

SENATE, No. 923

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 27, 2020

Sponsored by:

Senator JOSEPH PENNACCHIO

District 26 (Essex, Morris and Passaic)

SYNOPSIS

“Flood Control, Mitigation, and Prevention Bond Act”; authorizes bonds for up to \$2 billion and appropriates \$5,000.

CURRENT VERSION OF TEXT

As introduced.



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2

1 AN ACT authorizing the creation of a debt of the State of New
2 Jersey by the issuance of bonds of the State in the aggregate
3 principal amount of up to \$2,000,000,000 for the purpose of
4 providing moneys for the construction of flood control,
5 mitigation, and prevention projects in the State; providing the
6 ways and means to pay and discharge the principal of and
7 interest on the bonds; providing for the submission of this act to
8 the people at a general election; and making an appropriation
9 therefor.

10

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

13

14 1. This act shall be known and may be cited as the “Flood
15 Control, Mitigation, and Prevention Bond Act.”

16

17 2. The Legislature finds and declares that the years 2009, 2010,
18 and 2011 were historic and catastrophic for the State because, in
19 difficult economic times, frequent weather events have devastating
20 impacts on homes and businesses that are already burdened with
21 fiscal hardship; that the flooding caused by weather events in these
22 years was especially destructive and debilitating; that no part of the
23 State has been spared; that in August 2011, Governor Christie
24 requested a disaster declaration to cover farming losses in Atlantic,
25 Burlington, Camden, Cape May, Cumberland, Gloucester,
26 Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Salem,
27 Somerset, Sussex, Union and Warren counties sustained from
28 severe weather that began in May 2011; that rainfall during the
29 August 2011 storms exceeded 11 inches in some parts of southern
30 and northern New Jersey, and reached almost 20 inches in some
31 parts of the center of the State; that the basins of the Passaic River
32 and the Raritan River and their tributaries are chronically plagued
33 with severe flooding; that the severe flooding in the Passaic River
34 Basin in 2010, with a 12-foot rise in the river, nearly matched the
35 level of the 1903 flood, its worst flood on record, only to be
36 followed by more severe and destructive flooding in 2011; that
37 preliminary estimates from the very recent 2011 flooding caused
38 property damage to roads, public buildings, businesses and private
39 property in just two counties – Bergen and Passaic Counties – at
40 more than \$261 million; and that the property damage estimates
41 Statewide do not include the expense and loss of income to
42 individuals and businesses from the shutting down of major
43 roadways, the loss of power in homes and businesses, and the
44 multitude of personal and financial emergencies arising from this
45 flooding and its effects.

46 The Legislature further finds and declares that there are known
47 solutions to the flooding but they require a strong will and fiscal

1 commitment to bring them into reality; that many towns have
2 sought disaster relief and a number have received some assistance,
3 but this assistance is only a small part of the funds required; that the
4 Passaic River Basin Flood Advisory Commission, established by
5 Executive Order 23 on April 23, 2010, issued its report in January
6 2011, and in its report, the commission recommended consideration
7 of several flood control, mitigation, and prevention construction
8 projects in the Passaic River Basin, including structural elevation of
9 homes in the floodplains, improvement of flood gate systems,
10 removal of dams, and repair of river walls and shoals; that the
11 commission also recommended, through reevaluation of requests to
12 the United States Army Corps of Engineers, larger potential
13 engineering projects for long term flood drainage, including levees,
14 floodwalls, and construction of a flood tunnel in the Passaic River
15 Basin; that a number of such solutions may be options for other
16 parts of the State as well; and that pursuing much needed
17 construction and infrastructure projects Statewide would have the
18 further benefit of bolstering employment, job growth, and a healthy
19 economy in the State, at a time when all three are especially needed.

20 The Legislature therefore determines that it is in the public
21 interest to provide funding for projects for the structural control,
22 mitigation, or prevention of flooding throughout the State.

23

24 3. As used in this act:

25 "Bonds" mean the bonds authorized to be issued, or issued,
26 under this act.

27 "Commission" means the New Jersey Commission on Capital
28 Budgeting and Planning.

29 "Commissioner" means the Commissioner of Environmental
30 Protection.

31 "Construction" means, in addition to the usual meaning thereof,
32 acts of construction, reconstruction, improvement, rehabilitation,
33 relocation, demolition, renewal, repair, replacement, extension,
34 restoration, betterment, improvement, protection, or consolidation,
35 or any combination thereof, of a project.

36 "Cost" means the expenses incurred in connection with: flood
37 control, mitigation, or prevention projects; the execution of any
38 agreements and franchises deemed by the department to be
39 necessary or useful and convenient in connection with any such
40 projects authorized by this act; the procurement or provision of
41 engineering, inspection, planning, legal, financial, or other
42 professional services, estimates, studies, reports, or advice,
43 including the services of a bond registrar or an authenticating agent;
44 feasibility studies; the issuance of bonds, or any interest or discount
45 thereon; the administrative, organizational, operating, or other
46 expenses incident to the financing and completing of any project
47 authorized by this act; the establishment of a reserve fund or funds

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1 for working capital, operating, maintenance, or replacement
2 expenses and for the payment or security of principal or interest on
3 bonds, as the Director of the Division of Budget and Accounting in
4 the Department of the Treasury may determine; and reimbursement
5 to any fund of the State of moneys which may have been transferred
6 or advanced therefrom to any fund created by this act, or of any
7 moneys which may have been expended therefrom for, or in
8 connection with, any project authorized by this act.

9 “Department” means the Department of Environmental
10 Protection or any agency or department successor to its power and
11 responsibilities.

12 “Flood control, mitigation, or prevention project” means
13 structural flood control, mitigation, or prevention through the
14 construction of any structure, or the alteration of existing natural
15 components of the area, for the purposes of flood control,
16 mitigation, or prevention, and any other necessary appurtenances,
17 including the development and completion of cost and benefit
18 analyses of alternative projects, flood management plans, and
19 impact studies. “Flood control, mitigation, or prevention project”
20 shall include construction or alteration of natural detention areas or
21 detention areas returned to their natural state, demolition and
22 disposal work, warning systems, storage reservoirs, natural or
23 restored detention areas, dikes, diversions, dams, spillways, levees,
24 revetments, drains, ditches or channel improvements such as
25 widening, deepening, straightening, clearing, sloping, building,
26 filling in, and all other construction of infrastructure, structures,
27 alterations thereof, and alterations of existing natural components,
28 such as creeks, streams, rivers, the banks or beds thereof, or
29 adjacent lands thereto. “Flood control, mitigation, or prevention
30 project” shall not include buy-outs of residential or other properties,
31 or farmland, historic, or open space preservation.

32 “Government securities” means any bonds or other obligations
33 which as to principal and interest constitute direct obligations of, or
34 are unconditionally guaranteed by, the United States of America,
35 including obligations of any federal agency, to the extent those
36 obligations are unconditionally guaranteed by the United States of
37 America, and any certificates or any other evidences of an
38 ownership interest in those obligations of, or unconditionally
39 guaranteed by, the United States of America or in specified portions
40 which may consist of the principal of, or the interest on, those
41 obligations.

42 “Local flood control, mitigation, or prevention project” means
43 any flood control, mitigation, or prevention project of a local
44 government unit.

45 “Local government unit” means a county or a municipality, or
46 any agency, authority, board, commission, or other instrumentality
47 thereof, any two or more counties or municipalities operating

1 jointly through a joint meeting or interlocal services agreement
2 permitted by law, or any agency, authority, board, commission, or
3 other instrumentality thereof, and any other local or regional entity
4 created by the Legislature as a political subdivision of the State, or
5 any agency, authority, board, commission, or other instrumentality
6 thereof.

7 "State flood control, mitigation, or prevention project" means
8 any flood control, mitigation, or prevention project of a State
9 agency, authority, board, commission, or other instrumentality of
10 the State.

11

12 4. The commissioner shall adopt, pursuant to the
13 "Administrative Procedure Act," P.L.1968 c.410
14 (C.52:14B-1 et seq.), rules and regulations necessary to implement
15 the provisions of this act, including rules and regulations governing
16 the awarding of grants and low-interest loans, including, but not
17 limited to, eligibility requirements, procedures for submitting
18 applications, standards for the evaluation of applications and
19 prioritizing projects, requirements for reporting by the recipients of
20 the expenditure of funds, and any limitations, restrictions or
21 requirements concerning the use of a grant or low-interest loan as
22 the commissioner may prescribe. The rules and regulations shall
23 allow for use of federal matching funds, grants, and other federal
24 funding. The commissioner shall review and consider the findings
25 and recommendations of the commission in the administration of
26 the provisions of this act.

27

28 5. a. Bonds of the State of New Jersey are authorized to be
29 issued in the aggregate principal amount of up to \$2,000,000,000,
30 as provided for pursuant to section 7 of this act, for the purpose of
31 financing, in whole or in part, the cost of local flood control,
32 mitigation, or prevention projects and State flood control,
33 mitigation, or prevention projects.

34 The amount authorized pursuant to this section is allocated for:
35 (1) State projects; (2) grants to local government units; and (3) low-
36 interest loans to local government units.

37 b. Any loan authorized under this section shall include up to
38 100% of the project cost, and shall be provided under the terms and
39 conditions set forth in a written agreement between the Department
40 of Environmental Protection and the entity receiving the loan.

41 c. Any loan made to a local government unit from the "Flood
42 Control, Mitigation, and Prevention Revolving Loan Fund"
43 established pursuant to section 16 of this act shall bear interest of
44 not more than 2% per year, and shall be for a term of not more than
45 20 years.

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1 d. No more than 5% of the aggregate principal amount or any
2 individual grant or low-interest loan may be expended on
3 organizational or administrative expenses, including salaries.

4 e. The department shall notify every local government unit in
5 the State of the availability of, and the criteria for qualifying and
6 obtaining, grants, low-interest loans, and federal matching funds.
7 The commissioner shall prepare a priority list of eligible projects
8 based upon criteria established by the commissioner, or as
9 otherwise provided for by law. Funds shall be appropriated by the
10 Legislature only in accordance with those priority lists.

11 f. Procedures for departmental review and approval of, and
12 eligibility criteria for, flood control, mitigation, or prevention
13 projects shall be established by the commissioner, or as otherwise
14 provided for by law. The commissioner shall make every effort to
15 pursue availability of federal matching funds, grants, and other
16 federal funding for any eligible flood control, mitigation, or
17 prevention project, and shall inform local government units of any
18 such funds or grants that may be available. The commissioner shall
19 not establish any application, grant, or low-interest loan
20 requirements or restrictions that would interfere with any flood
21 control, mitigation, or prevention project receiving available federal
22 matching funds or grants. No provision of this act may be
23 construed to restrict access to, or applicability of, federal matching
24 funds or grants for any eligible flood control, mitigation, or
25 prevention project pursuant to this act.

26

27 6. The bonds authorized under this act shall be serial bonds,
28 term bonds, or a combination thereof, and shall be known as “Flood
29 Control, Mitigation, and Prevention Bonds.” They shall be issued
30 from time to time as the issuing officials herein named shall
31 determine in accordance with the direction of the Governor
32 pursuant to section 7 of this act, but no later than December 31,
33 2017, and may be issued in coupon form, fully-registered form or
34 book-entry form. The bonds may be subject to redemption prior to
35 maturity and shall mature and be paid not later than 35 years from
36 the respective dates of their issuance.

37

38 7. a. The Governor, the State Treasurer and the Director of the
39 Division of Budget and Accounting in the Department of the
40 Treasury, or any two of these officials, herein referred to as “the
41 issuing officials,” are authorized to carry out the provisions of this
42 act relating to the issuance of bonds, and shall determine all matters
43 in connection therewith, subject to the provisions of this act. If an
44 issuing official is absent from the State or incapable of acting for
45 any reason, the powers and duties of that issuing official shall be
46 exercised and performed by the person authorized by law to act in
47 an official capacity in the place of that issuing official.

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1 b. The Governor is authorized to determine the amount of
2 bonds to be issued provided that the total amount of bonds to be
3 issued does not exceed \$2,000,000,000, and no bonds are issued
4 after December 31, 2017.

5
6 8. Bonds issued in accordance with the provisions of this act
7 shall be a direct obligation of the State of New Jersey, and the faith
8 and credit of the State are pledged for the payment of the interest
9 and redemption premium thereon, if any, when due, and for the
10 payment of the principal thereof at maturity or earlier redemption
11 date. The principal of and interest on the bonds shall be exempt
12 from taxation by the State or by any county, municipality or other
13 taxing district of the State.

14
15 9. The bonds shall be signed in the name of the State by means
16 of the manual or facsimile signature of the Governor under the
17 Great Seal of the State, which seal may be by facsimile or by way
18 of any other form of reproduction on the bonds, and attested by the
19 manual or facsimile signature of the Secretary of State, or an
20 Assistant Secretary of State, and shall be countersigned by the
21 facsimile signature of the Director of the Division of Budget and
22 Accounting in the Department of the Treasury and may be manually
23 authenticated by an authenticating agent or bond registrar, as the
24 issuing official shall determine. Interest coupons, if any, attached
25 to the bonds shall be signed by the facsimile signature of the
26 Director of the Division of Budget and Accounting in the
27 Department of the Treasury. The bonds may be issued
28 notwithstanding that an official signing them or whose manual or
29 facsimile signature appears on the bonds or coupons has ceased to
30 hold office at the time of issuance, or at the time of the delivery of
31 the bonds to the purchaser thereof.

32
33 10. a. The bonds shall recite that they are issued for the
34 purposes set forth in section 5 of this act, that they are issued
35 pursuant to this act, that this act was submitted to the people of the
36 State at the general election next occurring at least 70 days after
37 enactment as specified in section 25 of this act, and that this act was
38 approved by a majority of the legally qualified voters of the State
39 voting thereon at the election. This recital shall be conclusive
40 evidence of the authority of the State to issue the bonds and their
41 validity. Any bonds containing this recital shall, in any suit, action
42 or proceeding involving their validity, be conclusively deemed to be
43 fully authorized by this act and to have been issued, sold, executed
44 and delivered in conformity herewith and with all other provisions
45 of laws applicable hereto, and shall be incontestable for any cause.

46 b. The bonds shall be issued in those denominations and in the
47 form or forms, whether coupon, fully-registered or book-entry, and

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1 with or without provisions for interchangeability thereof, as may be
2 determined by the issuing officials.

3

4 11. When the bonds are issued from time to time, the bonds of
5 each issue shall constitute a separate series to be designated by the
6 issuing officials. Each series of bonds shall bear such rate or rates
7 of interest as may be determined by the issuing officials, which
8 interest shall be payable semiannually; except that the first and last
9 interest periods may be longer or shorter, in order that intervening
10 semiannual payments may be at convenient dates.

11

12 12. The bonds shall be issued and sold at the price or prices and
13 under the terms, conditions and regulations as the issuing officials
14 may prescribe, after notice of the sale, published at least once in at
15 least three newspapers published in the State, and at least once in a
16 publication carrying municipal bond notices and devoted primarily
17 to financial news, published in this State or in the city of New York,
18 the first notice to appear at least five days prior to the day of
19 bidding. The notice of sale may contain a provision to the effect
20 that any bid in pursuance thereof may be rejected. In the event of
21 rejection or failure to receive any acceptable bid, the issuing
22 officials, at any time within 60 days from the date of the advertised
23 sale, may sell the bonds at a private sale at such price or prices
24 under the terms and conditions as the issuing officials may
25 prescribe. The issuing officials may sell all or part of the bonds of
26 any series as issued to any State fund or to the federal government
27 or any agency thereof, at a private sale, without advertisement.

28

29 13. Until permanent bonds are prepared, the issuing officials
30 may issue temporary bonds in the form and with those privileges as
31 to their registration and exchange for permanent bonds as may be
32 determined by the issuing officials.

33

34 14. The proceeds from the sale of bonds used to provide grants
35 to local government units, and for use by the State, to finance flood
36 control, mitigation, or prevention projects as set forth in section 5
37 of this act, shall be paid to the State Treasurer, shall be held by the
38 State Treasurer in a separate fund, and shall be deposited in such
39 depositories as may be selected by the State Treasurer to the credit
40 of the fund, which fund shall be known as the "Passaic River Basin
41 Flood Control, Mitigation, and Prevention Fund."

42

43 15. a. The moneys in the "Flood Control, Mitigation, and
44 Prevention Fund" are specifically dedicated and shall be applied to
45 the cost of grants for local flood control, mitigation, or prevention
46 projects or State flood control, mitigation, or prevention projects as
47 set forth in section 5 of this act. However, no moneys in the fund

1 shall be expended for those purposes, except as otherwise
2 authorized by this act, without the specific appropriation thereof by
3 the Legislature, but bonds may be issued as herein provided,
4 notwithstanding that the Legislature shall not have then adopted an
5 act making a specific appropriation of any of the moneys. Any act
6 appropriating moneys from the “Flood Control, Mitigation, and
7 Prevention Fund” shall identify the project to be funded by the
8 moneys.

9 b. At any time prior to the issuance and sale of bonds under
10 this act, the State Treasurer is authorized to transfer from any
11 available moneys in any fund of the treasury of the State to the
12 credit of the “Flood Control, Mitigation, and Prevention Fund”
13 those sums as the State Treasurer may deem necessary. The sums
14 so transferred shall be returned to the same fund of the treasury of
15 the State by the State Treasurer from the proceeds of the sale of the
16 first issue of bonds.

17 c. Pending their application to the purposes provided in this
18 act, the moneys in the “Flood Control, Mitigation, and Prevention
19 Fund” may be invested and reinvested as are other trust funds in the
20 custody of the State Treasurer, in the manner provided by law. Net
21 earnings received from the investment, reinvestment, or deposit of
22 moneys in the “Flood Control, Mitigation, and Prevention Fund”
23 shall be deposited into the “Flood Control, Mitigation, and
24 Prevention Fund” and become part of that fund.

25
26 16. The proceeds from the sale of bonds used to provide low-
27 interest loans to local government units to finance in whole or in
28 part, the cost of flood control, mitigation, or prevention projects as
29 set forth in section 5 of this act, shall be paid to the State Treasurer,
30 shall be held by the State Treasurer in a separate fund, and shall be
31 deposited in such depositories as may be selected by the State
32 Treasurer to the credit of the fund, which fund shall be known as
33 the “Flood Control, Mitigation, and Prevention Revolving Loan
34 Fund.”

35
36 17. a. The moneys in the “Flood Control, Mitigation, and
37 Prevention Revolving Loan Fund” are specifically dedicated and
38 shall be applied to the cost of making low-interest loans to local
39 government units to finance in whole or in part, the cost of flood
40 control, mitigation, or prevention projects as set forth in section 5 of
41 this act. However, no moneys in the fund shall be expended for
42 those purposes, except as otherwise authorized by this act, without
43 the specific appropriation thereof by the Legislature, but bonds may
44 be issued as herein provided, notwithstanding that the Legislature
45 shall not have then adopted an act making a specific appropriation
46 of any of the moneys. Any act appropriating moneys from the

1 “Flood Control, Mitigation, and Prevention Revolving Loan Fund”
2 shall identify the project to be funded by the moneys.

3 b. Loans issued from the “Flood Control, Mitigation, and
4 Prevention Revolving Loan Fund” shall be for a term as determined
5 by the commissioner not to exceed 20 years and at an interest rate
6 determined by the commissioner not to exceed 2 per cent per year.
7 The terms of any loan agreement shall be approved by the State
8 Treasurer. Any loan made from the “Flood Control, Mitigation, and
9 Prevention Revolving Loan Fund” shall be awarded based upon the
10 criteria and procedures established pursuant to section 5 of this act,
11 except that no specific proportion of matching funds shall be
12 required of loan applicants.

13 c. At any time prior to the issuance and sale of bonds under
14 this act, the State Treasurer is authorized to transfer from any
15 available moneys in any fund of the treasury of the State to the
16 credit of the “Flood Control, Mitigation, and Prevention Revolving
17 Loan Fund” those sums as the State Treasurer may deem necessary.
18 The sums so transferred shall be returned to the same fund of the
19 treasury of the State by the State Treasurer from the proceeds of the
20 sale of the first issue of bonds.

21 d. Pending their application to the purposes provided in this
22 act, the moneys in the “Flood Control, Mitigation, and Prevention
23 Revolving Loan Fund” may be invested and reinvested as are other
24 trust funds in the custody of the State Treasurer, in the manner
25 provided by law. All repayments of loans made pursuant to this act,
26 and interest thereon, shall be deposited in the “Flood Control,
27 Mitigation, and Prevention Revolving Loan Fund.” Net earnings
28 received from the investment, reinvestment, or deposit of moneys in
29 the “Flood Control, Mitigation, and Prevention Revolving Loan
30 Fund” shall be deposited into the “Flood Control, Mitigation, and
31 Prevention Revolving Loan Fund” and become part of that fund.

32
33 18. If any coupon bond, coupon or registered bond is lost,
34 mutilated or destroyed, a new bond or coupon shall be executed and
35 delivered of like tenor, in substitution for the lost, mutilated or
36 destroyed bond or coupon, upon the owner furnishing to the issuing
37 officials evidence satisfactory to them of the loss, mutilation or
38 destruction of the bond or coupon, the ownership thereof, and
39 security, indemnity and reimbursement for expenses connected
40 therewith, as the issuing officials may require.

41
42 19. The accrued interest, if any, received upon the sale of the
43 bonds shall be applied to the discharge of a like amount of interest
44 upon the bonds when due. Any expense incurred by the issuing
45 officials for advertising, engraving, printing, clerical,
46 authenticating, registering, legal or other services necessary to carry
47 out the duties imposed upon them by the provisions of this act shall

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1 be paid from the proceeds of the sale of the bonds by the State
2 Treasurer, upon the warrant of the Director of the Division of
3 Budget and Accounting in the Department of the Treasury, in the
4 same manner as other obligations of the State are paid.

5
6 20. Bonds of each series issued hereunder shall mature,
7 including any sinking fund redemptions, not later than the 35th year
8 from the date of issue of that series, and in amounts as shall be
9 determined by the issuing officials. The issuing officials may
10 reserve to the State by appropriate provision in the bonds of any
11 series the power to redeem any of the bonds prior to maturity at the
12 price or prices and upon the terms and conditions as may be
13 provided in the bonds.

14
15 21. Any bond or bonds issued hereunder which are subject to
16 refinancing pursuant to the "Refunding Bond Act of 1985,"
17 P.L.1985, c.74 as amended by P.L.1992, c.182 (C.49:2B-1 et seq.),
18 shall no longer be deemed to be outstanding, shall no longer
19 constitute a direct obligation of the State of New Jersey, and the
20 faith and credit of the State shall no longer be pledged to the
21 payment of the principal of, redemption premium, if any, and
22 interest on the bonds, and the bonds shall be secured solely by and
23 payable solely from moneys and government securities deposited in
24 trust with one or more trustees or escrow agents, which trustees and
25 escrow agents shall be trust companies or national or state banks
26 having powers of a trust company, located either within or without
27 the State, as provided herein, whenever there shall be deposited in
28 trust with the trustees or escrow agents, as provided herein, either
29 moneys or government securities, including government securities
30 issued or held in book-entry form on the books of the Department of
31 Treasury of the United States, the principal of and interest on which
32 when due will provide money which, together with the moneys, if
33 any, deposited with the trustees or escrow agents at the same time,
34 shall be sufficient to pay when due the principal of, redemption
35 premium, if any, and interest due and to become due on the bonds
36 on or prior to the redemption date or maturity date thereof, as the
37 case may be; provided the government securities shall not be
38 subject to redemption prior to their maturity other than at the option
39 of the holder thereof. The State of New Jersey hereby covenants
40 with the holders of any bonds for which government securities or
41 moneys shall have been deposited in trust with the trustees or
42 escrow agents as provided in this section that, except as otherwise
43 provided in this section, neither the government securities nor
44 moneys so deposited with the trustees or escrow agents shall be
45 withdrawn or used by the State for any purpose other than, and shall
46 be held in trust for, the payment of the principal of, redemption
47 premium, if any, and interest to become due on the bonds; provided

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12

1 that any cash received from the principal or interest payments on
2 the government securities deposited with the trustees or escrow
3 agents, to the extent the cash will not be required at any time for
4 that purpose, shall be paid over to the State, as received by the
5 trustees or escrow agents, free and clear of any trust, lien, pledge or
6 assignment securing the bonds; and to the extent the cash will be
7 required for that purpose at a later date, shall, to the extent
8 practicable and legally permissible, be reinvested in government
9 securities maturing at times and in amounts sufficient to pay when
10 due the principal of, redemption premium, if any, and interest to
11 become due on the bonds on and prior to the redemption date or
12 maturity date thereof, as the case may be, and interest earned from
13 the reinvestments shall be paid over to the State, as received by the
14 trustees or escrow agents, free and clear of any trust, lien or pledge
15 securing the bonds. Notwithstanding anything to the contrary
16 contained herein: a. the trustees or escrow agents shall, if so
17 directed by the issuing officials, apply moneys on deposit with the
18 trustees or escrow agents pursuant to the provisions of this section,
19 and redeem or sell government securities so deposited with the
20 trustees or escrow agents, and apply the proceeds thereof to (1) the
21 purchase of the bonds which were refinanced by the deposit with
22 the trustees or escrow agents of the moneys and government
23 securities and immediately thereafter cancel all bonds so purchased,
24 or (2) the purchase of different government securities; provided
25 however, that the moneys and government securities on deposit
26 with the trustees or escrow agents after the purchase and
27 cancellation of the bonds or the purchase of different government
28 securities shall be sufficient to pay when due the principal of,
29 redemption premium, if any, and interest on all other bonds in
30 respect of which the moneys and government securities were
31 deposited with the trustees or escrow agents on or prior to the
32 redemption date or maturity date thereof, as the case may be; and b.
33 in the event that on any date, as a result of any purchases and
34 cancellations of bonds or any purchases of different government
35 securities, as provided in this sentence, the total amount of moneys
36 and government securities remaining on deposit with the trustees or
37 escrow agents is in excess of the total amount which would have
38 been required to be deposited with the trustees or escrow agents on
39 that date in respect of the remaining bonds for which the deposit
40 was made in order to pay when due the principal of, redemption
41 premium, if any, and interest on the remaining bonds, the trustees or
42 escrow agents shall, if so directed by the issuing officials, pay the
43 amount of the excess to the State, free and clear of any trust, lien,
44 pledge or assignment securing the refunding bonds.

45

46 22. Refunding bonds issued pursuant to P.L.1985, c.74 as
47 amended by P.L.1992, c.182 (C.49:2B-1 et seq.) may be

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1 consolidated with bonds issued pursuant to section 5 of this act or
2 with bonds issued pursuant to any other act for purposes of sale.

3

4 23. To provide funds to meet the interest and principal payment
5 requirements for the bonds and refunding bonds issued under this
6 act and outstanding, there is appropriated in the order following:

7 a. Revenue derived from the collection of taxes under the
8 "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or so
9 much thereof as may be required; and

10 b. If, at any time, funds necessary to meet the interest,
11 redemption premium, if any, and principal payments on outstanding
12 bonds issued under this act are insufficient or not available, there
13 shall be assessed, levied and collected annually in each of the
14 municipalities of the counties of this State, a tax on the real and
15 personal property upon which municipal taxes are or shall be
16 assessed, levied and collected, sufficient to meet the interest on all
17 outstanding bonds issued hereunder and on the bonds proposed to
18 be issued under this act in the calendar year in which the tax is to be
19 raised and for the payment of bonds falling due in the year
20 following the year for which the tax is levied. The tax shall be
21 assessed, levied and collected in the same manner and at the same
22 time as are other taxes upon real and personal property. The
23 governing body of each municipality shall cause to be paid to the
24 county treasurer of the county in which the municipality is located,
25 on or before December 15 in each year, the amount of tax herein
26 directed to be assessed and levied, and the county treasurer shall
27 pay the amount of the tax to the State Treasurer on or before
28 December 20 in each year.

29 If on or before December 31 in any year, the issuing officials, by
30 resolution, determine that there are moneys in the General Fund
31 beyond the needs of the State, sufficient to pay the principal of
32 bonds falling due and all interest and redemption premium, if any,
33 payable in the ensuing calendar year, the issuing officials shall file
34 the resolution in the office of the State Treasurer, whereupon the
35 State Treasurer shall transfer the moneys to a separate fund to be
36 designated by the State Treasurer, and shall pay the principal,
37 redemption premium, if any, and interest out of that fund as the
38 same shall become due and payable, and the other sources of
39 payment of the principal, redemption premium, if any, and interest
40 provided for in this section shall not then be available, and the
41 receipts for the year from the tax specified in subsection a. of this
42 section shall be considered and treated as part of the General Fund,
43 available for general purposes.

44

45 24. Should the State Treasurer, by December 31 of any year,
46 deem it necessary, because of the insufficiency of funds collected
47 from the sources of revenues as provided in this act, to meet the

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1 interest and principal payments for the year after the ensuing year,
2 then the State Treasurer shall certify to the Director of the Division
3 of Budget and Accounting in the Department of the Treasury the
4 amount necessary to be raised by taxation for those purposes, the
5 same to be assessed, levied and collected for and in the ensuing
6 calendar year. The director shall, on or before March 1 following,
7 calculate the amount in dollars to be assessed, levied and collected
8 in each county as herein set forth. This calculation shall be based
9 upon the corrected assessed valuation of each county for the year
10 preceding the year in which the tax is to be assessed, but the tax
11 shall be assessed, levied and collected upon the assessed valuation
12 of the year in which the tax is assessed and levied. The director
13 shall certify the amount to the county board of taxation and the
14 treasurer of each county. The county board of taxation shall include
15 the proper amount in the current tax levy of the several taxing
16 districts of the county in proportion to the ratables as ascertained for
17 the current year.

18

19 25. For the purpose of complying with the provisions of the
20 State Constitution, this act shall be submitted to the people at the
21 general election next occurring at least 70 days after enactment. To
22 inform the people of the contents of this act, it shall be the duty of
23 the Secretary of State, after this section takes effect, and at least 60
24 days prior to the election, to cause this act to be published at least
25 once in one or more newspapers of each county, if any newspapers
26 be published therein and to notify the clerk of each county of this
27 State of the passage of this act; and the clerks respectively, in
28 accordance with the instructions of the Secretary of State, shall
29 have printed on each of the ballots the following:

30 If you approve of the act entitled below, make a cross (x), plus
31 (+), or check (✓) mark in the square opposite the word "Yes."

32 If you disapprove of the act entitled below, make a cross (x),
33 plus (+), or check (✓) mark in the square opposite the word "No."

34 If voting machines are used, a vote of "Yes" or "No" shall be
35 equivalent to these markings respectively.

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YES	<p style="text-align: center;">FLOOD CONTROL, MITIGATION, AND PREVENTION BOND ACT</p> <p>Do you approve the “Flood Control, Mitigation, and Prevention Bond Act”?</p> <p>This bond act authorizes the State to issue bonds up to a total amount of \$2 billion to pay for flood control, mitigation, and prevention projects Statewide. It also guarantees payment of the principal of the bonds and the interest on the debt with State revenues.</p>
NO	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>Approval of this act would authorize the sale of up to \$2 billion in State general obligation bonds to pay for flood control, mitigation, and prevention projects throughout the State.</p> <p>These projects could be State, county, or municipal projects. The county or municipal projects would receive funding as grants or low-interest loans. The grants and loans could be made to counties, municipalities, and local government agencies. Any loan would have an interest rate of no more than 2% and a term of no more than 20 years.</p> <p>Projects could include: 1) structural elevation of homes in the floodplains; 2) improvement of flood gate systems; 3) removal of dams; 4) repair of river walls and shoals; 5) other alterations of the river basin; and 6) larger engineering projects for long term flood drainage, such as construction of levees, floodwalls, and flood tunnels. The Governor would be able to decide the amount of the bonds to be issued up to a maximum of \$2 billion, but would not be able to issue any bonds after December 31, 2017.</p>

1
2 The fact and date of the approval or passage of this act, as the
3 case may be, may be inserted in the appropriate place after the title
4 in the ballot. No other requirements of law of any kind or character
5 as to notice or procedure, except as herein provided, need be
6 adhered to.
7 The votes so cast for and against the approval of this act, by
8 ballot or voting machine, shall be counted and the result thereof
9 returned by the election officer, and a canvass of the election had in
10 the same manner as is provided for by law in the case of the
11 election of a Governor, and the approval or disapproval of this act
12 so determined shall be declared in the same manner as the result of

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16

1 an election for a Governor, and if there is a majority of all the votes
2 cast for and against it at the election in favor of the approval of this
3 act, then all the provisions of this act not made effective theretofore
4 shall take effect forthwith.

5

6 26. There is appropriated the sum of \$5,000 to the Department
7 of State for expenses in connection with the publication of notice
8 pursuant to section 25 of this act.

9

10 27. The commissioner shall submit to the State Treasurer and
11 the commission with the department's annual budget request a plan
12 for the expenditure of funds from the "Flood Control, Mitigation,
13 and Prevention Fund" and the "Flood Control, Mitigation, and
14 Prevention Revolving Loan Fund" for the upcoming fiscal year.
15 This plan shall include the following information: a performance
16 evaluation of the expenditures made from the funds to date; a
17 description of programs planned during the upcoming fiscal year; a
18 copy of the regulations in force governing the operation of
19 programs that are financed, in part or in whole, by funds from the
20 "Flood Control, Mitigation, and Prevention Fund" and the "Flood
21 Control, Mitigation, and Prevention Revolving Loan Fund"; and an
22 estimate of expenditures for the upcoming fiscal year.

23

24 28. Immediately following the submission to the Legislature of
25 the Governor's annual budget message, the commissioner shall
26 submit to the Legislature pursuant to section 2 of P.L.1991, c.164
27 (C.52:14-19.1), and to the Joint Budget Oversight Committee, or its
28 successor, copies of the plan called for under section 27 of this act,
29 together with such changes therein as may have been required by
30 the Governor's budget message.

31

32 29. All appropriations from the "Flood Control, Mitigation, and
33 Prevention Fund" and the "Flood Control, Mitigation, and
34 Prevention Revolving Loan Fund" shall be by specific allocation for
35 each project, and any transfer of any funds so appropriated shall
36 require the approval of the Joint Budget Oversight Committee, or its
37 successor. Except as otherwise provided by this act, any
38 expenditure for a project for which the location is not identified by
39 municipality and county in the appropriation shall require the
40 approval of the Joint Budget Oversight Committee, or its successor.

41

42 30. Not less than 30 days prior to entering into any contract,
43 lease, obligation, or agreement to effectuate the purposes of this act,
44 the commissioner shall report to and consult with the Joint Budget
45 Oversight Committee, or its successor.

1 31. This section and sections 25 and 26 of this act shall take
2 effect immediately and the remainder of this act shall take effect as
3 and when provided in section 25 of this act.

4

5

6

STATEMENT

7

8 This bill, entitled the “Flood Control, Mitigation, and Prevention
9 Bond Act,” authorizes the issuance of up to \$2 billion in State
10 general obligation bonds to be used for State projects, grants, or
11 low-interest loans to pay for flood control, mitigation, and
12 prevention projects Statewide. The Governor would be able to
13 decide the amount of the bonds to be issued up to a maximum of \$2
14 billion, but would not be able to issue any bonds after December 31,
15 2017.

16 The \$2 billion could be used for: 1) State projects; 2) grants to
17 local government units; and 3) low-interest loans to local
18 government units. Any loan would have an interest rate of no more
19 than 2% per year and a term of no more than 20 years. No more
20 than 5% of the aggregate principal amount or of any individual
21 grant or loan may be expended on organizational or administrative
22 expenses, including salaries.

23 The Commissioner of Environmental Protection would be
24 required to establish procedures for the review and approval of, and
25 eligibility criteria for, local and State flood control, mitigation, and
26 prevention projects throughout the State. The commissioner also
27 would prepare a priority list of eligible projects, and funds would be
28 appropriated by the Legislature only in accordance with the
29 established list.

30 The bill provides that the bond act is to be submitted to the
31 people for approval at the general election to be held at least 70
32 days after enactment and appropriates \$5,000 to the Department of
33 State for expenses in connection with the publication of the public
34 question.