

## CHAPTER 71

**AN ACT** concerning the financing of environmental infrastructure projects, and supplementing N.J.S.40A:2-1 et seq., P.L.1983, c.313 (C.40A:5A-1 et seq.), and P.L.1985, c.334 (C.58:11B-1 et seq.).

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

C.58:11B-5.1 Request by local government for financing of environmental infrastructure projects.

1. a. A local government unit seeking to finance \$1,000,000 or more of the costs of any environmental infrastructure project or project component shall submit a request for a financing cost estimate for the project on a form made available online by the trust pursuant to section 2 of P.L.2017, c.71 (C.58:11B-5.2).

b. A local government unit that is awarded a grant for all or part of the costs of an environmental infrastructure project shall not be required to submit a request for a financing cost estimate pursuant to this section if the local government unit is seeking to finance less than \$1,000,000 of the remaining costs of that project or project component.

c. A local government unit shall not be required to submit a request for a financing cost estimate pursuant to this section for an environmental infrastructure project the appropriation of which was approved either by ordinance of a municipality or by resolution of an authority or county, as appropriate, prior to or on the effective date of this section.

C.58:11B-5.2 Financing cost estimate.

2. a. The trust shall make available a financing cost estimate to any local government unit seeking to finance \$1,000,000 or more of the costs of an environmental infrastructure project or project component. The financing cost estimate shall provide a local government unit with an estimate of the costs of financing an environmental infrastructure project through the trust to enable the local government unit to evaluate, and other interested parties to consider, the potential savings of trust financing, including interest costs, compared to other available methods of financing the project.

b. The trust may require the local government unit to provide information concerning the project and the borrower needed to generate a financing cost estimate, including, but not limited to, a detailed description of the project, design, engineering and environmental information, a cost estimate prepared by the project engineer or other qualified person, information regarding the borrower, the amount to be financed, and any other information the trust deems relevant in order for the cost estimate to be as accurate as possible.

The trust, in conjunction with the Department of Environmental Protection, shall provide with the financing cost estimate:

(1) a description of the priority system used by the Department of Environmental Protection in awarding financing under the program; and

(2) a comparison of the estimates of the cost of issuance and underwriting fees, servicing fees, and interest costs for a project financed through the trust versus a project financed independently by the local government unit through its own bond process.

c. The trust, through its web site, shall make available online a form that may be completed by the local government unit for submission to the trust in order for the trust to make an estimate of financing costs for the project. Upon submission of the completed form, the trust shall, within 5 days thereafter, provide an estimate of the financing costs and possible interest rate that may be made available for the project.

C.40A:2-24.1 Submission of financial cost estimate for projects not funded by trust.

3. A local unit that does not finance an environmental infrastructure project with funding provided by the New Jersey Environmental Infrastructure Trust shall submit the financing cost estimate provided by the New Jersey Environmental Infrastructure Trust pursuant to section 2 of P.L.2017, c.71 (C.58:11B-5.2) together with the supplemental debt statement that is submitted to the Director of the Division of Local Government Services in the Department of Community Affairs pursuant to N.J.S.40A:2-42.

As used in this section, "environmental infrastructure project" shall have the same meaning as provided in section 3 of P.L.1985, c.334 (C.58:11B-3).

C.40A:5A-6.1 Financing cost estimate submitted by authority.

4. An authority that does not finance an environmental infrastructure project with funding provided by the New Jersey Environmental Infrastructure Trust shall submit the financing cost estimate provided by the New Jersey Environmental Infrastructure Trust pursuant to section 2 of P.L.2017, c.71 (C.58:11B-5.2) together with the proposed project financing that is submitted to the Local Finance Board in the Division of Local Government Services in the Department of Community Affairs pursuant to section 6 of P.L.1983, c.313 (C.40A:5A-6).

As used in this section, "environmental infrastructure project" shall have the same meaning as provided in section 3 of P.L.1985, c.334 (C.58:11B-3).

5. Sections 1, 3, and 4 of this act shall take effect on the 180th day after the date of enactment and the remainder of this act shall take effect immediately.

Approved May 11, 2017.