

SENATE, No. 2645

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED MAY 31, 2018

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Assemblywoman NANCY J. PINKIN

District 18 (Middlesex)

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

Co-Sponsored by:

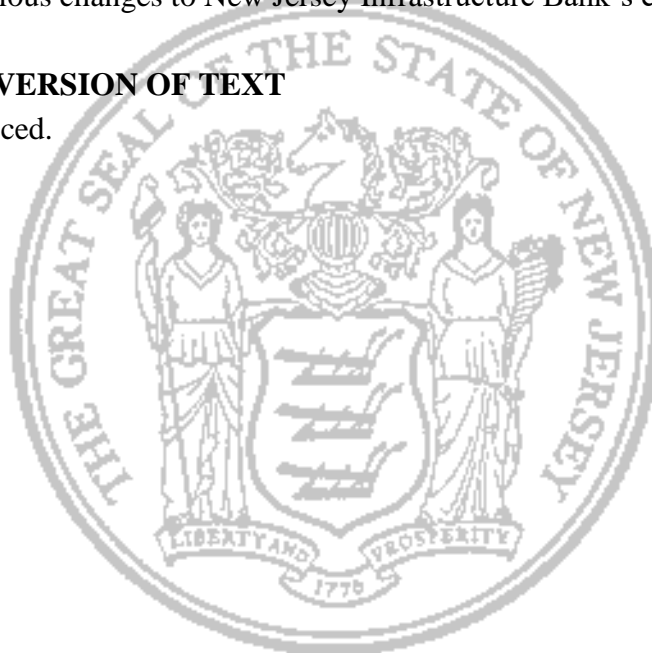
Senators Bateman and Oroho

SYNOPSIS

Makes various changes to New Jersey Infrastructure Bank's enabling act.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/22/2018)

1 AN ACT concerning the New Jersey Infrastructure Bank and
2 amending various parts of the statutory law.

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

6
7 1. Section 3 of P.L.1985, c.334 (C.58:11B-3) is amended to
8 read as follows:

9 3. As used in sections 1 through 27 of P.L.1985, c.334
10 (C.58:11B-1 through C.58:11B-27), sections 23 through 27 of
11 P.L.1997, c.224 (C.58:11B-10.1 et al.), and sections 22 and 34
12 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
13 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4):

14 “Bonds” means bonds issued by the trust pursuant to P.L.1985,
15 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et
16 al.);

17 “Combined sewer overflow” means the discharge of untreated or
18 partially treated stormwater runoff and wastewater from a combined
19 sewer system into a body of water;

20 “Combined sewer system” means a sewer system designed to
21 carry sanitary wastewater at all times, which is also designed to
22 collect and transport stormwater runoff from streets and other
23 sources, thereby serving a combined purpose;

24 “Commissioner” means the Commissioner of the Department of
25 Environmental Protection;

26 “Cost” means the cost of all labor, materials, machinery and
27 equipment, lands, property, rights and easements, financing
28 charges, interest on bonds, notes or other obligations, plans and
29 specifications, surveys or estimates of costs and revenues,
30 engineering and legal services, and all other expenses necessary or
31 incident to all or part of an environmental infrastructure project;

32 “Department” means the Department of Environmental
33 Protection;

34 “Environmental infrastructure project” means the acquisition,
35 construction, improvement, repair or reconstruction of all or part of
36 any structure, facility or equipment, or real or personal property
37 necessary for or ancillary to any: (1) wastewater treatment system
38 project, including any stormwater management or combined sewer
39 overflow abatement projects; or (2) water supply project, as
40 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or
41 P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water
42 resources project, as authorized pursuant to P.L.2003, c.162;

43 “Federal infrastructure bank program” means the United States
44 Department of Transportation State Infrastructure Bank Program

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 provided for in section 350 of Pub.L.104-59 and Pub.L.102-240 as
2 amended or superseded;

3 “Line of credit loan” means a short-term or temporary loan for
4 project planning, engineering design, and construction issued before
5 or during the planning stage of a project;

6 “Local government unit” means (1) a State authority, county,
7 municipality, municipal, county or regional sewerage or utility
8 authority, municipal sewerage district, joint meeting, improvement
9 authority, or any other political subdivision of the State authorized
10 to construct, operate, and maintain wastewater treatment systems;
11 (2) a State authority, district water supply commission, county,
12 municipality, municipal, county or regional utilities authority,
13 municipal water district, joint meeting, or any other political
14 subdivision of the State authorized pursuant to law to operate or
15 maintain a public water supply system or to construct, rehabilitate,
16 operate, or maintain water supply facilities or otherwise provide
17 water for human consumption; or (3) a county, municipality,
18 municipal, county or regional transportation authority, or any other
19 political subdivision of the State authorized to construct, operate,
20 and maintain public highways or transportation projects as defined
21 pursuant to this section;

22 “New Jersey Environmental Infrastructure Financing Program”
23 means the financing program to fund environmental infrastructure
24 projects;

25 “New Jersey Transportation Infrastructure Financing Program”
26 means the financing program to fund transportation infrastructure
27 projects;

28 “Notes” means notes issued by the trust pursuant to P.L.1985,
29 c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.),
30 or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
31 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
32 C.58:11B-22.4);

33 “Onsite septic system ordinance or regulation” means an
34 ordinance adopted by a municipality or county or regulation
35 adopted by a regional planning agency establishing the
36 requirements for construction, maintenance and repair of onsite
37 wastewater treatment and disposal systems;

38 “Onsite wastewater treatment and disposal system” means an on-
39 site system designed to treat and dispose of domestic sewage;

40 “Other assistance” means forms of financial assistance, in
41 addition to loans, authorized by the New Jersey Infrastructure Bank
42 from the State Transportation Infrastructure Bank Fund, including,
43 but not limited to, use of funds to: provide credit enhancements;
44 serve as a capital reserve for bond or other debt instrument
45 financing; subsidize interest rates; ensure the issuance of letters of
46 credit and credit instruments; finance purchase and lease
47 agreements with respect to transit projects; and provide bond or
48 other debt financing instrument security;

1 “Project” means the acquisition, construction, improvement,
2 repair or reconstruction of all or part of any structure, facility, or
3 equipment, or real or personal property necessary for or ancillary to
4 any: (1) wastewater treatment system project, including any
5 stormwater management or combined sewer overflow abatement
6 projects; (2) water supply project, as authorized pursuant to
7 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-
8 10.1 et al.), including any water resources project, as authorized
9 pursuant to P.L.2003, c.162; or (3) transportation project authorized
10 pursuant to sections 22 and 34 through 38 of P.L.2016, c.56
11 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
12 22.3, and C.58:11B-22.4);

13 “Public highway” means public roads, streets, expressways,
14 freeways, parkways, motorways and boulevards, including bridges,
15 tunnels, overpasses, underpasses, interchanges, express bus
16 roadways, bus pullouts and turnarounds, park-ride facilities, traffic
17 circles, grade separations, traffic control devices, the elimination or
18 improvement of crossings of railroads and highways, whether at-
19 grade or not at-grade, bicycle and pedestrian pathways and
20 pedestrian and bicycle bridges, and any property, rights of way,
21 easements and interests therein needed for the construction,
22 improvement, and maintenance of highways;

23 “Public water utility” means any investor-owned water company
24 or small water company;

25 “Small water company” means any company, purveyor or entity,
26 other than a governmental agency, that provides water for human
27 consumption and which regularly serves less than 1,000 customer
28 connections, including nonprofit, noncommunity water systems
29 owned or operated by a nonprofit group or organization;

30 “Stormwater management system” means any equipment, plants,
31 structures, machinery, apparatus, management practices, or land, or
32 any combination thereof, acquired, used, constructed, implemented
33 or operated to prevent nonpoint source pollution, abate improper
34 cross-connections and interconnections between stormwater and
35 sewer systems, minimize stormwater runoff, reduce soil erosion, or
36 induce groundwater recharge, or any combination thereof;

37 “Transportation project” means capital projects for public
38 highways, approach roadways and other necessary land-side
39 improvements, ramps, signal systems, roadbeds, transit lanes or
40 rights of way, pedestrian walkways and bridges connecting to
41 passenger stations and servicing facilities, bridges, and grade
42 crossings;

43 “Trust” means the New Jersey Infrastructure Bank created
44 pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4);

45 “Wastewater” means residential, commercial, industrial, or
46 agricultural liquid waste, sewage, septage, stormwater runoff, or
47 any combination thereof, or other liquid residue discharged or

1 collected into a sewer system or stormwater management system, or
2 any combination thereof;

3 “Wastewater treatment system” means any equipment, plants,
4 structures, machinery, apparatus, or land, or any combination
5 thereof, acquired, used, constructed or operated by, or on behalf of,
6 a local government unit for the storage, collection, reduction,
7 recycling, reclamation, disposal, separation, or other treatment of
8 wastewater or sewage sludge, or for the collection or treatment, or
9 both, of stormwater runoff and wastewater, or for the final disposal
10 of residues resulting from the treatment of wastewater, including,
11 but not limited to, pumping and ventilating stations, treatment
12 plants and works, connections, outfall sewers, interceptors, trunk
13 lines, stormwater management systems, and other personal property
14 and appurtenances necessary for their use or operation; “wastewater
15 treatment system” shall include a stormwater management system
16 or a combined sewer system;

17 “Wastewater treatment system project” means any work relating
18 to the acquisition, construction, improvement, repair or
19 reconstruction of all or part of any structure, facility or equipment,
20 or real or personal property necessary for or ancillary to any
21 wastewater treatment system that meets the requirements set forth
22 in sections 20, 21, and 22 of P.L.1985, c.334 (C.58:11B-20,
23 C.58:11B-21, and C.58:11B-22); or any work relating to any of the
24 stormwater management or combined sewer overflow abatement
25 projects identified in the stormwater management and combined
26 sewer overflow abatement project priority list adopted by the
27 commissioner pursuant to section 28 of P.L.1989, c.181; or any
28 work relating to the purposes set forth in section 6 of P.L.2003,
29 c.162; or any work relating to any other project eligible for
30 financing under the “Federal Water Pollution Control Act
31 Amendments of 1972” (33 U.S.C. s.1251 et seq.), or any
32 amendatory or supplementary acts thereto;

33 “Water resources project” means any work related to transferring
34 water between public water systems during a state of water
35 emergency, to avert a drought emergency in all or any part of the
36 State, to plan, design or construct interconnections of existing water
37 supplies, or to extend water supplies to areas with contaminated
38 ground water supplies;

39 “Water supply facilities” means and refers to the real property
40 and the plants, structures, interconnections between existing water
41 supply facilities, machinery and equipment and other property, real,
42 personal and mixed, acquired, constructed or operated, or to be
43 acquired, constructed or operated, in whole or in part, by or on
44 behalf of a public water utility, or by or on behalf of the State or a
45 local government unit, for the purpose of augmenting the natural
46 water resources of the State and making available an increased
47 supply of water for all uses, or of conserving existing water
48 resources, and any and all appurtenances necessary, useful or

1 convenient for the collecting, impounding, storing, improving,
2 treating, filtering, conserving or transmitting of water, and for the
3 preservation and protection of these resources and facilities,
4 whether in public or private ownership, and providing for the
5 conservation and development of future water supply resources, and
6 facilitating incidental recreational uses thereof;

7 “Water supply project” means any work relating to the
8 acquisition, construction, improvement, repair or reconstruction of
9 all or part of any structure, facility or equipment, or real or personal
10 property necessary for or ancillary to water supply facilities that
11 meets the requirements set forth in sections 24, 25, and 26 of
12 P.L.1997, c.224 (C.58:11B-20.1, C.58:11B-21.1, and C.58:11B-
13 22.1); or any work relating to the purposes set forth in section 4 of
14 P.L.1981, c.261; or any work relating to the purposes set forth in
15 section 6 of P.L.2003, c.162; or any work relating to any other
16 project eligible for funding pursuant to the federal “Safe Drinking
17 Water Act Amendments of 1996,” Pub.L.104-182, and any
18 amendatory and supplementary acts thereto.

19 (cf: P.L.2017, c.144, s.1)

20
21 2. Section 6 of P.L.1985, c.334 (C.58:11B-6) is amended to
22 read as follows:

23 6. a. Except as may be otherwise expressly provided in the
24 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224
25 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of
26 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
27 20.2, C.58:11B-22.3, and C.58:11B-22.4), the trust may from time
28 to time issue its bonds, notes, or other obligations in any principal
29 amounts as in the judgment of the trust shall be necessary to
30 provide sufficient funds for any of its corporate purposes, including
31 the payment, funding, or refunding of the principal of, or interest or
32 redemption premiums on, any bonds, notes, or other obligations
33 issued by it, whether the bonds, notes, or other obligations or the
34 interest or redemption premiums thereon to be funded or refunded
35 have or have not become due, the establishment or increase of
36 reserves or other funds to secure or to pay the bonds, notes, or other
37 obligations or interest thereon and all other costs or expenses of the
38 trust incident to and necessary to carry out its corporate purposes
39 and powers.

40 b. Whether or not the bonds, notes or other obligations of the
41 trust are of a form and character as to be negotiable instruments
42 under the terms of Title 12A of the New Jersey Statutes, the bonds,
43 notes and other obligations are made negotiable instruments within
44 the meaning of and for the purposes of Title 12A of the New Jersey
45 Statutes, subject only to the provisions of the bonds, notes and other
46 obligations for registration.

47 c. Bonds, notes or other obligations of the trust shall be
48 authorized by a resolution or resolutions of the trust and may be

1 issued in one or more series and shall bear any date or dates, mature
2 at any time or times, bear interest at any rate or rates of interest per
3 annum, be in any denomination or denominations, be in any form,
4 either coupon, registered or book entry, carry any conversion or
5 registration privileges, have any rank or priority, be executed in any
6 manner, be payable in any coin or currency of the United States
7 which at the time of payment is legal tender for the payment of
8 public and private debts, at any place or places within or without
9 the State, and be subject to any terms of redemption by the trust or
10 the holders thereof, with or without premium, as the resolution or
11 resolutions may provide. A resolution of the trust authorizing the
12 issuance of bonds, notes or other obligations may provide that the
13 bonds, notes or other obligations be secured by a trust indenture
14 between the trust and a trustee, vesting in the trustee any property,
15 rights, powers and duties in trust consistent with the provisions of
16 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
17 10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56
18 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
19 22.3, and C.58:11B-22.4) as the trust may determine.

20 d. Bonds, notes or other obligations of the trust may be sold at
21 any price or prices and in any manner as the trust may determine.
22 **【Each】 Notwithstanding any provisions of the “Local Bond Law,”**
23 **N.J.S.40A:2-1 et seq., to the contrary, each** bond, note or other
24 obligation shall mature and be paid not later than 30 years for
25 environmental infrastructure projects, **45 years for combined sewer**
26 **overflow projects,** and 31 years for transportation projects, from the
27 effective date thereof, or the certified useful life of the project or
28 projects to be financed by the bonds, whichever is less, or a shorter
29 period of time as may be applicable to any companion loan issued
30 pursuant to federal law or regulation.

31 All bonds of the trust shall be sold at the price or prices and in
32 the manner as the trust shall determine, after notice of sale, a
33 summary of which shall be published at least once in at least three
34 newspapers published in the State of New Jersey and at least once
35 in a publication carrying municipal bond notices and devoted
36 primarily to financial news published in New Jersey or the city of
37 New York, the first summary notice to be at least five days prior to
38 the day of bidding. The notice of sale may contain a provision to the
39 effect that any or all bids made in pursuance thereof may be
40 rejected. In the event of such rejection or of failure to receive any
41 acceptable bid, the trust, at any time within 60 days from the date of
42 such advertised sale, may sell such bonds at private sale upon terms
43 not less favorable to the State than the terms offered by any rejected
44 bid. The trust may sell all or part of the bonds of any series as
45 issued to any State fund or to the federal government or any agency
46 thereof, at private sale, without advertisement.

47 e. Bonds, notes or other obligations of the trust may be issued
48 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.),

1 P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34
2 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
3 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) without
4 obtaining the consent of any department, division, board, bureau or
5 agency of the State, and without any other proceedings or the
6 happening of any other conditions or things, other than those
7 consents, proceedings, conditions or things which are specifically
8 required by P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224
9 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of
10 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
11 20.2, C.58:11B-22.3, and C.58:11B-22.4).

12 f. Bonds, notes or other obligations of the trust issued under
13 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997,
14 c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of
15 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
16 20.2, C.58:11B-22.3, and C.58:11B-22.4) shall not be a debt or
17 liability of the State or of any political subdivision thereof other
18 than the trust and shall not create or constitute any indebtedness,
19 liability or obligation of the State or any political subdivision, but
20 all these bonds, notes and other obligations, unless funded or
21 refunded by bonds, notes or other obligations, shall be payable
22 solely from revenues or funds pledged or available for their
23 payment as authorized in P.L.1985, c.334 (C.58:11B-1 et seq.),
24 P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34
25 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
26 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4). Each
27 bond, note and obligation shall contain on its face a statement to the
28 effect that the trust is obligated to pay the principal thereof or the
29 interest thereon only from its revenues, receipts or funds pledged or
30 available for their payment as authorized in P.L.1985, c.334
31 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or
32 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
33 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
34 C.58:11B-22.4), and that neither the State, nor any political
35 subdivision thereof, is obligated to pay the principal or interest and
36 that neither the faith and credit nor the taxing power of the State, or
37 any political subdivision thereof, is pledged to the payment of the
38 principal of or the interest on the bonds, notes or other obligations.

39 g. The aggregate principal amount of bonds, notes or other
40 obligations, including subordinated indebtedness of the trust, shall
41 not exceed (1) \$5,000,000,000 with respect to bonds, notes, or other
42 obligations issued to finance the Disaster Relief Emergency
43 Financing Program established pursuant to section 1 of P.L.2013,
44 c.93 (C.58:11B-9.5), and (2) \$3,800,000,000 with respect to bonds,
45 notes, or other obligations issued for all other purposes of the trust.
46 In computing the foregoing limitations there shall be excluded all
47 the bonds, notes or other obligations, including subordinated
48 indebtedness of the trust, which shall be issued for refunding

1 purposes, whenever the refunding shall be determined to result in a
2 savings.

3 (1) Upon the decision by the trust to issue refunding bonds,
4 except for current refunding, and prior to the sale of those bonds,
5 the trust shall transmit to the Joint Budget Oversight Committee, or
6 its successor, a report that a decision has been made, reciting the
7 basis on which the decision was made, including an estimate of the
8 debt service savings to be achieved and the calculations upon which
9 the trust relied when making the decision to issue refunding bonds.
10 The report shall also disclose the intent of the trust to issue and sell
11 the refunding bonds at public or private sale and the reasons
12 therefor.

13 (2) The Joint Budget Oversight Committee or its successor shall
14 have the authority to approve or disapprove the sales of refunding
15 bonds as included in each report submitted in accordance with
16 paragraph (1) of this subsection. The committee shall notify the
17 trust in writing of the approval or disapproval within 30 days of
18 receipt of the report. Should the committee not act within 30 days
19 of receipt of the report, the trust may proceed with the sale of the
20 refunding bonds, provided that the sale of refunding bonds shall
21 realize not less than three percent net present value debt service
22 savings.

23 (3) No refunding bonds shall be issued unless the report has
24 been submitted to and approved by the Joint Budget Oversight
25 Committee or its successor as set forth in paragraphs (1) and (2) of
26 this subsection.

27 (4) Within 30 days after the sale of the refunding bonds, the
28 trust shall notify the committee of the result of that sale, including
29 the prices and terms, conditions and regulations concerning the
30 refunding bonds, the actual amount of debt service savings to be
31 realized as a result of the sale of refunding bonds, and the intended
32 use of the proceeds from the sale of those bonds.

33 (5) The committee shall review all information and reports
34 submitted in accordance with this subsection and may, on its own
35 initiative, make observations to the trust, or to the Legislature, or
36 both, as it deems appropriate.

37 h. Each issue of bonds, notes, or other obligations of the trust
38 may, if it is determined by the trust, be general obligations thereof
39 payable out of any revenues, receipts or funds of the trust, or
40 special obligations thereof payable out of particular revenues,
41 receipts or funds, subject only to any agreements with the holders of
42 bonds, notes or other obligations, and may be secured by one or
43 more of the following:

44 (1) Pledge of revenues and other receipts to be derived from the
45 payment of the interest on and principal of notes, bonds or other
46 obligations issued to the trust by one or more local government
47 units, and any other payment made to the trust pursuant to
48 agreements with any local government units, or a pledge or

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

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

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

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

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

19 i. The trust shall not issue any bonds, notes or other
20 obligations, or otherwise incur any additional indebtedness, on or
21 after June 30, 2033.

22 j. (Deleted by amendment, P.L.1996, c.88).
23 (cf: P.L.2016, c.56, s.15)
24

25 3. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to
26 read as follows:

27 9. a. (1) The trust may make and contract to make loans to
28 local government units, or to a local government unit on behalf of
29 another local government unit, in accordance with and subject to the
30 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
31 c.224 (C.58:11B-10.1 et al.) to finance the cost of any wastewater
32 treatment system project or water supply project, which the local
33 government unit may lawfully undertake or acquire and for which
34 the local government unit is authorized by law to borrow money.

35 (2) The trust may make and contract to make loans to public
36 water utilities, or to any other person or local government unit on
37 behalf of a public water utility, in accordance with and subject to
38 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
39 c.224 (C.58:11B-10.1 et al.) to finance the cost of any water supply
40 project, which the public water utility may lawfully undertake or
41 acquire.

42 (3) The trust may make and contract to make loans to private
43 persons other than local government units, or to any other person or
44 local government unit on behalf of a private person, in accordance
45 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1
46 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost
47 of stormwater management systems.

1 (4) The trust may make and contract to make loans and provide
2 other assistance to a local government unit or consortia thereof to
3 finance the cost of transportation projects pursuant to sections 22
4 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through
5 C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-
6 22.4), and provided that the federally-funded subaccount is operated
7 in accordance with the provisions of the federal infrastructure bank
8 program.

9 The loans may be made subject to those terms and conditions as
10 the trust shall determine to be consistent with the purposes thereof.
11 Each loan by the trust and the terms and conditions thereof shall be
12 subject to approval by the State Treasurer, and the trust shall make
13 available to the State Treasurer all information, statistical data and
14 reports of independent consultants or experts as the State Treasurer
15 shall deem necessary in order to evaluate the loan. Each loan to a
16 local government unit, public water utility or any other person shall
17 be evidenced by notes, bonds or other obligations thereof issued to
18 the trust. In the case of each local government unit, notes and
19 bonds to be issued to the trust and, if applicable, the State, acting by
20 and through the Department of Environmental Protection, by the
21 local government unit (1) shall be authorized and issued as provided
22 by law for the issuance of notes and bonds by the local government
23 unit, (2) notwithstanding any provisions of the "Local Authorities
24 Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.) to the
25 contrary, shall be approved by the Director of the Division of Local
26 Government Services in the Department of Community Affairs, and
27 (3) notwithstanding the provisions of N.J.S.40A:2-27, N.J.S.40A:2-
28 28 and N.J.S.40A:2-29 or any other provisions of law to the
29 contrary, may be sold at private sale to the trust or the State, as the
30 case may be, at any price, whether or not less than par value, and
31 shall be subject to redemption prior to maturity at any times and at
32 any prices as the trust or the State, as the case may be, and local
33 government units may agree. Each loan to a local government unit,
34 public water utility or any other person and the notes, bonds or
35 other obligations thereby issued shall bear interest at a rate or rates
36 per annum as the trust or the State, as the case may be, and the local
37 government unit, public water utility or any other person, as the
38 case may be, may agree.

39 b. The trust is authorized to guarantee or contract to guarantee
40 the payment of all or any portion of the principal and interest on
41 bonds, notes or other obligations issued by a local government unit
42 to finance the cost of any wastewater treatment system project,
43 water supply project, or transportation project which the local
44 government unit may lawfully undertake or acquire and for which
45 the local government unit is authorized by law to borrow money,
46 and the guarantee shall constitute an obligation of the trust for the
47 purposes of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224
48 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of

1 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
2 20.2, C.58:11B-22.3, and C.58:11B-22.4). Each guarantee by the
3 trust and the terms and conditions thereof shall be subject to
4 approval by the State Treasurer, and the trust shall make available
5 to the State Treasurer all information, statistical data and reports of
6 independent consultants or experts as the State Treasurer shall deem
7 necessary in order to evaluate the guarantee.

8 c. The trust shall not make or contract to make any loans or
9 guarantees to local government units, public water utilities or any
10 other person, or otherwise incur any additional indebtedness, on or
11 after June 30, 2033.

12 d. Notwithstanding any provision of P.L.1985, c.334
13 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to
14 the contrary, the trust may receive funds from any source including,
15 without limitation, any funds drawn by the trust from a revolving
16 line of credit or other similar financial vehicle that may be procured
17 by the trust, either through a competitive or negotiated process,
18 pursuant to section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit
19 into the Interim Environmental Financing Program Fund or the trust
20 may issue its bonds, notes or other obligations, including
21 commercial paper issued through a competitive or negotiated
22 process, in any principal amounts, in either case, as in the judgment
23 of the trust shall be necessary to provide sufficient funds to finance
24 or refinance short-term or temporary loans to local government
25 units, public water utilities or private persons for any wastewater
26 treatment system projects included on the Department of
27 Environmental Protection project priority list and eligible for
28 approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20)
29 or water supply projects included on the Department of
30 Environmental Protection project priority list and eligible for
31 approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1),
32 as applicable, without regard to any other provisions of P.L.1985,
33 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et
34 al.), including, without limitation, any administrative or legislative
35 approvals.

36 The trust shall create and establish a special fund to be known as
37 the "Interim Environmental Financing Program Fund" for the short-
38 term or temporary loan financing or refinancing program to be
39 known as the "Interim Environmental Financing Program". The
40 monies in the fund shall be used for short-term or temporary loans
41 for clean water and drinking water projects pursuant to the New
42 Jersey Environmental Infrastructure Financing Program.

43 Except as provided in section 1 of P.L.2013, c.93 (C.58:11B-
44 9.5), any short-term or temporary loans made by the trust pursuant
45 to this subsection may only be made in advance of the anticipated
46 loans the trust may make and contract to make under the provisions
47 of subsection a. of this section from any source of funds anticipated
48 to be received by the trust. Any such short-term or temporary loan

1 made pursuant to the Interim Environmental Financing Program
2 shall mature no later than the last day of the third succeeding fiscal
3 year following the closing date on which the short-term or
4 temporary loan was made by the trust to the project sponsor; except
5 a line of credit loan shall mature no later than the last day of the
6 fifth succeeding fiscal year following the closing date of the line of
7 credit loan or the last day of the third succeeding fiscal year
8 following the date of construction certification following the
9 closing date of the line of credit loan, whichever is sooner; and
10 except a short-term or temporary loan made pursuant to this
11 subsection for environmental planning and engineering design costs
12 associated with long-term control plans for combined sewer
13 overflow projects shall mature no later than the last day of the 10th
14 succeeding fiscal year following the closing date on which the
15 short-term or temporary loan was made by the trust to the project
16 sponsor. The trust may make short-term or temporary loans
17 pursuant to the Interim Environmental Financing Program to any
18 one or more of the project sponsors, for the respective projects
19 thereof, identified in the interim financing project priority list to be
20 known as the “Interim Environmental Financing Program Project
21 Priority List” in the form provided to the Legislature by the
22 Commissioner of Environmental Protection.

23 The Interim Environmental Financing Program Project Priority
24 List, including any revision thereof or supplement thereto, shall be
25 submitted to the Legislature pursuant to section 2 of P.L.1991,
26 c.164 (C.52:14-19.1) at least once in each fiscal year as provided in
27 section 20 of P.L.1985, c.334 (C.58:11B-20) and section 24 of
28 P.L.1997, c.224 (C.58:11B-20.1). The Secretary and the Clerk shall
29 cause the date of submission to be entered upon the Senate Journal
30 and the Minutes of the General Assembly, respectively. The trust
31 may revise or supplement the Interim Environmental Financing
32 Program Project Priority List no more than four times during the
33 fiscal year and shall submit the revised list to the Legislature when
34 the revisions are made. Any environmental infrastructure project or
35 the project sponsor thereof not identified in the Interim
36 Environmental Financing Program Project Priority List shall not be
37 eligible for a short-term or temporary loan from the Interim
38 Environmental Financing Program Fund. The trust may issue short-
39 term or temporary loans pursuant to this subsection only if a project
40 is listed on an Interim Environmental Financing Program Project
41 Priority List that has been submitted to the Legislature. No funds
42 may be disbursed pursuant to this section for project activities prior
43 to a determination and certification, in writing, from the
44 Department of Environmental Protection, that the project activities
45 satisfy the provisions of P.L.1985, c.332 (C.58:11B-1 et seq.).

46 e. Notwithstanding any provisions of the “Local Bond Law”
47 (N.J.S.40A:2-1 et seq.), the “sewerage authorities law,” P.L.1946,
48 c.138 (C.40:14A-1 et seq.), or the “municipal and county utilities

1 authorities law,” P.L.1957, c.183 (C.40:14B-1 et seq.) to the
2 contrary, short-term or temporary loans made by the trust pursuant
3 to section 9 of P.L.1985, c.334 (C.58:11B-9) or section 1 of
4 P.L.2013, c.93 (C.58:11B-9.5), and the obligations issued by project
5 sponsors to evidence such loans, may, at the discretion of the trust
6 and upon application by the project sponsor, bear interest at a
7 variable rate determined pursuant to a methodology as may be
8 established by the trust from time to time.

9 Further, notwithstanding any provisions of the “Local Bond
10 Law” (N.J.S.40A:2-1 et seq.), the “sewerage authorities law,”
11 P.L.1946, c.138 (C.40:14A-1 et seq.), or the “municipal and county
12 utilities authorities law,” P.L.1957, c.183 (C.40:14B-1 et seq.) to
13 the contrary, any short-term or temporary loans made by the trust
14 pursuant to section 9 of P.L.1985, c.334 (C.58:11B-9) or section 1
15 of P.L.2013, c.93 (C.58:11B-9.5), and any notes or other
16 obligations issued by project sponsors to evidence such short-term
17 or temporary loans, except for loans for environmental planning and
18 engineering design costs associated with long-term control plans for
19 combined sewer overflow projects as provided in subsection d. of
20 this section, shall mature no later than the last day of the third
21 succeeding fiscal year following the date of issuance of such notes
22 or other obligations, without payment by project sponsors of any
23 portion of the principal thereof prior to maturity.

24 f. Any balances remaining in the Emergency Loan Fund
25 established pursuant to section 4 of P.L.2007, c.138 (C.58:11B-9.1),
26 the Planning and Design Fund established pursuant to section 1 of
27 P.L.2009, c.59 (C.58:11B-9.2), the Onsite Wastewater Disposal
28 Loan Fund established pursuant to section 5 of P.L.2009, c.103
29 (C.58:11B-9.3), the Supplemental Loan Fund established pursuant
30 to section 2 of P.L.2011, c.94 (C.58:11B-9.4), and the Equipment
31 Loan Fund established pursuant to section 1 of P.L.2014, c.28
32 (C.58:11B-9.6) after the date of enactment of P.L.2016, c.30 shall
33 be transferred to the Interim Environmental Financing Program
34 Fund, and any loan repayments to the trust of principal and interest
35 or premium on loans made from those funds shall be credited to the
36 Interim Environmental Financing Program Fund.

37 g. The trust shall create and establish a special fund to be
38 known as the “Interim Transportation Financing Program Fund” for
39 the short-term or temporary loan financing or refinancing program
40 to be known as the “Interim Transportation Financing Program.”

41 Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1
42 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary,
43 the trust may receive funds from any source including, without
44 limitation, any funds drawn by the trust from a revolving line of
45 credit or other similar financial vehicle that may be procured by the
46 trust, either through a competitive or negotiated process, pursuant to
47 section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit into the
48 Interim Transportation Financing Program Fund or the trust may

1 issue its bonds, notes or other obligations in any principal amounts,
2 in either case, as in the judgment of the trust shall be necessary to
3 provide sufficient funds to finance or refinance short-term or
4 temporary loans to local government units or private persons for
5 any transportation project included on the Department of
6 Transportation Interim Transportation Financing Program Project
7 Priority List for the ensuing fiscal year and eligible for approval
8 pursuant to sections 22 and 34 through 38 of P.L.2016, c.56
9 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
10 22.3, and C.58:11B-22.4), without regard to any other provisions of
11 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
12 10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56
13 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
14 22.3, and C.58:11B-22.4), including, without limitation, any
15 administrative or legislative approvals.

16 Any short-term or temporary loans made by the trust pursuant to
17 this subsection may only be made in advance of the anticipated
18 loans the trust may make and contract to make under the provisions
19 of subsection a. of this section from any source of funds anticipated
20 to be received by the trust. Any such short-term or temporary loan
21 made pursuant to the Interim Transportation Financing Program
22 shall mature no later than the last day of the third succeeding fiscal
23 year following the closing date on which the short-term or
24 temporary loan was made by the trust to the project sponsor ; except
25 a line of credit loan shall mature no later than the last day of the
26 fifth succeeding fiscal year following the closing date of the line of
27 credit loan or the last day of the third succeeding fiscal year
28 following the date of construction certification following the
29 closing date of the line of credit loan, whichever is sooner. The
30 trust may make short-term or temporary loans pursuant to the
31 Interim Transportation Financing Program to any one or more of the
32 project sponsors, for the respective projects thereof, only if a
33 project is identified in the Department of Transportation Interim
34 Transportation Financing Program Project Priority List to be known
35 as the “Interim Transportation Financing Program Project Priority
36 List” in the form provided to the Legislature by the Commissioner
37 of Transportation.

38 The Interim Transportation Financing Program Project Priority
39 List, including any revision thereof or supplement thereto, shall be
40 submitted to the Secretary of the Senate and the Clerk of the
41 General Assembly on or before July 1 of each year. The Interim
42 Transportation Financing Program Project Priority List shall be
43 submitted to the Legislature pursuant to section 2 of P.L.1991,
44 c.164 (C.52:14-19.1) at least once in each fiscal year. The
45 Secretary and the Clerk shall cause the date of submission to be
46 entered upon the Senate Journal and the Minutes of the General
47 Assembly, respectively. Any transportation infrastructure project or
48 the project sponsor thereof not identified in the Interim

1 Transportation Financing Program Project Priority List shall not be
2 eligible for a short-term or temporary loan from the Interim
3 Transportation Financing Program Fund. The trust may revise or
4 supplement the Interim Transportation Financing Program Project
5 Eligibility List no more than four times during the fiscal year, and
6 shall submit the revised list to the Legislature when the revisions
7 are made.

8 No funds may be disbursed pursuant to this subsection for
9 project activities prior to the determination and certification in
10 writing, from the Department of Transportation, that the project
11 activities satisfy the provisions of P.L.1985, c.334 (C.58:11B-1 et
12 seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34
13 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
14 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4).
15 (cf: P.L.2017, c.144, s.3)

16

17 4. Section 34 of P.L.2016, c.56 (C.58:11B-10.4) is amended to
18 read as follows:

19 34. a. There is established in the New Jersey Infrastructure
20 Bank a special fund to be known as the State Transportation
21 Infrastructure Bank Fund. The monies in the fund shall only be
22 used for projects funded by the New Jersey Transportation
23 Infrastructure Financing Program. There shall be established within
24 the fund, two subaccounts: (1) a federally-funded subaccount that
25 shall be approved to receive federal funds and related State
26 matching funds pursuant to the federal infrastructure bank program
27 provided for in section 350 of Pub.L.104-59 and Pub.L.102-240 as
28 amended or superseded, and (2) a State-funded subaccount that
29 shall be approved to receive only State funds in excess of those
30 required to be deposited in the federally-funded subaccount. The
31 State-funded subaccount shall be ineligible to receive any federal
32 funds. However, funds in the State-funded subaccount shall be
33 eligible for transfer into the federally-funded subaccount in the
34 discretion of the trust for the purpose of related match funding of
35 the federally-funded subaccount.

36 The State Transportation Infrastructure Bank Fund shall be
37 credited with:

38 (1) (a) State and federal funds appropriated to a federal
39 subaccount of the State Transportation Infrastructure Bank Fund
40 pursuant to the federal infrastructure bank program provided for in
41 section 350 of Pub.L.104-59 and Pub.L.102-240 as amended or
42 superseded, and

43 (b) State funds in excess of any minimum State match required
44 under the federal infrastructure bank program, appropriated to the
45 State-funded subaccount of the State Transportation Infrastructure
46 Bank Fund;

47 (2) monetary donations made available to the State to support
48 the State Transportation Infrastructure Bank Fund;

- 1 (3) moneys received as repayment of the principal of and the
2 interest or premium on loans made from the State Transportation
3 Infrastructure Bank Fund;
- 4 (4) any interest earnings received on the moneys in the State
5 Transportation Infrastructure Bank Fund; and
- 6 (5) such other moneys as the Legislature may appropriate to the
7 trust for deposit into the State Transportation Infrastructure Bank
8 Fund at any time to finance or refinance transportation loans issued
9 from the State Transportation Infrastructure Bank Fund.
- 10 b. Notwithstanding any provision of P.L.1985, c.334
11 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.) or
12 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
13 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
14 C.58:11B-22.4) to the contrary, all moneys placed into the State
15 Transportation Infrastructure Bank Fund shall be held separate from
16 other funds of the trust, and no transportation funds shall be
17 combined or comingled with any funds that finance (1) wastewater
18 treatment system projects, (2) water supply projects, or (3) other
19 environmental infrastructure projects, that are not transportation
20 projects.
- 21 c. All moneys placed into the State-funded subaccount of the
22 State Transportation Infrastructure Bank Fund shall be held separate
23 from any federal funds provided for the federally-funded
24 subaccount of the State Transportation Infrastructure Bank Fund.
- 25 d. Notwithstanding any provision of P.L.1985, c.334
26 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.) or
27 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
28 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
29 C.58:11B-22.4) to the contrary, the trust may provide loans or other
30 assistance to one or more local government units or consortia
31 thereof for the purpose of financing all or a portion of the costs
32 incurred for the planning, acquisition, engineering, construction,
33 reconstruction, repair, and rehabilitation of a transportation project,
34 provided that monies from the federally-funded subaccount are
35 limited to the purposes permitted under the federal infrastructure
36 bank program.
- 37 e. In addition to the financing described in subsection d. of this
38 section, a portion, not to exceed 10 percent, of the assistance
39 provided from the State-funded sub-account of the State
40 Transportation Infrastructure Bank Fund may be issued in the form
41 of grants.
- 42 f. Loans or other assistance granted pursuant to this section
43 shall be considered an investment or reinvestment by the State
44 Transportation Infrastructure Bank Fund, provided that monies from
45 the federally-funded subaccount are limited to the purposes
46 permitted under the federal infrastructure bank program, and not a
47 loan within the meaning of section 12 of P.L.1995, c.108 (C.27:1B-
48 21.5).

1 g. The refinancing of debt relating to an existing transportation
2 project shall not be an eligible form of assistance from the State
3 Transportation Infrastructure Bank Fund, and a loan shall not be
4 granted unless the applicant can demonstrate to the satisfaction of
5 the trust that the assistance being sought is not for the refinancing
6 of debt relating to an existing transportation project.

7 h. Any project, the use or purpose of which is private and for
8 which no public benefit is created, shall not be eligible for financial
9 assistance from the trust.

10 i. The trust shall consider the following factors when setting an
11 interest rate on a loan provided pursuant to this section: (1) the
12 current market rates for comparable obligations; (2) the nature of
13 the project; (3) the financing structure of the project; (4) the
14 creditworthiness of the borrower; and (5) the term of the proposed
15 obligation.

16 j. The long term loan repayment schedule for each project
17 shall require: (1) the repayment of the loan commencing six months
18 after construction completion, the date the facility has opened to
19 traffic, or three years after execution of the long term financing
20 obligation, whichever is first, however, in the case of a highway
21 project, it shall be whichever is later; and (2) a final maturity date
22 of not more than **[35]** 31 years following the completion of the
23 project.

24 k. The trust may establish or direct the establishment of federal
25 and State accounts or subaccounts as may be necessary to meet any
26 applicable federal law requirements or desirable for the efficient
27 administration of the trust.

28 (cf: P.L.2017, c.144, s.7)

29

30 5. Section 24 of P.L.1997, c.224 (C.58:11B-20.1) is amended
31 to read as follows:

32 24. a. (1) The Commissioner of Environmental Protection
33 shall for each fiscal year develop a priority system for water supply
34 projects and shall establish the ranking criteria and funding policies
35 for the water supply projects to be financed by the New Jersey
36 Environmental Infrastructure Financing Program. The
37 commissioner shall set forth an Interim Drinking Water Financing
38 Program Project Priority List, hereinafter referred to as the
39 “drinking water project priority list,” for funding by the trust for
40 each fiscal year and shall include the aggregate amount of funds of
41 the trust to be authorized for these purposes. The commissioner
42 may include a water supply project on the drinking water project
43 priority list if it is eligible for funding under the “Water Supply
44 Bond Act of 1981,” P.L.1981, c.261, as amended, meets the
45 eligibility requirements for funding pursuant to the federal “Safe
46 Drinking Water Act Amendments of 1996,” Pub.L.104-182, or ₂ in
47 the case of a water supply project for the reduction of lead in a
48 publicly-owned facility, the project meets the eligibility

1 requirements established by the Department of Environmental
2 Protection for those projects. The drinking water project priority list
3 shall include a description of each project and an explanation of the
4 manner in which priorities were established. The priority system
5 and drinking water project priority list for the ensuing fiscal year
6 shall be submitted to the Secretary of the Senate and the Clerk of
7 the General Assembly on or before January 15 of each year. The
8 Secretary and the Clerk shall cause the date of submission to be
9 entered upon the Senate Journal and the Minutes of the General
10 Assembly, respectively. Incremental revisions or supplements to the
11 drinking water project priority list may be submitted to the
12 Legislature as provided in subsection d. of section 9 of P.L.1985,
13 c.334 (C.58:11B-9).

14 (2) The commissioner shall set forth a drinking water project
15 eligibility list for long-term funding by the trust and shall include
16 the aggregate amount of funds to be authorized for these purposes.
17 The drinking water project eligibility list shall consist of drinking
18 water project priority list projects certified by the department that
19 have commenced construction and demonstrated a high likelihood
20 of construction completion on or before the end of the ensuing
21 fiscal year. On or before May 15 of each year, the trust shall submit
22 the drinking water project eligibility list for the ensuing fiscal year,
23 including any revision thereof or supplement thereto, to be
24 introduced in each House in the form of legislative appropriations
25 bills, which shall be referred to the Senate Environment and Energy
26 Committee and the Assembly Environment and Solid Waste
27 Committee, or their successors, for their respective consideration.
28 On or before October 15 of each year the trust may submit an
29 additional drinking water project eligibility list, to be introduced in
30 each House in the form of legislative appropriations bills, which
31 shall be referred to the Senate Environment and Energy Committee
32 and the Assembly Environment and Solid Waste Committee, or
33 their successors, for their respective consideration.

34 b. The Senate Environment and Energy Committee and the
35 Assembly Environment and Solid Waste Committee shall, either
36 individually or jointly, consider the legislation containing the
37 drinking water project eligibility list, and shall report the
38 legislation, together with any modifications, out of committee for
39 consideration by each House of the Legislature. On or before July 1
40 of each year, the Legislature shall approve an appropriations act
41 containing the drinking water project eligibility list, including any
42 amendatory or supplementary provisions thereto, which act shall
43 include the authorization of an aggregate amount of funds of the
44 trust to be expended for long-term loans and guarantees for the
45 specific water supply projects, including the individual amounts
46 therefor, on the list.

47 c. The trust shall not expend any money for a long-term loan or
48 guarantee during a fiscal year for any water supply project unless

1 the expenditure is authorized pursuant to an appropriations act as
2 provided in the provisions of this section, or as otherwise set forth
3 in an appropriations act.

4 d. The trust shall submit to the Secretary of the Senate and the
5 Clerk of the General Assembly on or before January 15 of each year
6 a report which shall identify the water supply projects financed
7 during the prior fiscal year, including a project description, the
8 amount of the loan provided for each project, and the duration of
9 each loan.

10 (cf: P.L.2017, c.144, s.9)

11
12 6. This act shall take effect immediately.

13 14 15 STATEMENT

16
17 This bill would make certain changes to the New Jersey
18 Infrastructure Bank's (NJIB) enabling legislation.

19 Specifically, the bill would provide that each bond, note, or other
20 obligation issued by the NJIB for a combined sewer overflow
21 project would mature not later than 45 years from the effective date
22 thereof, as opposed to the typical 30 years for other environmental
23 infrastructure projects. This change would allow municipalities to
24 obtain less expensive financing for these very large and expensive
25 projects. The change also reflects the fact that combined sewer
26 overflow projects typically have a longer useful life than other
27 environmental infrastructure projects.

28 The bill also would provide that a line of credit loan for an
29 environmental infrastructure project or transportation infrastructure
30 project would mature no later than: (1) the last day of the fifth
31 succeeding fiscal year following the closing date of the line of
32 credit loan; or (2) the last day of the third succeeding fiscal year
33 following the date of construction certification following the
34 closing date of the line of credit loan, whichever is sooner. The
35 existing three-year short-term loan often is not long enough for
36 projects that seek to finance both planning and design activities and
37 construction. Construction, by itself, often takes three years. This
38 change would increase the term of the short-term loans for up-to an
39 additional two years for projects that seek to finance both
40 construction and planning and design activities.

41 The bill provides that the Commissioner of Environmental
42 Protection may include on the drinking water project priority list
43 required pursuant to section 4 of P.L.1985, c.334 any project that is
44 eligible for funding under the "Water Supply Bond Act of 1981,"
45 P.L.1981, c.261. Currently, certain projects, such as lead line
46 replacement in private residences and reservoir repair, cannot be
47 included on the project priority list because they may not meet
48 federal eligibility requirements. The change proposed in this bill

1 would allow the commissioner to include such projects on the
2 project priority list and finance them, in part, with 1981 bond act
3 proceeds.

4 Finally, the bill would clarify in existing law that the long-term
5 loan repayment schedule for each transportation infrastructure
6 project requires a final maturity date of not more than 31 years
7 following completion of the project.