

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 5971

# STATE OF NEW JERSEY

DATED: DECEMBER 12, 2019

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5971.

This bill authorizes the New Jersey Infrastructure Bank (NJIB) to expend additional sums to make loans for environmental infrastructure projects for Fiscal Year 2020.

In July 2019, P.L.2019, c.192 was enacted into law, which authorized the NJIB to expend up to \$655.04 million, and any unexpended balances from previous authorizations, to provide low-interest and market-rate loans to project sponsors (primarily local governments, public authorities, or public water utilities) for a portion of the total costs of 117 eligible environmental infrastructure projects for Fiscal Year 2020. This included 72 projects from the “Storm Sandy and State Fiscal Year 2020 Clean Water Project Eligibility List” and 44 projects from the “Storm Sandy and State Fiscal Year 2020 Drinking Water Project Eligibility List.” The NJIB was also authorized under P.L.2019, c.192 to provide a supplemental loan to one clean water project that received a loan in the past and which requires a supplemental loan in order to meet actual costs.

This bill would amend the lists of environmental infrastructure projects for which the NJIB is authorized to make loans pursuant to P.L.2019, c.192 to include new projects, remove certain projects, and modify the trust loan amounts for certain projects. This bill authorizes the NJIB to expend up to \$1.7 billion, and any unexpended balances from previous authorizations, to provide loans to project sponsors for a total of 189 eligible environmental infrastructure projects for Fiscal Year 2020. This would include 122 projects on the "Storm Sandy and State Fiscal Year 2020 Clean Water Project Eligibility List" and 62 projects on the "Storm Sandy and State Fiscal Year 2020 Drinking Water Project Eligibility List.” The NJIB would also be authorized to make supplemental loans to two clean water environmental infrastructure projects.

This bill would also provide loan financing from the Trust for the balance of the allowable project costs of four eligible clean water projects partially funded from the “Pinelands Infrastructure Trust Fund” established pursuant to the “Pinelands Infrastructure Trust Bond Act of 1985”, P.L.1985, c. 302.

Certain projects have been removed from the list of projects for which the NJIB is authorized to make loans either because they have already received long-term funding or because the projects will not be ready to receive funding before the end of Fiscal Year 2020 under NJIB program requirements.

FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that the amendments to P.L.2019, c.192 proposed by the bill authorize the DEP and NJIB to spend approximately \$1.7 billion to finance Storm Sandy and other environmental infrastructure projects as follows: (1) \$1.475 million for clean water infrastructure projects; (2) \$1.144 billion for the “Storm Sandy and State Fiscal Year 2020 Clean Water Project Eligibility List”; (3) \$15.343 million for clean water projects loans; and (4) \$527.4 million for the “State Fiscal Year 2020 Drinking Water Project Eligibility List”.