes, whenever the refunding shall be  
10 determined to result in a debt service savings, as hereinafter  
11 provided:

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

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

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

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

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

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

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

1 **pledge or assignment of any notes, bonds or other obligations of**  
 2 **any local government unit and the rights and interest of the trust**  
 3 **therein;**

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

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

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

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

21 **i. The trust shall not issue any bonds, notes or other**  
 22 **obligations, or otherwise incur any additional indebtedness, on or**  
 23 **after November 5, 2005.**

24 **j. For the purpose of implementing the Fiscal Year [1995] 1996**  
 25 **Financial Plan as approved by the Legislature pursuant to SCR**  
 26 **No. [74 of 1994] of 1995 and ACR No. [78 of 1994] of 1995,**  
 27 **the trust shall provide the Senate Budget and Appropriations and**  
 28 **the Assembly Appropriations Committee, or their successors,**  
 29 **with a detailed statement by the trust of the costs of issuance of**  
 30 **any bonds issued to implement the Fiscal Year [1995] 1996**  
 31 **Financial Plan, within thirty days of the issuance thereof, with**  
 32 **specific reference, where applicable, to itemized costs for the**  
 33 **following services:**

34 **(1) bond counsel, tax counsel and special counsel;**

35 **(2) financial advisor;**

36 **(3) paying agent and registrar;**

37 **(4) rating agencies;**

38 **(5) official statement printing;**

39 **(6) bond printing;**

40 **(7) trustee;**

41 **(8) credit enhancement;**

42 **(9) liquidity facility; and**

43 **(10) miscellaneous issuance costs; and**

44 **a calculation of underwriters' spread, broken down into the**  
 45 **following components, and accompanied by a list of underwriters'**  
 46 **spreads from recent comparable bond issues:**

47 **(1) management fees;**

48 **(2) underwriters' fees;**

49 **(3) selling concessions;**

50 **(4) underwriters' counsel; and**

51 **(5) other costs.**

52 **(cf: P.L.1994, c.107, s.1)**

53 **2. This act shall take effect immediately.**

## STATEMENT

1  
2  
3 This bill suspends for one year the debt ceiling established  
4 under P.L.1985, c.334, which limits the aggregate principal  
5 amount of bonded indebtedness, including subordinated  
6 indebtedness, that the New Jersey Wastewater Treatment Trust  
7 may incur to \$600 million.

8 Specifically, this bill authorizes the Trust to incur bonded  
9 indebtedness in excess of the current debt ceiling in order to  
10 implement the Trust's Fiscal Year 1996 Financial Plan as  
11 approved by the Legislature pursuant to SCR No. of 1995 and  
12 ACR No. of 1995, and as embodied in Senate Bill Nos. and of  
13 1995 and Assembly Bill Nos. and of 1995. Under the Fiscal  
14 Year 1996 Financial Plan, the Trust and the Department of  
15 Environmental Protection would make loans to local governments  
16 for the construction of eligible wastewater treatment system  
17 projects.

18 Under Senate Bill No. of 1995 and Assembly Bill No. of  
19 1995, the Trust is authorized to expend up to \$50 million, and any  
20 unexpended balances from the authorizations made by P.L.1988,  
21 c.132, P.L.1989, c.190, P.L.1990, c.97, P.L.1991, c.324, P.L.1992,  
22 c.37, P.L.1993, c.192 and P.L.1994, c.105 to provide loans with an  
23 interest rate at or below the prevailing market rate to local  
24 governments to finance the costs of eligible wastewater  
25 treatment system projects, which are included in the "State  
26 Fiscal Year 1996 Project Priority List."

27 A companion bill (Senate Bill No. of 1995 and Assembly Bill  
28 No. of 1995) appropriates up to \$50,333,085 in federal moneys  
29 received pursuant to the federal "Water Quality Act of 1987,"  
30 and from fees and penalties from the federal "Marine Protection,  
31 Research and Sanctuaries Act of 1972," to the DEP for use to  
32 provide zero interest loans to local governments for the  
33 remaining portion of eligible project costs and for the  
34 supplemental costs of six existing projects. These bills together  
35 provide loan financing for the total eligible costs of a wastewater  
36 treatment system project: approximately one-half of the loan  
37 amount from the Trust with interest at or below the prevailing  
38 market rate and one-half from a zero interest loan from the DEP.

39 In 1993, the Legislature enacted P.L.1993, c.194, which  
40 suspended for one year the \$600 million debt ceiling established  
41 under P.L.1985, c.334 to permit the Trust to issue bonds in order  
42 to implement the Fiscal Year 1994 Financial Plan. In 1994, the  
43 Legislature enacted P.L.1994, c.107, which suspended the debt  
44 ceiling for an additional year to permit the Trust to issue bonds in  
45 order to implement the Fiscal Year 1995 Financial Plan.

46 This bill extends the debt ceiling suspension for a third time to  
47 allow the Trust to issue bonds in order to implement the Fiscal  
48 Year 1996 Financial Plan.

49  
50  
51  
52  
53 Suspend for one year the debt ceiling on the amount of bonded  
54 indebtedness that the New Jersey Wastewater Treatment Trust  
55 may incur.