

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 2927

# STATE OF NEW JERSEY

DATED: JUNE 17, 2010

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2927.

The bill authorizes the New Jersey Environmental Infrastructure Trust (Trust) to expend up to \$821,412,500 and any unexpended balances from previous authorizations to provide loans with an interest rate at or below the prevailing market rate to project sponsors (primarily local governments, public authorities or public water utilities) for a portion of the total costs of 181 eligible environmental infrastructure projects. The eligible projects are those included in the "State Fiscal Year 2011 Clean Water Project Priority List" and the "State Fiscal Year 2011 Drinking Water Project Priority List," as well as thirteen clean water and four drinking water environmental infrastructure projects that received loans in the past and which now require supplemental loans in order to meet actual costs.

In addition to the use of prior unused allocations, this bill also permits the Trust to use any loan repayments received to date, and the amounts for capitalized interest, bond issuance expenses and related amounts, to fund the 2010 New Jersey Environmental Infrastructure Financing Program.

Since its creation in 1985, the Trust has provided low-cost financing for the construction of environmental infrastructure projects that enhance and protect ground and surface water resources, ensure the safety of drinking water supplies, and make possible responsible and sustainable economic development. Since 1985 the Trust has provided more than \$2 billion in loans to local government units and some private water companies to finance wastewater systems, combined sewer overflow abatement, nonpoint source pollution control and safe drinking water supplies.

#### FISCAL IMPACT:

The bill authorizes the Trust to expend up to \$821,412,500 and any unexpended previous authorizations to provide loans for clean water and drinking water projects.