

# ASSEMBLY, No. 5456

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 23, 2019

**Sponsored by:**

**Assemblyman JOHN ARMATO**

**District 2 (Atlantic)**

**Assemblyman JAMES J. KENNEDY**

**District 22 (Middlesex, Somerset and Union)**

**Assemblywoman SHANIQUE SPEIGHT**

**District 29 (Essex)**

**Co-Sponsored by:**

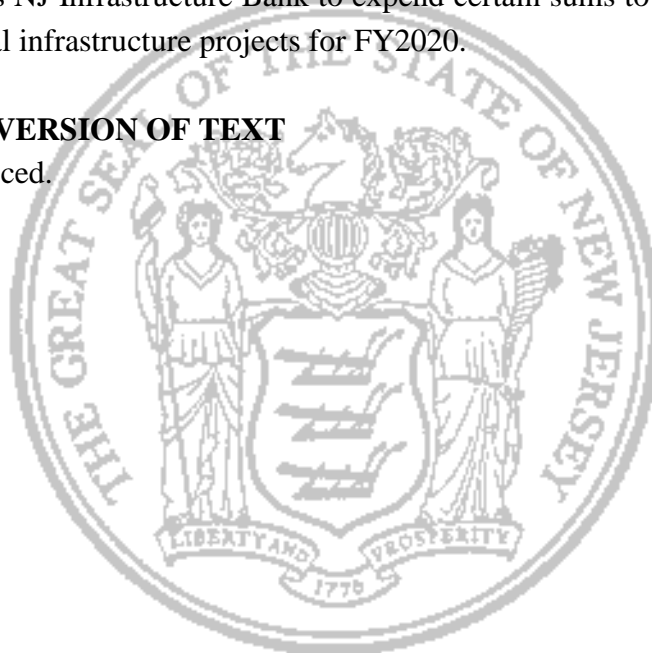
**Assemblymen Bramnick, Dancer, Assemblywoman N.Munoz,  
Assemblymen DiMaio, Thomson, DePhillips, Rooney, Assemblywomen  
Schepisi, Gove, Assemblymen Peters, Webber, Auth, Peterson, Clifton,  
Assemblywomen Handlin, B.DeCroce, Assemblymen Howarth, Wolfe,  
Carroll and Assemblywoman Pinkin**

**SYNOPSIS**

Authorizes NJ Infrastructure Bank to expend certain sums to make loans for environmental infrastructure projects for FY2020.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/11/2019)**

1 AN ACT authorizing the expenditure of funds by the New Jersey  
2 Infrastructure Bank for the purpose of making loans to eligible  
3 project sponsors to finance a portion of the cost of construction  
4 of environmental infrastructure projects, and making an  
5 appropriation.

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

9  
10 1. a. The New Jersey Infrastructure Bank, established  
11 pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), is authorized to  
12 expend the aggregate sum of up to \$655.04 million and any  
13 uncommitted balance of the aggregate expenditures authorized  
14 pursuant to section 1 of P.L.2000, c.93, section 1 of P.L.2001,  
15 c.224, section 1 of P.L.2002, c.71, section 1 of P.L.2003, c.159,  
16 section 1 of P.L.2004, c.110, section 1 of P.L.2005, c.197, section 1  
17 of P.L.2006, c.67, section 1 of P.L.2007, c.140, section 1 of  
18 P.L.2008, c.67, section 1 of P.L.2009, c.101, section 1 of P.L.2010,  
19 c.62, section 1 of P.L.2011, c.95, section 1 of P.L.2012, c.38,  
20 section 1 of P.L.2013, c.94, section 1 of P.L.2014, c.26, section 1 of  
21 P.L.2015, c.107, section 1 of P.L.2016, c.31 as amended by  
22 P.L.2017, c.13, section 1 of P.L.2017, c.142 as amended by  
23 P.L.2017, c.327, and P.L.2018, c.84 as amended by P.L.2019, c.30,  
24 for the purpose of making loans, to the extent sufficient funds are  
25 available, to or on behalf of local government units or public water  
26 utilities (hereinafter referred to as "project sponsors") to finance all  
27 or a portion of the cost of construction of environmental  
28 infrastructure projects listed in sections 2 and 4 of this act.

29 b. The trust is authorized to increase the aggregate sums  
30 specified in subsection a. of this section by:

31 (1) the amounts of capitalized interest and the bond issuance  
32 expenses as provided in subsection b. of section 7 of this act;

33 (2) the amounts of reserve capacity expenses and debt service  
34 reserve fund requirements as provided in subsection c. of section 7  
35 of this act;

36 (3) the interest earned on amounts deposited for project costs  
37 pending their distribution to project sponsors as provided in  
38 subsection d. of section 7 of this act;

39 (4) the amounts of the loan origination fee as provided in  
40 subsection e. of section 7 of this act; and

41 (5) the amount appropriated to the Department of Environmental  
42 Protection for the purpose of making zero interest and principal  
43 forgiveness loans pursuant to section 3 of P.L. , c. (pending  
44 before the Legislature as Senate Bill No. of 2019 and Assembly  
45 Bill No. 5457 of 2019) in connection with the project costs of a  
46 particular project sponsor, to the extent the priority ranking or an  
47 insufficiency of funding prevent the department from meeting

1 program demand as provided in subsection f. of section 7 of this  
2 act.

3 c. (1) Of the sums made available to the trust from the "Water  
4 Supply Trust Fund" established pursuant to subsection a. of section  
5 15 of the "Water Supply Bond Act of 1981" (P.L.1981, c.261)  
6 pursuant to P.L.1997, c.223, the trust is authorized to transfer such  
7 amounts to the Department of Environmental Protection as needed  
8 for drinking water project loans pursuant to the "Safe Drinking  
9 Water Act Amendments of 1996," Pub.L.104-182, and any  
10 amendatory and supplementary acts thereto (hereinafter referred to  
11 as the "Federal Safe Drinking Water Act"), under terms and  
12 conditions established by the Commissioner of Environmental  
13 Protection and trust, and approved by the State Treasurer, which  
14 loans shall be jointly administered by the trust and department.

15 (2) Of the sums appropriated to the trust from the "Wastewater  
16 Treatment Trust Fund" established pursuant to section 15 of the  
17 "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329)  
18 pursuant to P.L.1987, c.198, the trust is authorized to transfer such  
19 amounts as needed to the Clean Water State Revolving Fund  
20 established pursuant to section 1 of P.L.2009, c.77 for the purposes  
21 of issuing loans or providing the State match as required for the  
22 award of the capitalization grants made available to the State for  
23 clean water projects pursuant to the "Water Quality Act of 1987"  
24 (33 U.S.C. s.1251 et seq.), and any amendatory and supplementary  
25 acts thereto (hereinafter referred to as the "Federal Clean Water  
26 Act").

27 (3) Of the sums appropriated to the trust from the "1992  
28 Wastewater Treatment Trust Fund" established pursuant to section  
29 27 of the "Green Acres, Clean Water, Farmland and Historic  
30 Preservation Bond Act of 1992" (P.L.1992, c.88) pursuant to  
31 P.L.1996, c.86, the trust is authorized to transfer such amounts as  
32 needed to the Clean Water State Revolving Fund for the purpose of  
33 providing the State match as required for the award of the  
34 capitalization grants made available to the State for clean water  
35 projects pursuant to the Federal Clean Water Act.

36 (4) Of the sums appropriated to the trust from the "Stormwater  
37 Management and Combined Sewer Overflow Abatement Fund"  
38 created pursuant to section 14 of the "Stormwater Management and  
39 Combined Sewer Overflow Abatement Bond Act of 1989"  
40 (P.L.1989, c.181) pursuant to P.L.1998, c.87, the trust is authorized  
41 to transfer such amounts as needed to the Clean Water State  
42 Revolving Fund for the purpose of providing the State match as  
43 required for the award of the capitalization grants made available to  
44 the State for clean water projects pursuant to the Federal Clean  
45 Water Act.

46 (5) Of the sums appropriated to the trust from the "2003 Water  
47 Resources and Wastewater Treatment Trust Fund" established  
48 pursuant to subsection b. of section 19 of the "Dam, Lake, Stream,

1 Flood Control, Water Resources, and Wastewater Treatment Project  
2 Bond Act of 2003" (P.L.2003, c.162) pursuant to P.L.2004, c.110,  
3 the trust is authorized to transfer such amounts as needed to the  
4 Clean Water State Revolving Fund for the purpose of providing the  
5 State match as required for the award of the capitalization grants  
6 made available to the State for clean water projects pursuant to the  
7 Federal Clean Water Act.

8 (6) Of the sums appropriated to the trust from repayments of  
9 loans deposited in any account, including the "Clean Water State  
10 Revolving Fund," "Wastewater Treatment Fund," the "1992  
11 Wastewater Treatment Fund," the "Water Supply Fund," the  
12 "Stormwater Management and Combined Sewer Overflow  
13 Abatement Fund" or the Drinking Water State Revolving Fund, as  
14 appropriate, pursuant to sections 11 and 12 of P.L.1995,  
15 c.219, sections 11 and 12 of P.L.1996, c.85, sections 11 and 12 of  
16 P.L.1997, c.221, sections 12 and 13 of P.L.1998, c.84, section 11 of  
17 P.L.1999, c.174, section 11 of P.L.2000, c.92, section 11 of  
18 P.L.2001, c.222, section 11 of P.L.2002, c.70, section 11 of  
19 P.L.2003, c.158, section 11 of P.L.2004, c.109, section 11 of  
20 P.L.2005, c.196, section 11 of P.L.2006, c.68, section 10 of  
21 P.L.2007, c.140, section 10 of P.L.2008, c.67, section 10 of  
22 P.L.2009, c.101, section 10 of P.L.2010, c.62, section 10 of  
23 P.L.2011, c.95, section 10 of P.L.2012, c.38, section 10 of  
24 P.L.2013, c.94, section 10 of P.L.2014, c.26, section 10 of  
25 P.L.2015, c.107, section 10 of P.L.2016, c.31, section 10 of  
26 P.L.2017, c.142 as amended by section 10 of P.L.2017, c.327,  
27 section 10 of P.L.2018, c.84 as amended by P.L.2019, c.30, and  
28 section 10 of P.L. , c. (pending before the Legislature as this  
29 bill) for deposit into one or more reserve funds or accounts  
30 established by the trust pursuant to section 11 of P.L.1985, c.334  
31 (C.58:11B-11), the trust shall transfer to the respective fund of  
32 origin the uncommitted balance of all such moneys no longer  
33 utilized by the trust for such purposes.

34 d. For the purposes of this act:

35 (1) "capitalized interest" means the amount equal to interest  
36 paid on trust bonds which is funded with trust bond proceeds and  
37 the earnings thereon;

38 (2) "debt service reserve fund expenses" means the debt service  
39 reserve fund costs associated with reserve capacity expenses, water  
40 supply projects for which the project sponsors are public water  
41 utilities as provided in section 9 of P.L.1985, c.334 (C.58:11B-9),  
42 other drinking water projects not eligible for, or interested in, State  
43 or federal debt service reserve funds pursuant to the "Water Supply  
44 Bond Act of 1981," P.L.1981, c.261 as amended and supplemented  
45 by P.L.1997, c.223, and any clean water projects not eligible for, or  
46 interested in, State or federal debt service reserve funds from the  
47 Clean Water State Revolving Fund;

1 (3) "issuance expenses" means and includes, but need not be  
 2 limited to, the costs of financial document printing, bond insurance  
 3 premiums or other credit enhancement, underwriters' discount,  
 4 verification of financial calculations, the services of bond rating  
 5 agencies and trustees, the employment of accountants, attorneys,  
 6 financial advisors, loan servicing agents, registrars, and paying  
 7 agents, and any other costs related to the issuance of trust bonds;

8 (4) "loan origination fee" means the fee charged by the  
 9 Department of Environmental Protection and financed under the  
 10 trust loan to pay a portion of the costs incurred by the department in  
 11 the implementation of the New Jersey Environmental Infrastructure  
 12 Financing Program; and

13 (5) "reserve capacity expenses" means those project costs for  
 14 reserve capacity not eligible for loans under rules and regulations  
 15 governing zero interest loans adopted by the Commissioner of  
 16 Environmental Protection pursuant to section 4 of P.L.1985,  
 17 c.329 but which are eligible for loans from the trust in accordance  
 18 with the rules and regulations adopted by the trust pursuant to  
 19 section 27 of P.L.1985, c.334 (C.58:11B-27).

20 e. The trust is authorized to increase the loan amount in the  
 21 future to compensate for a refunding of the issue, provided adequate  
 22 savings are achieved, for the loans issued pursuant to P.L.1995,  
 23 c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85, P.L.1999,  
 24 c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71, P.L.2003,  
 25 c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67, P.L.2007,  
 26 c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62, P.L.2011,  
 27 c.95, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26, P.L.2015,  
 28 c.107, P.L.2016, c.31 as amended by P.L.2017, c.13, P.L.2017,  
 29 c.142 as amended by P.L.2017, c.327, P.L.2018, c.84 as amended  
 30 by P.L.2019, c.30, and P.L. , c. (pending before the Legislature  
 31 as this bill).

32

33 2. a. (1) The New Jersey Infrastructure Bank is authorized to  
 34 expend funds for the purpose of making supplemental loans to or on  
 35 behalf of the project sponsors listed below for the following clean  
 36 water environmental infrastructure projects:

37

Project Sponsor	Project Number	Estimated Allowable Trust Loan Amount	Estimated Total Allowable Loan Amount
North Hudson SA	S340952-19-1	\$525,000	\$700,000
<b>Total projects: 1</b>		<b>\$ 525,000</b>	<b>\$ 700,000</b>

38 (2) The loan authorized in this subsection shall be made for the  
 39 difference between the allowable loan amount required by the  
 40 project based upon final building costs pursuant to subsection a. of  
 41 section 7 of this act and the loan amount certified by the chairman

1 of the trust in State fiscal year 2017 and for increased allowable  
 2 costs as defined and determined in accordance with the rules and  
 3 regulations adopted by the trust pursuant to section 27 of P.L.1985,  
 4 c.334 (C.58:11B-27). The loan authorized in this subsection shall be  
 5 made to or on behalf of the project sponsor listed, up to the  
 6 individual amount indicated and in the priority stated, to the extent  
 7 sufficient funds are available, except as a project fails to meet the  
 8 requirements of section 6 of this act.

9 (3) The loan authorized in this subsection shall have priority  
 10 over the environmental infrastructure projects listed in subsection a.  
 11 of section 4 of this act.

12 b. The trust is authorized to adjust the allowable trust loan  
 13 amount for the project authorized in this section to between 25  
 14 percent and 75 percent of the total allowable loan amount and such  
 15 excess amounts to the extent the priority ranking or an insufficiency  
 16 of funding prevent the Department of Environmental Protection  
 17 from meeting program demand as provided in subsection f. of  
 18 section 7 of this act.

19  
 20 3. a. The New Jersey Infrastructure Bank is authorized to  
 21 make loans to or on behalf of the project sponsors for the clean  
 22 water projects listed in subsection a. of section 2 and subsection a.  
 23 of section 4 of this act up to the individual amounts indicated and in  
 24 the priority stated, except as any such amount may be reduced by  
 25 the trust pursuant to subsection a. of section 7 of this act, or if a  
 26 project fails to meet the requirements of section 6 of this act. The  
 27 trust is authorized to increase any such amount pursuant to  
 28 subsection b., c., d., e. or f. of section 7 or section 8 of this act.

29 b. The trust is authorized to make loans to project sponsors for  
 30 the drinking water projects listed in subsection b. of section 4 of  
 31 this act up to the individual amounts indicated and in the priority  
 32 stated, except as any such amount may be reduced by the trust  
 33 pursuant to subsection a. of section 7 of this act, or if a project fails  
 34 to meet the requirements of section 6 of this act. The trust is  
 35 authorized to increase any such amount pursuant to subsection b.,  
 36 c., d., e. or f. of section 7 or section 8 of this act.

37  
 38 4. a. The following environmental infrastructure projects shall  
 39 be known and may be cited as the “Storm Sandy and State Fiscal  
 40 Year 2020 Clean Water Project Eligibility List”:  
 41

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable Trust Loan Amount</b>	<b>Estimated Total Loan Amount</b>
Camden County MUA	S340640-17	\$2,625,000	\$3,500,000
Rahway Valley SA	S340547-14	\$7,125,000	\$9,500,000

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Rahway Valley SA	S340547-15	\$1,941,389	\$2,588,518
Elizabeth City	S340942-19	\$5,775,000	\$7,700,000
North Bergen MUA	S340652-14	\$17,250,000	\$23,000,000
Jersey City MUA	S340928-20	\$5,400,000	\$7,200,000
Bayshore RSA	S340697-06	\$11,325,000	\$15,100,000
Ocean County UA	S340372-59	\$5,715,000	\$7,620,000
Hoboken City	S340635-07	\$3,750,000	\$5,000,000
Perth Amboy City	S340435-13	\$637,500	\$850,000
Jersey City	S340928-30	\$2,033,250	\$2,711,000
North Hudson SA	S340952-22	\$13,500,000	\$18,000,000
North Hudson SA	S340952-23	\$2,325,000	\$3,100,000
Riverside SA	S340490-01	\$630,000	\$840,000
Perth Amboy City	S340435-11	\$4,844,513	\$6,459,351
Passaic Valley SC	S340689-39	\$3,612,000	\$4,816,000
Passaic Valley SC	S340689-30	\$2,775,000	\$3,700,000
Passaic Valley SC	S340689-31	\$3,000,000	\$4,000,000
Passaic Valley SC	S340689-32	\$7,500,000	\$10,000,000
Northwest Bergen County UA	S340700-16	\$3,675,000	\$4,900,000
Jersey City MUA	S340928-28	\$2,025,000	\$2,700,000
Jersey City MUA	S340928-31	\$8,294,700	\$11,059,600
Gloucester City	S340958-08	\$1,575,000	\$2,100,000
Roxbury Township	S340381-07	\$5,625,000	\$7,500,000
Raritan Township MUA	S340485-12	\$3,675,000	\$4,900,000
Stafford Township	S344100-03	\$4,200,000	\$5,600,000
Stony Brook RSA	S340400-10	\$4,275,000	\$5,700,000
Ocean County	S344080-09	\$975,000	\$1,300,000
Little Egg Harbor Township	S344060-02	\$3,187,500	\$4,250,000
Ocean County	S344080-10	\$187,500	\$250,000
Ocean County	S344080-11	\$262,500	\$350,000

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Rockaway Valley RSA	S340821-07	\$6,150,000	\$8,200,000
Point Pleasant Beach Borough	S344190-02	\$2,250,000	\$3,000,000
Lakewood Township MUA	S340465-03	\$1,080,000	\$1,440,000
Kearny MUA	S340259-07	\$4,875,000	\$6,500,000
Tuckerton Borough	S340034-03	\$1,053,905	\$1,405,206
Montclair Township	S340837-04	\$1,275,000	\$1,700,000
Middlesex County UA	S340699-13	\$30,000,000	\$40,000,000
Atlantic County UA	S340809-24	\$375,000	\$500,000
Rockaway Valley RSA	S340821-06	\$6,000,000	\$8,000,000
Toms River MUA	S340145-06	\$565,650	\$754,200
Brick Township MUA	S340448-11	\$3,958,723	\$5,278,297
Northwest Bergen County UA	S340700-15	\$5,250,000	\$7,000,000
Northwest Bergen County UA	S340700-18	\$1,500,000	\$2,000,000
Western Monmouth UA	S340128-05	\$5,850,000	\$7,800,000
Old Bridge MUA	S340945-14	\$2,467,500	\$3,290,000
Franklin Township SA	S340839-07	\$1,875,000	\$2,500,000
Montclair Township	S340837-03	\$1,275,000	\$1,700,000
Ocean Township SA	S340750-13	\$412,500	\$550,000
Ocean Township SA	S340750-14	\$1,875,000	\$2,500,000
Ocean Township SA	S340750-12	\$3,075,000	\$4,100,000
Ocean County UA	S340372-58	\$3,323,250	\$4,431,000
Burlington Township	S340712-16	\$720,000	\$960,000
West Deptford Township	S340947-05	\$1,061,250	\$1,415,000
Middlesex Borough	S340698-02	\$1,926,563	\$2,568,750
Glen Ridge Borough	S340861-03	\$334,386	\$445,848
Glen Ridge Borough	S340861-04	\$1,392,109	\$1,856,145
Bradley Beach Borough	S340472-01	\$2,025,000	\$2,700,000
Long Beach Township	S340023-07	\$3,450,000	\$4,600,000



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Ship Bottom Borough	S340311-03	\$3,525,000	\$4,700,000
Atlantic County UA	S340809-28	\$3,075,000	\$4,100,000
Somerset Raritan Valley SA	S340801-08	\$12,375,000	\$16,500,000
Aberdeen Township	S340869-02	\$6,750,000	\$9,000,000
Gloucester Township	S340364-15	\$1,087,500	\$1,450,000
Paulsboro Borough	S340164-01	\$2,062,500	\$2,750,000
Bradley Beach Borough	S340472-02	\$1,942,538	\$2,590,050
Perth Amboy City	S340435-18	\$1,327,500	\$1,770,000
Manchester Township	S340650-08	\$2,250,000	\$3,000,000
Point Pleasant Beach Borough	S340479-04	\$1,447,500	\$1,930,000
Allentown Borough	S340567-06	\$498,704	\$664,938
Gloucester County IA	S342016-03	\$10,419,930	\$13,893,240
Somerville Borough	S342013-01	\$8,625,000	\$11,500,000
<b>Total Projects: 72</b>		<b>\$290,502,860</b>	<b>\$387,337,143</b>

- 1        b. The following environmental infrastructure projects shall be  
2 known and may be cited as the “State Fiscal Year 2020 Drinking  
3 Water Project Eligibility List”:  
4

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable Trust Loan Amount</b>	<b>Estimated Total Loan Amount</b>
Newark City	0714001-019	\$9,131,250	\$12,175,000
NJ American Water Co., Inc.	1345001-017	\$7,575,000	\$10,100,000
Newark City	0714001-016	\$10,500,000	\$14,000,000
North Jersey District Water Supply Comm.	1613001-022	\$12,750,000	\$17,000,000
North Jersey District Water Supply Comm.	1613001-025	\$18,000,000	\$24,000,000
Newark City	0714001-018	\$3,862,500	\$5,150,000
Lakehurst Borough	1513001-002	\$813,475	\$1,084,633
Netcong Borough	1428001-007	\$2,775,000	\$3,700,000
Manchester Township	1518005-002	\$4,125,000	\$5,500,000

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Lower Township MUA	0505002-003	\$5,192,555	\$6,923,406
Paulsboro Borough	0814001-003	\$2,100,000	\$2,800,000
North Jersey District Water Supply Comm.	1613001-033	\$3,075,000	\$4,100,000
Netcong Borough	1428001-008	\$825,000	\$1,100,000
Middlesex Water Co.	1225001-028	\$8,400,000	\$11,200,000
Wall Township	1352003-001	\$1,350,000	\$1,800,000
Wall Township	1352003-002	\$2,775,000	\$3,700,000
Clinton Town	1005001-010	\$1,086,140	\$1,448,187
Clinton Town	1005001-011	\$949,355	\$1,265,807
Netcong Borough	1428001-009	\$300,000	\$400,000
Jackson Township MUA	1511001-013	\$15,000,000	\$20,000,000
Berkeley Township MUA	1505004-009	\$1,650,000	\$2,200,000
Jersey City MUA	0906001-015	\$2,691,950	\$3,589,266
Hoboken City	0905001-001	\$6,375,000	\$8,500,000
Jackson Township MUA	1511001-010	\$6,150,000	\$8,200,000
Bellmawr Borough	0404001-006	\$1,725,000	\$2,300,000
Gloucester City	0414001-022	\$900,000	\$1,200,000
Ship Bottom Borough	1528001-002	\$2,812,500	\$3,750,000
Tuckerton Borough	1532002-006	\$1,102,613	\$1,470,150
Long Beach Township	1517001-501	\$1,725,000	\$2,300,000
Long Beach Township	1517001-502	\$8,625,000	\$11,500,000
Moorestown Township	0322001-002	\$10,500,000	\$14,000,000
Brick Township MUA	1506001-009	\$4,446,570	\$5,928,760
Brick Township MUA	1506001-010	\$870,000	\$1,160,000
Stafford Township	1530004-019	\$1,425,000	\$1,900,000
National Park Borough	0812001-004	\$1,275,000	\$1,700,000
Long Beach Township	1517001-015	\$3,119,401	\$4,159,201
Old Bridge MUA	1209002-013	\$3,000,000	\$4,000,000

Aberdeen Township	1330004-001	\$2,925,000	\$3,900,000
Milltown Borough	1212001-005	\$1,350,000	\$1,800,000
Hightstown Borough	1104001-010	\$1,331,759	\$1,775,678
NJ American Water Co., Inc.	2004002-013	\$12,000,000	\$16,000,000
Jackson Township MUA	1511001-012	\$8,250,000	\$11,000,000
Brick Township MUA	1506001-012	\$4,065,000	\$5,420,000
Hampton Borough	1013001-001	\$1,350,000	\$1,800,000
<b>Total Projects: 44</b>		<b>\$200,250,066</b>	<b>\$267,000,088</b>

1 c. The trust is authorized to adjust the allowable trust loan  
2 amount for projects authorized in this section to between zero  
3 percent and 75 percent of the total allowable loan amount, and such  
4 excess amounts to the extent the priority ranking or an insufficiency  
5 of funding prevent the Department of Environmental Protection  
6 from making the loan as provided in subsection f. of section 7 of  
7 this act, and up to 100 percent of the total allowable loan amount  
8 for projects certified by the Department of Environmental  
9 Protection pursuant to section 1 of P.L.2013, c.93 (C.58:11B-9.5).

10  
11 5. In accordance with and subject to the provisions of sections  
12 5, 6, and 23 of P.L.1985, c.334 (C.58:11B-5, 58:11B-6, and  
13 58:11B-23) and as set forth in the financial plan required pursuant  
14 to section 21 of P.L.1985, c.334 (C.58:11B-21), or the financial  
15 plan required pursuant to section 25 of P.L.1997, c.224 (C.58:11B-  
16 21.1), any proceeds from bonds issued by the trust to make loans  
17 for priority environmental infrastructure projects listed in sections 2  
18 and 4 of this act which are not expended for that purpose may be  
19 applied for the payment of all or any part of the principal of and  
20 interest and premium on the trust bonds whether due at stated  
21 maturity, the interest payment dates or earlier upon redemption. A  
22 portion of the proceeds from bonds issued by the trust to make  
23 loans for priority environmental infrastructure projects pursuant to  
24 this act may be applied for the payment of capitalized interest and  
25 for the payment of any issuance expenses; for the payment of  
26 reserve capacity expenses; for the payment of debt service reserve  
27 fund expenses for the payment of the loan origination fees; and for  
28 the payment of increased costs as defined and determined in  
29 accordance with the rules and regulations adopted by the trust  
30 pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27).

31  
32 6. Any loan made by the New Jersey Infrastructure Bank  
33 pursuant to this act shall be subject to the following requirements:

- 1 a. The chairman of the trust has certified that the project is in  
2 compliance with the provisions of P.L.1977, c.224, P.L.1985,  
3 c.334, P.L.1992, c.88, P.L.1997, c.223, P.L.1997, c.224, P.L.1997,  
4 c.225, P.L.1999, c.175 or P.L.2003, c.162, and any rules and  
5 regulations adopted pursuant thereto, and any amendatory and  
6 supplementary acts thereto, as applicable. In making this  
7 certification, the chairman may conclusively rely on the project  
8 review conducted by the Department of Environmental Protection  
9 without any independent review thereof by the trust;
- 10 b. The loan shall be conditioned upon inclusion of the project  
11 on a project eligibility list approved pursuant to section 20 of  
12 P.L.1985, c.334 (C.58:11B-20) or section 24 of P.L.1997,  
13 c.224 (C.58:11B-20.1);
- 14 c. The loan shall be repaid within a period not to exceed 30  
15 years, or 45 years for combined sewer overflow abatement projects,  
16 of the making of the loan;
- 17 d. The loan, including any portion thereof made by the trust  
18 pursuant to subsection f. of section 7 of this act, shall not exceed the  
19 allowable project cost of the environmental infrastructure facility,  
20 exclusive of capitalized interest and issuance expenses as provided  
21 in subsection b. of section 7 of this act, reserve capacity expenses  
22 and the debt service reserve fund expenses as provided in  
23 subsection c. of section 7 of this act, interest earned on project costs  
24 as provided in subsection d. of section 7 of this act, the amounts of  
25 the loan origination fee as provided in subsection e. of section 7 of  
26 this act, refunding increases as provided in section 8 of this act and  
27 increased costs as defined and determined in accordance with the  
28 rules and regulations adopted by the trust pursuant to section 27 of  
29 P.L.1985, c.334 (C.58:11B-27);
- 30 e. The loan shall bear interest, exclusive of any late charges or  
31 administrative fees payable to the trust pursuant to subsection o. of  
32 section 5 of P.L.1985, c.334 (C.58:11B-5) by the project sponsors  
33 receiving trust loans, at or below the interest rate paid by the trust  
34 on the bonds issued to make or refund the loans authorized by this  
35 act, adjusted for underwriting discount and original issue discount  
36 or premium, in accordance with the terms and conditions set forth  
37 in the financial plan required pursuant to section 21 of P.L.1985,  
38 c.334 (C.58:11B-21) or the financial plan required pursuant to  
39 section 25 of P.L.1997, c.224 (C.58:11B-21.1); and
- 40 f. The loan shall be subject to all other terms and conditions as  
41 the trust shall determine to be consistent with the provisions of  
42 P.L.1985, c.334 (C.58:11B-1 et seq.) and any rules and regulations  
43 adopted pursuant thereto, and with the financial plan required by  
44 section 21 of P.L.1985, c.334 (C.58:11B-21) or the financial plan  
45 required pursuant to section 25 of P.L.1997, c.224 (C.58:11B-21.1).
- 46 The eligibility lists and authorization for the making of loans  
47 pursuant to this act shall expire on July 1, 2020, and any project  
48 sponsor which has not executed and delivered a loan agreement

1 with the trust for a loan authorized in this act shall no longer be  
2 entitled to that loan.

3  
4 7. a. The New Jersey Infrastructure Bank is authorized to  
5 reduce the individual amount of loan funds made available to or on  
6 behalf of project sponsors pursuant to sections 2 and 4 of this act  
7 based upon final building costs defined in and determined in  
8 accordance with rules and regulations adopted by the trust pursuant  
9 to section 27 of P.L.1985, c.334 (C.58:11B-27) or rules and  
10 regulations adopted by the Commissioner of Environmental  
11 Protection pursuant to section 4 of P.L.1985, c.329, section 11 of  
12 P.L.1977, c.224 (C.58:12A-11) or section 5 of P.L.1981, c.261.  
13 The trust is authorized to use any such reduction in the loan amount  
14 made available to a project sponsor to cover that project sponsor's  
15 increased costs due to differing site conditions or other allowable  
16 expenses as defined and determined in accordance with the rules  
17 and regulations adopted by the trust pursuant to section 27 of  
18 P.L.1985, c.334 (C.58:11B-27).

19 b. The trust is authorized to increase each loan amount  
20 authorized in sections 2 and 4 of this act by the amount of  
21 capitalized interest and issuance expenses allocable to each loan  
22 made by the trust pursuant to this act; provided that the increase for  
23 issuance expenses, excluding underwriters' discount, original issue  
24 discount or premiums, municipal bond insurance premiums and  
25 bond rating agency fees, shall not exceed 0.4 percent of the  
26 principal amount of trust bonds issued to make loans authorized by  
27 this act.

28 c. The trust is authorized to increase each loan amount  
29 authorized in sections 2 and 4 of this act by the amount of reserve  
30 capacity expenses, and by the debt service reserve fund expenses  
31 associated with the costs identified in paragraphs (3) and (4) of  
32 subsection d. of section 1 of this act.

33 d. The trust is authorized to increase each loan amount  
34 authorized in sections 2 and 4 of this act by the interest earned on  
35 amounts deposited for project costs pending their distribution to  
36 project sponsors.

37 e. The trust is authorized to increase each loan amount  
38 authorized in sections 2 and 4 of this act by the loan origination fee.

39 f. The trust is authorized to increase each loan amount  
40 authorized in sections 2 and 4 of this act by the amount  
41 appropriated to the Department of Environmental Protection for the  
42 purpose of making the corresponding zero interest loan pursuant to  
43 section 3 of P.L. , c. (pending before the Legislature as Senate  
44 Bill No. of 2019 and Assembly Bill No. 5457 of 2019) in  
45 connection with the project costs of the project sponsor, to the  
46 extent an insufficiency of funding prevents the department from  
47 meeting program demand, and for lead abatement projects ineligible

1 for department loans under the Federal Clean Water Act and Safe  
2 Drinking Water Act.

3  
4 8. The New Jersey Infrastructure Bank is authorized to increase  
5 the individual amount of loan funds made available to project  
6 sponsors by the trust pursuant to P.L.1989, c.190, P.L.1990, c.97,  
7 P.L.1991, c.324, P.L.1992, c.37, P.L.1993, c.192, P.L.1994, c.105,  
8 P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85,  
9 P.L.1999, c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71,  
10 P.L.2003, c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67,  
11 P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62,  
12 P.L.2011, c.95, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26,  
13 P.L.2015, c.107, P.L.2016, c.31 as amended by P.L.2017, c.13,  
14 P.L.2017, c.142 as amended by P.L.2017, c.327, P.L.2018, c.84 as  
15 amended by P.L.2019, c.30, or P.L. , c. (pending before the  
16 Legislature as this bill) provided that adequate savings are achieved,  
17 to compensate for a refunding of trust bonds issued to make loans  
18 authorized by the aforementioned acts.

19  
20 9. The expenditure of funds authorized pursuant to this act is  
21 subject to the provisions of P.L.1977, c.224 (C.58:12A-1 et al.),  
22 P.L.1985, c.329, P.L.1985, c.334 (C.58:11B-1 et seq.) as amended  
23 and supplemented by P.L.1997, c.224, P.L.1992, c.88, P.L.1989,  
24 c.181, P.L.1997, c.223, P.L.1997, c.225, P.L.1999, c.175, or  
25 P.L.2003, c.162, and the rules and regulations adopted pursuant  
26 thereto or the Federal Safe Drinking Water Act, as appropriate.

27  
28 10. a. There is appropriated to the New Jersey Infrastructure  
29 Bank, as needed to make short-term or temporary loans, from funds  
30 deposited in any account, including the "Wastewater Treatment Fund,"  
31 the "1992 Wastewater Treatment Fund," the "Water Supply Fund," the  
32 "2003 Water Resources and Wastewater Treatment Trust Fund," the  
33 "Stormwater Management and Combined Sewer Overflow Abatement  
34 Fund," the "Clean Water State Revolving Fund," or the "Drinking  
35 Water State Revolving Fund," as appropriate, and from any net  
36 earnings received from the investment and reinvestment of such  
37 deposits, the sum of up to \$600,000,000, to the extent funds are  
38 available, consisting of:

39 (1) The uncommitted balance currently on deposit as of July 1,  
40 2019 in the special fund (hereinafter referred to as the "Interim  
41 Environmental Financing Program Fund") created and established by  
42 the trust for the short-term or temporary loan financing or refinancing  
43 program (hereinafter referred to as the "Interim Environmental  
44 Financing Program") authorized pursuant to subsection d. of section 9  
45 of P.L.1985, c.334 (C.58:11B-9), which balance previously had been  
46 appropriated to the trust for such purpose pursuant to section 11 of  
47 P.L.2018, c.84, less any Interim Environmental Financing Program  
48 Fund amounts appropriated to the Department of Environmental

1 Protection to supplement the sums appropriated from the Clean Water  
2 State Revolving Fund for clean water projects pursuant to the Federal  
3 Clean Water Act and from the Drinking Water State Revolving Fund  
4 for drinking water projects pursuant to the Federal Safe Drinking  
5 Water Act, provided that at no time shall funds committed pursuant to  
6 this section exceed funds required by the Department of  
7 Environmental Protection to meet long-term obligations; and

8 (2) such other amounts to be deposited in the Interim  
9 Environmental Financing Program Fund, in an aggregate amount that  
10 does not exceed at any time, the amount appropriated, provided that  
11 the amount so reappropriated and appropriated to the trust for deposit  
12 in the Interim Environmental Financing Program Fund shall be utilized  
13 by the trust to make short-term or temporary loans pursuant to the  
14 Interim Environmental Financing Program to any one or more of the  
15 project sponsors, for the respective projects thereof, identified in the  
16 interim environmental financing project priority list (hereinafter  
17 referred to as the "Interim Environmental Financing Program Project  
18 Priority List") in the form provided to the Legislature by the  
19 Commissioner of Environmental Protection.

20 b. The Interim Environmental Financing Program Project Priority  
21 List shall be submitted to the Secretary of the Senate and the Clerk of  
22 the General Assembly at least once each fiscal year. The Secretary of  
23 the Senate and the Clerk of the General Assembly shall cause the date  
24 of submission to be entered upon the Senate Journal and the Minutes  
25 of the General Assembly, respectively. Any environmental  
26 infrastructure project or the project sponsor thereof not identified in  
27 the Interim Environmental Financing Program Project Priority List  
28 shall not be eligible for a short-term or temporary loan from the  
29 Interim Environmental Financing Program Fund.

30 c. The trust may issue market rate interest short-term temporary  
31 loans for wastewater treatment and water supply projects on the  
32 Interim Environmental Financing Program Project Priority List for the  
33 reduction of lead in publicly-owned facilities otherwise ineligible to  
34 receive funding for that purpose pursuant to subsection a. of this  
35 section.

36  
37 11. a. There is appropriated to the New Jersey Infrastructure  
38 Bank for deposit in the special fund created and established by the  
39 trust for the short-term or temporary Disaster Relief Emergency  
40 Financing Program loan financing or refinancing program  
41 (hereinafter referred to as the "Disaster Relief Emergency Financing  
42 Program") authorized pursuant to subsection a. of section 1 of  
43 P.L.2013, c.93 (C.58:11B-9.5) such sums as needed consisting of:

44 (1) sums from the "Interim Environmental Financing Program  
45 Fund" as needed by the trust to make short-term or temporary loans  
46 pursuant to the Disaster Relief Emergency Financing Program to  
47 any one or more of the project sponsors, for the respective projects  
48 thereof; and

1 (2) such other amounts to be deposited in the Disaster Relief  
2 Emergency Financing Program Fund, provided that the amount so  
3 appropriated to the trust for deposit in the Disaster Relief  
4 Emergency Financing Program Fund shall be utilized by the trust to  
5 make short-term or temporary loans pursuant to the Disaster Relief  
6 Emergency Financing Program to any one or more of the project  
7 sponsors, for the respective projects thereof. Any projects funded  
8 by the Disaster Relief Emergency Financing Program shall be  
9 subject to the approval of the Commissioner of Environmental  
10 Protection.

11 b. The Disaster Relief Emergency Financing Program Project  
12 Priority List shall be submitted to the Legislature pursuant to  
13 section 2 of P.L.1991, c.164 (C.52:14-19.1) at least once in each  
14 fiscal year. Any environmental infrastructure project or the project  
15 sponsor thereof not identified in the Disaster Relief Emergency  
16 Financing Program Project Priority List shall not be eligible for a  
17 short-term or temporary loan from the Disaster Relief Emergency  
18 Financing Program Fund.

19

20 12. Notwithstanding the provisions of the "Administrative  
21 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
22 contrary, the trust shall not be required to adopt rules and  
23 regulations governing the making of Disaster Relief Emergency  
24 Financing Program loans.

25

26 13. This act shall take effect immediately.

27

28

29

#### STATEMENT

30

31 This bill authorizes the New Jersey Infrastructure Bank (NJIB)  
32 (formerly the New Jersey Environmental Infrastructure Trust) to  
33 expend up to \$655.04 million and any unexpended balances from  
34 previous authorizations to provide loans with an interest rate at or  
35 below the prevailing market rate to project sponsors (primarily local  
36 governments, public authorities, or public water utilities) for a  
37 portion of the total costs of 117 eligible environmental  
38 infrastructure projects. The eligible projects are those included in  
39 the "Storm Sandy and State Fiscal Year 2020 Clean Water Project  
40 Priority List" and the "State Fiscal Year 2020 Drinking Water  
41 Project Priority List," as well as one clean water environmental  
42 infrastructure projects that received a loan in the past and which  
43 now requires a supplemental loan in order to meet actual costs.

44

45 In addition to the use of prior unused allocations, this bill also  
46 permits the NJIB to use any loan repayments received to date, and  
47 the amounts for capitalized interest, bond issuance expenses and  
48 related amounts, to fund the State Fiscal Year 2020 New Jersey  
Environmental Infrastructure Financing Program (NJEIFP).



1        Since its creation in 1985, the NJIB in partnership with the  
2 Department of Environmental Protection have provided low-cost  
3 NJEIFP loans for the construction of environmental infrastructure  
4 projects that enhance and protect ground and surface water  
5 resources, ensure the safety of drinking water supplies, and make  
6 possible responsible and sustainable economic development. Since  
7 1985, NJEIFP loans to local government units and some private  
8 water companies have totaled more than \$7.13 billion of which the  
9 NJIB has provided more than \$2.9 billion in loans to finance  
10 wastewater systems, combined sewer overflow abatement, nonpoint  
11 source pollution control and safe drinking water supplies generating  
12 more than 130,000 construction projects throughout the State.