

ASSEMBLY, No. 1091

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman CORODEMUS

1 AN ACT concerning the financing of dredging, dredged material
2 disposal, stormwater management and combined sewer overflow
3 abatement projects, and amending P.L.1985, c.334.

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

7
8 1. Section 2 of P.L.1985, c.334 (C.58:11B-2) is amended to read
9 as follows:

10 2. a. The Legislature finds that the steady deterioration of older
11 sewage and sewer systems and wastewater treatment plants endangers
12 the availability and quality of uncontaminated water resources of the
13 State, thereby posing a grave danger to the health, safety and welfare
14 of the residents of the concerned communities and the State; that the
15 construction, rehabilitation, operation, and maintenance of modern and
16 efficient sewer systems and wastewater treatment plants are essential
17 to protecting and improving the State's water quality; that in addition
18 to protecting and improving water quality, adequate wastewater
19 treatment systems are essential to economic growth and development;
20 that many of the wastewater treatment systems in New Jersey must be
21 replaced or upgraded if an inexorable decline in water quality is to be
22 avoided during the coming decades; that the United States Congress
23 in recognition of the crucial role wastewater treatment systems and
24 plants play in maintaining and improving water quality, and with an
25 understanding that the cost of financing and constructing these systems
26 must be borne by local governments and authorities with limited
27 sources of revenues, established in the "Federal Water Pollution
28 Control Act Amendments of 1972," P.L.92-500 (33 U.S.C.1251 et
29 al.) a program to provide local governments with grants for
30 constructing these systems; that during the last several years the
31 amount of federal grant money available to states and local
32 governments for assistance in constructing and improving wastewater

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 treatment systems has sharply diminished; that the current level of
2 federal grant funding is inadequate to meet the cost of upgrading the
3 State's wastewater treatment capacity to comply with State water
4 quality standards; that the collective needs of the State and local
5 governments for capital financing of wastewater treatment systems far
6 exceed the sums of money presently available through revenue
7 initiatives and State and federal aid programs; and that it is fitting and
8 proper for the State to encourage local governments to undertake
9 wastewater treatment projects through the establishment of a State
10 mechanism to provide loans at the lowest reasonable interest rates and
11 to guarantee or insure local capital improvement bonds.

12 b. The Legislature finds that stormwater runoff and combined
13 sewer overflows are among the major sources of ocean pollution,
14 contributing to beach closings; that combined sewer systems discharge
15 untreated wastewater and stormwater into rivers, streams and coastal
16 waters during wet weather, resulting in water pollution; that some
17 combined sewer systems have deteriorated to the point that overflows
18 occur regularly, even during dry weather; that many sewer systems are
19 on inadequate repair and replacement programs, which may cause
20 disturbances at sewage treatment plants; that many municipalities are
21 under building moratoriums due to the inadequacy of their sewage and
22 stormwater collection systems, which moratoriums severely affect
23 municipal budgets; and that large unmet capital expenses exist for
24 combined sewer system separation and abatement projects.

25 The Legislature further finds that funding at the federal level for
26 wastewater treatment, stormwater management and combined sewer
27 system rehabilitation projects is insufficient; that State funds available
28 for these projects are inadequate to meet current needs; that local
29 revenues are insufficient to meet these expenses; and that additional
30 funding at the State level is necessary to meet this financial obligation.

31 c. The Legislature finds that the removal of sand, silt and mud, also
32 referred to as dredged material or "spoils," from navigation channels
33 and ship berths in the port area of New York City and northern New
34 Jersey must be performed on a regular basis to ensure the continued
35 economic viability of the shipping and trade industry, which employs
36 thousands of New Jerseyans; that while the economic importance of
37 dredging is significant, it must be recognized that dredged material is
38 often contaminated with harmful and dangerous substances, including
39 polychlorinated biphenyls, heavy metals, and petroleum hydrocarbons,
40 as well as the highly-toxic chlorinated hydrocarbon known as dioxin;
41 that the ocean disposal of this dredged material may result in adverse
42 environmental impacts such as a reduction of dissolved oxygen levels
43 at the disposal site, increased disease and mortality in fish and
44 shellfish, and the presence of elevated levels of toxic compounds and
45 bacteria, which could adversely affect the State's travel and tourism,
46 fishing, and other water-dependent industries located in the coastal

1 area; and that to prevent future ocean disposal of contaminated
2 dredged materials it is necessary to secure federal funding sources for
3 the purpose of financing dredging and dredged material disposal
4 projects.

5 d. The Legislature therefore determines that it is in the public
6 interest to establish a State authority authorized to issue bonds, notes
7 and other obligations and to establish any reserve funds necessary
8 therefor, and to make loans to and guarantee debt incurred by local
9 government units for wastewater treatment system, stormwater
10 management, combined sewer overflow abatement, dredging and
11 dredged material disposal projects.

12 (cf: P.L.1985, c.334, s.2)

13
14 2. Section 3 of P.L.1985, c.334 (C.58:11B-3) is amended to read
15 as follows:

16 3. As used in [this act] sections 1 through 27 of P.L.1985, c.334
17 (C.58:11B-1 through 58:11B-27):

18 [a.] "Bonds" means bonds issued by the trust pursuant to [this act]
19 P.L.1985, c.334 (C.58:11B-1 et seq.);

20 "Combined sewer system" means a wastewater treatment system
21 that carries both wastewater and stormwater runoff;

22 "Combined sewer overflow" means the discharge of untreated or
23 partially treated stormwater runoff and wastewater from a combined
24 sewer into a body of water;

25 [b.] "Commissioner" means the Commissioner of the Department
26 of Environmental Protection;

27 [c.] "Cost" means the cost of all labor, materials, machinery and
28 equipment, lands, property, rights and easements, financing charges,
29 interest on bonds, notes or other obligations, plans and specifications,
30 surveys or estimates of costs and revenues, engineering and legal
31 services, and all other expenses necessary or incident to all or part of
32 a wastewater treatment system project;

33 [d.] "Department" means the Department of Environmental
34 Protection;

35 [e.] "Local government unit" means a bistate authority, board,
36 commission, committee, county, municipality, municipal or county
37 sewerage or utility authority, municipal sewerage district, joint
38 meeting, improvement authority, or any other political subdivision
39 authorized to construct, operate and maintain wastewater treatment
40 systems, and which has statutory power to enter into contracts or
41 agreements and to borrow money;

42 [f.] "Notes" means notes issued by the trust pursuant to [this act]
43 P.L.1985, c.334 (C.58:11B-1 et seq.);

44 [g.] "Project" means [the acquisition, construction, improvement,
45 repair or reconstruction of all or part of any structure, facility or
46 equipment, or real or personal property necessary for or ancillary to]

1 any wastewater treatment system [which meets the requirements set
2 forth in sections 20, 21 and 22 of this act] project authorized pursuant
3 to P.L.1985, c.334 (C.58:11B-1 et seq.);

4 "Stormwater management system" means any equipment, plants,
5 structures, machinery, apparatus, or land, or any combination thereof,
6 acquired, used, constructed or operated by a local government unit to
7 prevent nonpoint source pollution, abate improper cross-connections
8 and interconnections between stormwater and sewer systems, minimize
9 stormwater runoff, reduce soil erosion, or induce groundwater
10 recharge, or any combination thereof;

11 [h.] "Trust" means the New Jersey Wastewater Treatment Trust
12 created pursuant to section 4 of [this act] P.L.1985, c.334
13 (C.58:11B-4);

14 [i.] "Wastewater" means residential, commercial, industrial, or
15 agricultural liquid waste, [sewerage] sewage, septage, stormwater
16 runoff, or any combination thereof, or other liquid residue discharged
17 or collected into a sewer system or stormwater [runoff] management
18 system, or any combination thereof;

19 [j.] "Wastewater treatment system" means any equipment, plants,
20 structures, machinery, apparatus, or land, or any combination thereof,
21 acquired, used, constructed or operated by, or on behalf of, a local
22 government unit for the storage, collection, reduction, recycling,
23 reclamation, disposal, separation, or other treatment of wastewater or
24 sewage sludge, or for the [separate] collection or treatment, or both,
25 of stormwater runoff and [sewerage] wastewater, or for the final
26 disposal of residues resulting from the treatment of wastewater,
27 including, but not limited to, pumping and ventilating stations,
28 treatment plants and works, connections, outfall sewers, interceptors,
29 trunk lines, stormwater [runoff collection] management systems, and
30 other personal property and appurtenances necessary for their use or
31 operation; "wastewater treatment system" shall include a stormwater
32 management system or a combined sewer system;

33 "Wastewater treatment system project" means any work relating to
34 the acquisition, construction, improvement, repair or reconstruction
35 of all or part of any structure, facility or equipment, or real or personal
36 property necessary for or ancillary to any wastewater treatment system
37 that meets the requirements set forth in sections 20, 21 and 22 of
38 P.L.1985, c.334 (C.58:11B-20, 58:11B-21 and 58:11B-22); any work
39 relating to any of the stormwater management or combined sewer
40 overflow abatement projects identified in the stormwater management
41 and combined sewer overflow abatement project priority list adopted
42 by the commissioner pursuant to section 28 of P.L.1989, c.181; or any
43 work relating to any other project eligible for financing under the
44 federal "Clean Water Act of 1977" (33 U.S.C. § 1344), including
45 dredging or dredged material disposal projects.

46 (cf: P.L.1985, c.334, s.3)

1 3. Section 4 of P.L.1985, c.334 (C.58:11B-4) is amended to read
2 as follows:

3 4. a. There is established in, but not of, the Department of
4 Environmental Protection a body corporate and politic, with corporate
5 succession, to be known as the "New Jersey Wastewater Treatment
6 Trust." The trust is constituted as an instrumentality of the State
7 exercising public and essential governmental functions, no part of
8 whose revenues shall accrue to the benefit of any individual, and the
9 exercise by the trust of the powers conferred by [this act] the
10 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) shall be deemed
11 and held to be an essential governmental function of the State.

12 b. The trust shall consist of a seven-member board of directors
13 composed of the State Treasurer, the Commissioner of the Department
14 of Community Affairs, and the Commissioner of the Department of
15 Environmental Protection, who shall be members ex officio; one
16 person appointed by the Governor upon the recommendation of the
17 President of the Senate and one person appointed by the Governor
18 upon the recommendation of the Speaker of the General Assembly,
19 who shall serve during the two-year legislative term in which they are
20 appointed; and two residents of the State appointed by the Governor
21 with the advice and consent of the Senate, who shall serve for terms
22 of four years, except that the first two appointed shall serve terms of
23 two and three years respectively. Each appointed director shall serve
24 until [his] a successor has been appointed and qualified. A director is
25 eligible for reappointment. Any vacancy shall be filled in the same
26 manner as the original appointment, but for the unexpired term only.

27 With respect to those public members first appointed by the
28 Governor, the appointment of each of the two members upon the
29 advice and consent of the Senate shall become effective 30 days after
30 their nomination by the Governor if the Senate has not given advice
31 and consent on those nominations within that time period; the
32 President of the Senate and the Speaker of the General Assembly each
33 shall recommend to the Governor a public member for appointment
34 within 20 days following the effective date of this act, and a
35 recommendation made in this manner shall become effective if the
36 Governor makes the appointment in accordance with the
37 recommendation, in writing, within 10 days of the Governor's receipt
38 thereof. In each instance where the Governor fails to make the
39 appointment, the President of the Senate and the Speaker of the
40 General Assembly shall make new recommendations subject to
41 appointment by the Governor as determined in this section.

42 c. Each appointed director may be removed from office by the
43 Governor for cause, upon the Governor's consideration of the findings
44 and recommendations of an administrative law judge after a public
45 hearing before the judge, and may be suspended by the Governor
46 pending the completion of the hearing. Each director, before entering

1 upon [his] the duties of the director, shall take and subscribe an oath
2 to perform the duties of [his] the office faithfully, impartially and justly
3 to the best of [his] the ability of the appointee . A record of oaths shall
4 be filed in the office of the Secretary of State.

5 d. The Governor shall designate one of the appointed members to
6 be the chairman and chief executive officer of the trust and the
7 directors shall biannually elect a vice-chairman from among the
8 appointed directors. The chairman shall serve as such for a term of
9 two years and until a successor has been designated. A chairman shall
10 be eligible [to succeed himself] for one additional consecutive two
11 year term. The directors shall elect a secretary and treasurer, who need
12 not be directors, and the same person may be elected to serve as both
13 secretary and treasurer.

14 The powers of the trust are vested in the directors in office from
15 time to time and four directors shall constitute a quorum at any
16 meeting. Action may be taken and motions and resolutions adopted by
17 the trust by the affirmative majority vote of those directors present,
18 but in no event shall any action be taken or motions or resolutions
19 adopted without the affirmative vote of at least four members. No
20 vacancy on the board of directors of the trust shall impair the right of
21 a quorum of the directors to exercise the powers and perform the
22 duties of the trust.

23 e. Each director and the treasurer of the trust shall execute a bond
24 to be conditioned upon the faithful performance of the duties of the
25 director or treasurer in a form and amount as may be prescribed by the
26 State Treasurer. Bonds shall be filed in the office of the Secretary of
27 State. At all times thereafter, the directors and treasurer shall maintain
28 these bonds in full effect. All costs of the bonds shall be borne by the
29 trust.

30 f. The directors of the trust shall serve without compensation, but
31 the trust shall reimburse the directors for actual and necessary
32 expenses incurred in the performance of their duties. Notwithstanding
33 the provisions of any other law to the contrary, no officer or employee
34 of the State shall be deemed to have forfeited or shall forfeit [his] any
35 State office or employment or any benefits or emoluments thereof by
36 reason of [his] acceptance of the office of ex officio director of the
37 trust or [his] the services of the director thereon.

38 g. Each ex officio director may designate an officer of [his] the
39 same department [his] as the director to represent [him] the director
40 at meetings of the trust. Each designee may lawfully vote and
41 otherwise act on behalf of the director [for] whom [he constitutes] the
42 designee represents. The designation shall be delivered in writing to
43 the trust and shall continue in effect until revoked or amended in
44 writing and delivered to the trust.

45 h. The trust may be dissolved by law; provided the trust has no
46 debts or obligations outstanding or that provision has been made for

1 the payment or retirement of these debts or obligations. The trust shall
2 continue in existence until dissolved by act of the Legislature. Upon
3 any dissolution of the trust all property, funds and assets of the trust
4 shall be vested in the State.

5 i. A true copy of the minutes of every meeting of the trust shall be
6 forthwith delivered by and under the certification of the secretary
7 thereof to the Governor and at the same time to the Senate and
8 General Assembly. The time and act of this delivery shall be duly
9 recorded on a delivery receipt. No action taken or motion or
10 resolution adopted at a meeting by the trust shall have effect until 10
11 days, exclusive of Saturdays, Sundays and public holidays, after a copy
12 of the minutes has been delivered to the Governor, unless during the
13 10-day period the Governor shall approve all or part of the actions
14 taken or motions or resolutions adopted, in which case the action or
15 motion or resolution shall become effective upon the approval.

16 If, in the 10-day period, the Governor returns the copy of the
17 minutes with a veto of any action taken by the trust or any member
18 thereof at that meeting, the action shall be of no effect. The Senate or
19 General Assembly shall have the right to provide written comments
20 concerning the minutes to the Governor within the 10-day period,
21 which comments shall be returned to the trust by the Governor with
22 [his] the approval or veto by the Governor of the minutes.

23 The powers conferred in this subsection upon the Governor shall be
24 exercised with due regard for the rights of the holders of bonds, notes
25 and other obligations of the trust at any time outstanding, and nothing
26 in, or done pursuant to, this subsection shall in any way limit, restrict
27 or alter the obligation or powers of the trust or any representative or
28 officer of the trust to carry out and perform each covenant, agreement
29 or contract made or entered into by or on behalf of the trust with
30 respect to its bonds, notes or other obligations or for the benefit,
31 protection or security of the holders thereof.

32 j. No resolution or other action of the trust providing for the
33 issuance of bonds, refunding bonds, notes or other obligations shall be
34 adopted or otherwise made effective by the trust without the prior
35 approval in writing of the Governor and the State Treasurer. The trust
36 shall provide the Senate and General Assembly with written notice of
37 any request for approval of the Governor and State Treasurer at the
38 time the request is made, and shall also provide the Senate and General
39 Assembly written notice of the response of the Governor and State
40 Treasurer at the time that the response is received by the trust.

41 (cf: P.L.1987, c.459, s.1)

1 4. Section 5 of P.L.1985, c.334 (C.58:11B-5) is amended to read
2 as follows:

3 5. Except as otherwise limited by [this act] the provisions of
4 P.L.1985, c.334 (C.58:11B-1 et seq.), the trust may:

5 a. Make and alter bylaws for its organization and internal
6 management and, subject to agreements with holders of its bonds,
7 notes or other obligations, make rules and regulations with respect to
8 its operations, properties and facilities;

9 b. Adopt an official seal and alter it;

10 c. Sue and be sued;

11 d. Make and enter into all contracts, leases and agreements
12 necessary or incidental to the performance of its duties and the
13 exercise of its powers under [this act] the provisions of P.L.1985,
14 c.334 (C.58:11B-1 et seq.), and subject to any agreement with the
15 holders of the trust's bonds, notes or other obligations, consent to any
16 modification, amendment or revision of any contract, lease or
17 agreement to which the trust is a party;

18 e. Enter into agreements or other transactions with and accept,
19 subject to the provisions of section 23 of [this act] P.L.1985, c.334
20 (C.58:11B-23), grants, appropriations and the cooperation of the
21 State, or any State agency, in furtherance of the purposes of [this act]
22 P.L.1985, c.334 (C.58:11B-1 et seq.), and do anything necessary in
23 order to avail itself of that aid and cooperation;

24 f. Receive and accept aid or contributions from any source of
25 money, property, labor or other things of value, to be held, used and
26 applied to carry out the purposes of [this act] P.L.1985, c.334
27 (C.58:11B-1 et seq.), subject to the conditions upon which that aid
28 and those contributions may be made, including, but not limited to,
29 gifts or grants from any department or agency of the State, or any
30 State agency, for any purpose consistent with [this act] the provisions
31 of P.L.1985, c.334 (C.58:11B-1 et seq.), subject to the provisions of
32 section 23 of [this act] P.L.1985, c.334 (C.58:11B-23);

33 g. Acquire, own, hold, construct, improve, rehabilitate, renovate,
34 operate, maintain, sell, assign, exchange, lease, mortgage or otherwise
35 dispose of real and personal property, or any interest therein, in the
36 exercise of its powers and the performance of its duties under [this
37 act] the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.);

38 h. Appoint and employ an executive director and any other officers
39 or employees as it may require for the performance of its duties,
40 without regard to the provisions of Title [11 of the Revised] 11A of
41 the New Jersey Statutes;

42 i. Borrow money and issue bonds, notes and other obligations, and
43 secure the same, and provide for the rights of the holders thereof as
44 provided in [this act] the provisions of P.L.1985, c.334 (C.58:11B-1
45 et seq.);

46 j. Subject to any agreement with holders of its bonds, notes or

1 other obligations, invest moneys of the trust not required for
2 immediate use, including proceeds from the sale of any bonds, notes
3 or other obligations, in any obligations, securities and other
4 investments in accordance with the rules and regulations of the State
5 Investment Council or as may otherwise be approved by the Director
6 of the Division of Investment in the Department of the Treasury upon
7 a finding that such investments are consistent with the corporate
8 purposes of the trust;

9 k. Procure insurance to secure the payment of its bonds, notes or
10 other obligations or the payment of any guarantees or loans made by
11 it in accordance with [this act] the provisions of P.L.1985, c.334
12 (C.58:11B-1 et seq.), or against any loss in connection with its
13 property and other assets and operations, in any amounts and from any
14 insurers as it deems desirable;

15 l. Engage the services of attorneys, accountants, engineers, and
16 financial experts and any other advisors, consultants, experts and
17 agents as may be necessary in its judgment and fix their compensation;

18 m. Make and contract to make loans to local government units to
19 finance the cost of wastewater treatment system projects and acquire
20 and contract to acquire notes, bonds or other obligations issued or to
21 be issued by local government units to evidence the loans, all in
22 accordance with the provisions of [this act] P.L.1985, c.334
23 (C.58:11B-1 et seq.);

24 n. Subject to any agreement with holders of its bonds, notes or
25 other obligations, purchase bonds, notes and other obligations of the
26 trust and hold the same for resale or provide for the cancellation
27 thereof, all in accordance with the provisions of [this act] P.L.1985,
28 c.334 (C.58:11B-1 et seq.);

29 o. Charge to and collect from local government units any fees and
30 charges in connection with the trust's loans, guarantees or other
31 services, including, but not limited to, fees and charges sufficient to
32 reimburse the trust for all reasonable costs necessarily incurred by it
33 in connection with its financings and the establishment and
34 maintenance of reserve or other funds, as the trust may determine to
35 be reasonable. The fees and charges shall be in accordance with a
36 uniform schedule published by the trust for the purpose of providing
37 actual cost reimbursement for the services rendered;

38 p. Subject to any agreement with holders of its bonds, notes or
39 other obligations, obtain as security or to provide liquidity for payment
40 of all or any part of the principal of and interest and premium on the
41 bonds, notes and other obligations of the trust or for the purchase
42 upon tender or otherwise of the bonds, notes or other obligations,
43 lines of credit, letters of credit and other security agreements or
44 instruments in any amounts and upon any terms as the trust may
45 determine, and pay any fees and expenses required in connection
46 therewith;

1 q. Provide to local government units any financial and credit advice
2 as these [governmental] local government units may request;

3 r. Make payments to the State from any moneys of the trust
4 available therefor as may be required pursuant to any agreement with
5 the State or act appropriating moneys to the trust; and

6 s. Take any action necessary or convenient to the exercise of the
7 foregoing powers or reasonably implied therefrom.

8 (cf: P.L.1985, c.334, s.5)

9
10 5. Section 6 of P.L.1985, c.334 (C.58:11B-6) is amended to read
11 as follows:

12 6. a. Except as may be otherwise expressly provided in the
13 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), the trust may from
14 time to time issue its bonds, notes or other obligations in any principal
15 amounts as in the judgment of the trust shall be necessary to provide
16 sufficient funds for any of its corporate purposes, including the
17 payment, funding or refunding of the principal of, or interest or
18 redemption premiums on, any bonds, notes or other obligations issued
19 by it, whether the bonds, notes or other obligations or the interest or
20 redemption premiums thereon to be funded or refunded have or have
21 not become due, the establishment or increase of reserves or other
22 funds to secure or to pay the bonds, notes or other obligations or
23 interest thereon and all other costs or expenses of the trust incident to
24 and necessary to carry out its corporate purposes and powers.

25 b. Whether or not the bonds, notes or other obligations of the trust
26 are of a form and character as to be negotiable instruments under the
27 terms of Title 12A of the New Jersey Statutes, the bonds, notes and
28 other obligations are made negotiable instruments within the meaning
29 of and for the purposes of Title 12A, subject only to the provisions of
30 the bonds, notes and other obligations for registration.

31 c. Bonds, notes or other obligations of the trust shall be authorized
32 by a resolution or resolutions of the trust and may be issued in one or
33 more series and shall bear any date or dates, mature at any time or
34 times, bear interest at any rate or rates of interest per annum, be in any
35 denomination or denominations, be in any form, either coupon,
36 registered or book entry, carry any conversion or registration
37 privileges, have any rank or priority, be executed in any manner, be
38 payable in any coin or currency of the United States which at the time
39 of payment is legal tender for the payment of public and private debts,
40 at any place or places within or without the State, and be subject to
41 any terms of redemption by the trust or the holders thereof, with or
42 without premium, as the resolution or resolutions may provide. A
43 resolution of the trust authorizing the issuance of bonds, notes or
44 other obligations may provide that the bonds, notes or other
45 obligations be secured by a trust indenture between the trust and a
46 trustee, vesting in the trustee any property, rights, powers and duties

1 in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1
2 et seq.) as the trust may determine.

3 d. Bonds, notes or other obligations of the trust may be sold at any
4 price or prices and in any manner as the trust may determine. Each
5 bond, note or other obligation shall mature and be paid not later than
6 20 years from the effective date thereof, or the certified useful life of
7 the project or projects to be financed by the bonds, whichever is less.

8 All bonds of the trust shall be sold at such price or prices and in
9 such manner as the trust shall determine, after notice of sale, a
10 summary of which shall be published at least [three times] once in at
11 least three newspapers published in the State of New Jersey, and at
12 least once in a publication carrying municipal bond notices and
13 devoted primarily to financial news, published in New Jersey or the
14 city of New York, the first notice to be at least five days prior to the
15 day of bidding. The notice of sale may contain a provision to the effect
16 that any or all bids made in pursuance thereof may be rejected. In the
17 event of such rejection or of failure to receive any acceptable bid, the
18 trust, at any time within 60 days from the date of such advertised sale,
19 may sell such bonds at private sale upon terms not less favorable to the
20 State than the terms offered by any rejected bid. The trust may sell all
21 or part of the bonds of any series as issued to any State fund or to the
22 federal government or any agency thereof, at private sale, without
23 advertisement.

24 e. Bonds, notes or other obligations of the trust may be issued
25 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) without
26 obtaining the consent of any department, division, board, bureau or
27 agency of the State, and without any other proceedings or the
28 happening of any other conditions or things, other than those consents,
29 proceedings, conditions or things which are specifically required by
30 P.L.1985, c.334 (C.58:11B-1 et seq.).

31 f. Bonds, notes or other obligations of the trust issued under the
32 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) shall not be a debt
33 or liability of the State or of any political subdivision thereof other
34 than the trust and shall not create or constitute any indebtedness,
35 liability or obligation of the State or any political subdivision, but all
36 these bonds, notes and other obligations, unless funded or refunded by
37 bonds, notes or other obligations, shall be payable solely from
38 revenues or funds pledged or available for their payment as authorized
39 in P.L.1985, c.334 (C.58:11B-1 et seq.). Each bond, note and
40 obligation shall contain on its face a statement to the effect that the
41 trust is obligated to pay the principal thereof or the interest thereon
42 only from its revenues, receipts or funds pledged or available for their
43 payment as authorized in P.L.1985, c.334 (C.58:11B-1 et seq.), and
44 that neither the State, nor any political subdivision thereof, is obligated
45 to pay the principal or interest and that neither the faith and credit nor
46 the taxing power of the State, or any political subdivision thereof, is

1 pledged to the payment of the principal of or the interest on the bonds,
2 notes or other obligations.

3 g. The [aggregate principal amount of bonds, notes or other
4 obligations, including subordinated indebtedness of the trust, shall not
5 exceed \$600,000,000.00, except that, for the purpose of implementing
6 the Fiscal Year 1995 Financial Plan as approved by the Legislature
7 pursuant to SCR No. 74 of 1994 and ACR No. 78 of 1994, and in
8 compliance with subsection j. of this section, the trust may exceed the
9 foregoing limitations. In computing the foregoing limitations there
10 shall be excluded all the] trust may issue bonds, notes or other
11 obligations, including subordinated indebtedness of the trust, which
12 shall be issued for refunding purposes, whenever the refunding shall be
13 determined to result in a debt service savings, as hereinafter provided:

14 (1) Upon the decision by the trust to issue refunding bonds, and
15 prior to the sale of those bonds, the trust shall transmit to the Joint
16 Appropriations Committee's Subcommittee on Transfers, or its
17 successor, a report that a decision has been made, reciting the basis on
18 which the decision was made, including an estimate of the debt service
19 savings to be achieved and the calculations upon which the trust relied
20 when making the decision to issue refunding bonds. The report shall
21 also disclose the intent of the trust to issue and sell the refunding
22 bonds at public or private sale and the reasons therefor.

23 (2) The Joint Appropriations Committee's Subcommittee on
24 Transfers shall have the authority to approve or disapprove the sales
25 of refunding bonds as included in each report submitted in accordance
26 with paragraph (1) of this subsection. The subcommittee shall notify
27 the trust in writing of the approval or disapproval as expeditiously as
28 possible.

29 (3) No refunding bonds shall be issued unless the report has been
30 submitted to and approved by the Joint Appropriations Committee's
31 Subcommittee on Transfers as set forth in paragraphs (1) and (2) of
32 this subsection.

33 (4) Within 30 days after the sale of the refunding bonds, the trust
34 shall notify the Subcommittee on Transfers of the result of that sale,
35 including the prices and terms, conditions and regulations concerning
36 the refunding bonds, the actual amount of debt service savings to be
37 realized as a result of the sale of refunding bonds, and the intended use
38 of the proceeds from the sale of those bonds.

39 (5) The subcommittee shall review all information and reports
40 submitted in accordance with this subsection and may, on its own
41 initiative, make observations to the trust, or to the Legislature, or
42 both, as it deems appropriate.

43 h. Each issue of bonds, notes or other obligations of the trust may,
44 if it is determined by the trust, be general obligations thereof payable
45 out of any revenues, receipts or funds of the trust, or special
46 obligations thereof payable out of particular revenues, receipts or

1 funds, subject only to any agreements with the holders of bonds, notes
2 or other obligations, and may be secured by one or more of the
3 following:

4 (1) Pledge of revenues and other receipts to be derived from the
5 payment of the interest on and principal of notes, bonds or other
6 obligations issued to the trust by one or more local government units,
7 and any other payment made to the trust pursuant to agreements with
8 any local government units, or a pledge or assignment of any notes,
9 bonds or other obligations of any local government unit and the rights
10 and interest of the trust therein;

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

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

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

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

26 i. The trust shall not issue any bonds, notes or other obligations, or
27 otherwise incur any additional indebtedness, on or after November 5,
28 2005.

29 j. [For the purpose of implementing the Fiscal Year 1995 Financial
30 Plan as approved by the Legislature pursuant to SCR No. 74 of 1994
31 and ACR No. 78 of 1994, the trust shall provide the Senate Budget
32 and Appropriations and the Assembly Appropriations Committee, or
33 their successors, with a detailed statement by the trust of the costs of
34 issuance of any bonds issued to implement the Fiscal Year 1995
35 Financial Plan, within thirty days of the issuance thereof, with specific
36 reference, where applicable, to itemized costs for the following
37 services:

38 (1) bond counsel, tax counsel and special counsel;

39 (2) financial advisor;

40 (3) paying agent and registrar;

41 (4) rating agencies;

42 (5) official statement printing;

43 (6) bond printing;

44 (7) trustee;

45 (8) credit enhancement;

46 (9) liquidity facility; and

1 (10) miscellaneous issuance costs; and
2 a calculation of underwriters' spread, broken down into the following
3 components, and accompanied by a list of underwriters' spreads from
4 recent comparable bond issues:
5 (1) management fees;
6 (2) underwriters' fees;
7 (3) selling concessions;
8 (4) underwriters' counsel; and
9 (5) other costs. ~~](Deleted by amendment, P.L. ., c.)~~(pending in
10 the Legislature as this bill)
11 (cf: P.L.1994, c.107, s.1)

12
13 6. Section 7 of P.L.1985, c.334 (C.58:11B-7) is amended to read
14 as follows:

15 7. In any resolution of the trust authorizing or relating to the
16 issuance of any of its bonds, notes or other obligations, the trust, in
17 order to secure the payment of the bonds, notes or other obligations
18 and in addition to its other powers, may by provisions therein which
19 shall constitute covenants by the trust and contracts with the holders
20 of the bonds, notes or other obligations:

21 a. Secure the bonds, notes or other obligations as provided in
22 section 6 of [this act] P.L.1985, c.334 (C.58:11B-6);

23 b. Covenant against pledging all or part of its revenues or receipts;

24 c. Covenant with respect to limitations on any right to sell,
25 mortgage, lease or otherwise dispose of any notes, bonds or other
26 obligations of local governmental units, or any part thereof, or any
27 property of any kind;

28 d. Covenant as to any bonds, notes or other obligations to be
29 issued by the trust, and the limitations thereon, and the terms and
30 conditions thereof, and as to the custody, application, investment and
31 disposition of the proceeds thereof;

32 e. Covenant as to the issuance of additional bonds, notes or other
33 obligations of the trust or as to limitations on the issuance of
34 additional bonds, notes or other obligations and on the incurring of
35 other debts by it;

36 f. Covenant as to the payment of the principal of or interest on
37 bonds, notes or other obligations of the trust, as to the sources and
38 methods of payment, as to the rank or priority of the bonds, notes or
39 other obligations with respect to any lien or security or as to the
40 acceleration of the maturity of the bonds, notes or other obligations;

41 g. Provide for the replacement of lost, stolen, destroyed or
42 mutilated bonds, notes or other obligations of the trust;

43 h. Covenant against extending the time for the payment of bonds,
44 notes or other obligations of the trust or interest thereon;

45 i. Covenant as to the redemption of bonds, notes and other
46 obligations by the trust or the holders thereof and privileges of

- 1 exchange thereof for other bonds, notes or other obligations of the
2 trust;
- 3 j. Covenant to create or authorize the creation of special funds or
4 accounts to be held in trust or otherwise for the benefit of holders of
5 bonds, notes and other obligations of the trust, or reserves for other
6 purposes and as to the use, investment, and disposition of moneys held
7 in those funds, accounts or reserves;
- 8 k. Provide for the rights and liabilities, powers and duties arising
9 upon the breach of any covenant, condition or obligation and prescribe
10 the events of default and terms and conditions upon which any or all
11 of the bonds, notes or other obligations of the trust shall become or
12 may be declared due and payable before maturity and the terms and
13 conditions upon which the declaration and its consequences may be
14 waived;
- 15 l. Vest in a trustee or trustees within or without the State any
16 property, rights, powers and duties in trust as the trust may determine,
17 which may include any or all of the rights, powers and duties of any
18 trustee appointed by the holders of any bonds, notes or other
19 obligations of the trust pursuant to section 18 of [this act] P.L.1985,
20 c.334 (C.58:11B-18), including rights with respect to the sale or other
21 disposition of notes, bonds or other obligations of local government
22 units pledged pursuant to a resolution or trust indenture for the benefit
23 of the holders of bonds, notes or other obligations of the trust and the
24 right by suit or action to foreclose any mortgage pledged pursuant to
25 the resolution or trust indenture for the benefit of the holders of the
26 bonds, notes or other obligations, and to limit or abrogate the right of
27 the holders of any bonds, notes or other obligations of the trust to
28 appoint a trustee under [this act] the provisions of P.L.1985, c.334
29 (C.58:11B-1 et seq.), and to limit the rights, duties and powers of the
30 trustee;
- 31 m. Pay the costs or expenses incident to the enforcement of the
32 bonds, notes or other obligations of the trust or of the provisions of
33 the resolution authorizing the issuance of those bonds, notes or other
34 obligations or of any covenant or agreement of the trust with the
35 holders of the bonds, notes or other obligations;
- 36 n. Limit the rights of the holders of any bonds, notes or other
37 obligations of the trust to enforce any pledge or covenant securing the
38 bonds, notes or other obligations; and
- 39 o. Make covenants other than or in addition to the covenants
40 authorized by [this act] P.L.1985, c.334 (C.58:11B-1 et seq.) of like
41 or different character, and make covenants to do or refrain from doing
42 any acts and things as may be necessary, or convenient and desirable,
43 in order to better secure the bonds, notes or other obligations of the
44 trust, or which, in the absolute discretion of the trust, would make the
45 bonds, notes or other obligations more marketable, notwithstanding
46 that the covenants, acts or things may not be enumerated herein.

1 (cf: P.L.1985, c.334, s.7)

2

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

5 9. a. The trust may make and contract to make loans to local
6 government units in accordance with and subject to the provisions of
7 [this act] P.L.1985, c.334 (C.58:11B-1 et seq.) to finance the cost of
8 any wastewater treatment system [projects] project which the local
9 government unit may lawfully undertake or acquire and for which the
10 local government unit is authorized by law to borrow money. The
11 loans may be made subject to those terms and conditions as the trust
12 shall determine to be consistent with the purposes thereof. Each loan
13 by the trust and the terms and conditions thereof shall be subject to
14 approval by the State Treasurer, and the trust shall make available to
15 the State Treasurer all information, statistical data and reports of
16 independent consultants or experts as the State Treasurer shall deem
17 necessary in order to evaluate the loan. Each loan to a local
18 government unit shall be evidenced by notes, bonds or other
19 obligations thereof issued to the trust. In the case of each local
20 government unit, notes and bonds to be issued to the trust by the local
21 government unit (1) shall be authorized and issued as provided by law
22 for the issuance of notes and bonds by the local government unit, (2)
23 shall be approved by the Local Finance Board in the Division of Local
24 Government Services in the Department of Community Affairs, and (3)
25 notwithstanding the provisions of N.J.S.40A:2-27, N.J.S.40A:2-28
26 and N.J.S.40A:2-29 or any other provisions of law to the contrary,
27 may be sold at private sale to the trust at any price, whether or not less
28 than par value, and shall be subject to redemption prior to maturity at
29 any times and at any prices as the trust and local government units may
30 agree. Each loan to a local government unit and the notes, bonds or
31 other obligations thereby issued shall bear interest at a rate or rates per
32 annum as the trust and the local government unit may agree.

33 b. The trust is authorized to guarantee or contract to guarantee the
34 payment of all or any portion of the principal and interest on bonds,
35 notes or other obligations issued by a local government unit to finance
36 the cost of any wastewater treatment system project which the local
37 government unit may lawfully undertake or acquire and for which the
38 local government unit is authorized by law to borrow money, and the
39 guarantee shall constitute an obligation of the trust for the purposes
40 of [this act] P.L.1985, c.334 (C.58:11B-1 et seq.). Each guarantee by
41 the trust and the terms and conditions thereof shall be subject to
42 approval by the State Treasurer, and the trust shall make available to
43 the State Treasurer all information, statistical data and reports of
44 independent consultants or experts as the State Treasurer shall deem
45 necessary in order to evaluate the guarantee.

46 c. The trust shall not make or contract to make any loans or

1 guarantees to local government units, or otherwise incur any additional
2 indebtedness, on or after [20 years from the effective date of this act]
3 November 5, 2005.

4 (cf: P.L.1985, c.334, s.9)

5
6 8. Section 10 of P.L.1985, c.334 (C.58:11B-10) is amended to
7 read as follows:

8 10. The trust shall create and establish a special fund to be known
9 as the "wastewater treatment system general loan fund."

10 Subject to the provisions of the legislation appropriating moneys to
11 the trust, subject to any other provision of [this act] P.L.1985, c.334
12 (C.58:11B-1 et seq.) providing otherwise, and subject to agreements
13 with the holders of bonds, notes and other obligations of the trust, the
14 trust shall deposit into the wastewater treatment system general loan
15 fund all revenues and receipts of the trust, including moneys received
16 by the trust as payment of the principal of and the interest or premium
17 on loans made from moneys in any fund or account held by the trust
18 under [this act] P.L.1985, c.334 (C.58:11B-1 et seq.), and the
19 earnings on the moneys in any fund or account of the trust, and all
20 grants, appropriations, other than those referred to in section 11 of
21 [this act] P.L.1985, c.334 (C.58:11B-11), contributions, or other
22 moneys from any source, available for the making of loans to local
23 government units. The amounts in the general loan fund shall be
24 available for application by the trust for loans to local government
25 units for the cost of wastewater treatment system projects, and for
26 other corporate purposes of the trust, subject to agreements with the
27 holders of bonds, notes or other obligations of the trust.

28 (cf: P.L.1985, c.334, s.10)

29
30 9. Section 13 of P.L.1985, c.334 (C.58:11B-13) is amended to
31 read as follows:

32 13. Neither the directors of the trust nor any person executing
33 bonds, notes or other obligations of the trust issued pursuant to [this
34 act] P.L.1985, c.334 (C.58:11B-1 et seq.) shall be liable personally on
35 the bonds, notes or other obligations by reason of the issuance thereof.

36 (cf: P.L.1985, c.334, s.13)

37
38 10. Section 14 of P.L.1985, c.334 (C.58:11B-14) is amended to
39 read as follows:

40 14. The State does pledge to and covenant and agree with the
41 holders of any bonds, notes or other obligations of the trust issued
42 pursuant to authorization of [this act] P.L.1985, c.334 (C.58:11B-1 et
43 seq.), that the State shall not limit or alter the rights or powers vested
44 in the trust to perform and fulfill the terms of any agreement made
45 with the holders of the bonds, notes or other obligations or to fix,
46 establish, charge and collect any rents, fees, rates, payments or other

1 charges as may be convenient or necessary to produce sufficient
2 revenues to meet all expenses of the trust and to fulfill the terms of any
3 agreement made with the holders of bonds, notes or other obligations,
4 including the obligations to pay the principal of and interest and
5 premium on those bonds, notes or other obligations, with interest on
6 any unpaid installments of interest, and all costs and expenses in
7 connection with any action or proceedings by or on behalf of the
8 holders, and shall not limit or alter the rights and powers of any local
9 government unit to pay and perform its obligations owed to the trust
10 in connection with loans received from the trust, until the bonds, notes
11 and other obligations of the trust, together with interest thereon, are
12 fully met and discharged or provided for.

13 (cf: P.L.1985, c.334, s.14)

14

15 11. Section 15 of P.L.1985, c.334 (C.58:11B-15) is amended to
16 read as follows:

17 15. The State and all public officers, governmental units and
18 agencies thereof, all banks, trust companies, savings banks and
19 institutions, building and loan associations, savings and loan
20 associations, investment companies, and other persons carrying on a
21 banking business, all insurance companies, insurance associations and
22 other persons carrying on an insurance business, and all executors,
23 administrators, guardians, trustees and other fiduciaries may legally
24 invest any sinking funds, moneys or other funds belonging to them or
25 within their control in any bonds, notes or other obligations issued
26 pursuant to [this act] P.L.1985, c.334 (C.58:11B-1 et seq.), and those
27 bonds, notes or other obligations shall be authorized security for any
28 and all public deposits.

29 (cf: P.L.1985, c.334, s.15)

30

31 12. Section 17 of P.L.1985, c.334 (C.58:11B-17) is amended to
32 read as follows:

33 17. All property of the trust is declared to be public property
34 devoted to an essential public and governmental function and purpose
35 and the revenues, income and other moneys received or to be received
36 by the trust shall be exempt from all taxes of the State or any political
37 subdivision thereof. All bonds, notes and other obligations of the trust
38 issued pursuant to [this act] P.L.1985, c.334 (C.58:11B-1 et seq.) are
39 declared to be issued by a body corporate and politic of the State and
40 for an essential public and governmental purpose and those bonds,
41 notes and other obligations, and interest thereon and the income
42 therefrom and from the sale, exchange or other transfer thereof shall
43 at all times be exempt from taxation, except for transfer inheritance
44 and estate taxes.

45 (cf: P.L.1985, c.334, s.17)

46

1 13. Section 18 of P.L.1985, c.334 (C.58:11B-18) is amended to
2 read as follows:

3 18. a. If the trust defaults in the payment of principal of, or
4 interest on, any issue of its bonds, notes or other obligations after
5 these are due, whether at maturity or upon call for redemption, and the
6 default continues for a period of 30 days or if the trust defaults in any
7 agreement made with the holders of any issue of bonds, notes or other
8 obligations, the holders of 25% in aggregate principal amount of the
9 bonds, notes or other obligations of the issue then outstanding, by
10 instrument or instruments filed in the office of the clerk of any county
11 in which the trust operates and has an office and proved or
12 acknowledged in the same manner as required for a deed to be
13 recorded, may direct a trustee to represent the holders of the bonds,
14 notes or other obligations of the issuers for the purposes herein
15 provided.

16 b. Upon default, the trustee may, and upon written request of the
17 holders of 25% in principal amount of the bonds, notes or other
18 obligations of the trust of a particular issue then outstanding shall, in
19 [his or its own] the name of the trustee or the trust:

20 (1) By suit, action or proceeding enforce all rights of the holders
21 of bonds, notes or other obligations of the issue, to require the trust
22 to carry out any other agreements with the holders of the bonds, notes
23 or other obligations of the issue and to perform its duties under [this
24 act] P.L.1985, c.334 (C.58:11B-1 et seq.);

25 (2) Bring suit upon the bonds, notes or other obligations of the
26 issue;

27 (3) By action or suit, require the trust to account as if it were the
28 trustee of an express trust for the holders of the bonds, notes or other
29 obligations of the issue;

30 (4) By action or suit, enjoin any acts or things which may be
31 unlawful or in violation of the rights of the holders of the bonds, notes
32 or other obligations of the issue;

33 (5) Sell or otherwise dispose of bonds and notes of local
34 government units pledged pursuant to resolution or trust indenture for
35 benefit of holders of bonds, notes, or other obligations of the issue on
36 any terms as resolution or trust indenture may provide;

37 (6) By action or suit, foreclose any mortgage pledged pursuant to
38 the resolution or trust indenture for the benefit of the holders of the
39 bonds, notes or other obligations of the issue;

40 (7) Declare all bonds, notes or other obligations of the issue due
41 and payable, and if all defaults are made good, then with the consent
42 of the holders of 50% of the principal amount of the bonds, notes or
43 other obligations of the issue then outstanding, to annul the
44 declaration and its consequences.

45 c. The trustee shall, in addition to the foregoing, have those
46 powers necessary or appropriate for the exercise of any function

1 specifically set forth herein or incident to the general representation of
2 holders of bonds, notes or other obligations of the trust in the
3 enforcement and protection of their rights.

4 d. The Superior Court shall have jurisdiction over any suit, action
5 or proceeding by the trustees on behalf of the holders of bonds, notes
6 or other obligations of the trust. The venue of any suit, action or
7 proceeding shall be in the county in which the principal office of the
8 trust is located.

9 e. Before declaring the principal of bonds, notes or other
10 obligations of the trust due and payable as a result of a trust default on
11 any of its bonds, notes or other obligations, the trustee shall first give
12 30 days' notice in writing to the trust and to the Governor, State
13 Treasurer, President of the Senate and Speaker of the General
14 Assembly.

15 (cf: P.L.1985, c.334, s.18)

16
17 14. Section 19 of P.L.1985, c.334 (C.58:11B-19) is amended to
18 read as follows:

19 19. Sums of money received pursuant to the authority of [this act]
20 P.L.1985, c.334 (C.58:11B-1 et seq.), whether as proceeds from the
21 sale of particular bonds, notes or other obligations of the trust or as
22 particular revenues or receipts of the trust, are deemed to be trust
23 funds, to be held and applied solely as provided in the resolution or
24 trust indenture under which the bonds, notes or obligations are
25 authorized or secured. Any officer with whom or any bank or trust
26 company with which those sums of money are deposited as trustee
27 thereof shall hold and apply the same for the purposes thereof, subject
28 to any provision as [this act] P.L.1985, c.334 (C.58:11B-1 et seq.) and
29 the resolution or trust indenture authorizing or securing the bonds,
30 notes or other obligations of the trust may provide.

31 (cf: P.L.1985, c.334, s.19)

32
33 15. Section 20 of P.L.1985, c.334 (C.58:11B-20) is amended to
34 read as follows:

35 20. a. The Commissioner of Environmental Protection shall for
36 each fiscal year develop a priority system for wastewater treatment
37 systems and shall establish the ranking criteria and funding policies for
38 the projects therefor. The commissioner shall set forth a project
39 priority list for funding by the trust for each fiscal year and shall
40 include the aggregate amount of funds of the trust to be authorized for
41 these purposes. The project priority list, which shall include for each
42 wastewater treatment system the date each project is scheduled to be
43 certified as ready for funding, shall be in conformance with applicable
44 provisions of the "Federal Water Pollution Control Act Amendments
45 of 1972," Pub.L. 92-500 (33 U.S.C. § 1251 et al.), and any
46 amendatory or supplementary acts thereto, and State law. The list shall

1 include a description of each project and its purpose, impact, cost, and
2 construction schedule, and an explanation of the manner in which
3 priorities were established. The priority system and project priority list
4 for the ensuing fiscal year shall be submitted to the Legislature on or
5 before January 15 of each year on a day when both Houses are
6 meeting. The President of the Senate and the Speaker of the General
7 Assembly shall cause the date of submission to be entered upon the
8 Senate Journal and the Minutes of the General Assembly,
9 respectively[, and shall cause]. On or before May 15 of each year, the
10 trust shall submit the project priority list to be introduced in each
11 House in the form of legislative appropriations bills, [and shall refer
12 these bills] which shall be referred to the Senate [Energy and]
13 Environment Committee and the General Assembly [Agriculture and
14 Environment] Solid and Hazardous Waste Committee, or their
15 successors, for their respective consideration.

16 b. [Within 60 days of the referral thereof, the] The Senate [Energy
17 and] Environment Committee and the General Assembly [Agriculture
18 and Environment] Solid and Hazardous Waste Committee shall, either
19 individually or jointly, consider the legislation containing the project
20 priority list, and shall report the legislation, together with any
21 modifications, out of committee for consideration by each House of
22 the Legislature. On or before [April] July 1 of each year, the
23 Legislature shall approve an appropriations act containing the project
24 priority list, including any amendatory or supplementary provisions
25 thereto, which act shall include the authorization of an aggregate
26 amount of funds of the trust to be expended for loans and guarantees
27 for the specific projects, including the individual amounts therefor, on
28 the list[, as modified by the Senate Energy and Environment
29 Committee and the General Assembly Agriculture and Environment
30 Committee].

31 c. The trust shall not expend any money for a loan or guarantee
32 during a fiscal year for any wastewater treatment system project unless
33 the expenditure is authorized pursuant to an appropriations act in
34 accordance with the provisions of this section.

35 (cf: P.L.1985, c.334, s.20)

36

37 16. Section 21 of P.L.1985, c.334 (C.58:11B-21) is amended to
38 read as follows:

39 21. On or before May 15 of each year, the trust shall submit to the
40 Legislature a financial plan designed to implement the financing of the
41 wastewater treatment system projects on the project priority list
42 approved pursuant to section 20 of [this act] P.L.1985, c.334
43 (C.58:11B-20). The financial plan shall contain an enumeration of the
44 bonds, notes or other obligations of the trust which the trust intends
45 to issue, including the amounts thereof and the terms and conditions
46 thereof, a list of loans to be made to local government units, including

1 the terms and conditions thereof and the anticipated rate of interest per
2 annum and repayment schedule therefor, and a list of loan guarantees
3 or contracts to guarantee the payment of all or a portion of the
4 principal and interest on bonds, notes or other obligations issued by a
5 local government unit to finance the cost of a wastewater treatment
6 system project, and the terms and conditions thereof. The financial
7 plan shall also set forth a complete operating and financial statement
8 covering its proposed operations during the forthcoming fiscal year,
9 including amounts of income from all sources, and the uniform
10 schedule of fees and charges established by the trust pursuant to
11 subsection o. of section 5 of [this act] P.L.1985, c.334 (C.58:11B-5),
12 and the amounts to be derived therefrom, and shall summarize the
13 status of each wastewater treatment system project for which loans or
14 guarantees have been made by the trust, and shall describe major
15 impediments to the accomplishment of the planned wastewater
16 treatment system projects.

17 (cf: P.L.1985, c.334, s.21)

18

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

21 22. a. The trust shall submit the financial plan required pursuant
22 to section 21 of [this act] P.L.1985, c.334 (C.58:11B-21) to the
23 President of the Senate and the Speaker of the General Assembly on
24 a day when both houses are meeting. The President and the Speaker
25 shall cause the date of submission to be entered upon the Senate
26 Journal and the Minutes of the General Assembly, respectively.

27 b. Unless the financial plan as described in the submission is
28 approved by adoption of a concurrent resolution of both houses within
29 the time period prescribed in this subsection, the financial plan shall be
30 deemed disapproved and the trust shall not undertake any of the
31 proposed activities contained therein. The President and the Speaker
32 shall cause a concurrent resolution of approval of the trust's financial
33 plan to be placed before the members of the respective houses for a
34 recorded vote within the time period. The time period shall commence
35 on the day of submission and expire on the forty-fifth day after
36 submission or for a house not meeting on the forty-fifth day, on the
37 next meeting day of that house.

38 (cf: P.L.1985, c.334, s.22)

39

40 18. Section 23 of P.L.1985, c.334 (C.58:11B-23) is amended to
41 read as follows:

42 23. a. No funds from State sources or State bond issues used to
43 capitalize the trust shall be available for use by the trust unless
44 appropriated by law to the trust.

45 b. No funds shall be expended by the trust for its annual operating
46 expenses unless appropriated by law to the trust. Unless required to be

1 otherwise applied pursuant to law, funds generated by the operation
2 of the trust, including, but not limited to: proceeds from the sale of the
3 trust's bonds, notes or other obligations; revenues derived from
4 investments by the trust; loan repayments from local government units;
5 and fees and charges levied by the trust, may thereafter be applied in
6 accordance with the provisions of [this act] P.L.1985, c.334
7 (C.58:11B-1 et seq.) for any corporate purpose of the trust without
8 appropriation; except that the funds shall only be used to make loans
9 or guarantees approved by the Legislature in accordance with the
10 provisions of sections 20, 21 and 22 of [this act] P.L.1985, c.334
11 (C.58:11B-20, 58:11B-21 and 58:11B-22). [The trust shall not apply
12 for, receive, accept or utilize any federal funds, including funds which
13 are authorized pursuant to the "Federal Water Pollution Control Act
14 Amendments of 1972," Pub.L. 92-500 (33 U.S.C. § 1251 et al.), and
15 any amendatory or supplementary acts thereto.]

16 c. The trust, with the concurrence of the Commissioner of
17 Environmental Protection, may apply for, receive, accept or utilize any
18 federal funds which are authorized pursuant to federal law.
19 (cf: P.L.1985, c.334, s.23)

20

21 19. Section 24 of P.L.1985, c.334 (C.58:11B-24) is amended to
22 read as follows:

23 24. a. The trust shall cause an audit of its books and accounts to
24 be made at least once in each year by certified public accountants
25 selected by the State Treasurer and the cost thereof shall be considered
26 as an expense of the trust and a copy thereof shall be filed with the
27 Governor, State Treasurer, Senate and General Assembly.
28 Notwithstanding the provision of any law to the contrary, the State
29 Auditor or [his] the legally authorized representative thereof may
30 examine the accounts or books of the trust.

31 b. All officers, departments, boards, units, divisions and
32 commissions of the State are authorized to render any services to the
33 trust as may be within the area of their respective governmental
34 functions as fixed or established by law, and as may be requested by
35 the trust. The cost and expense of those services shall be met and
36 provided for by the State governmental units rendering the services.
37 (cf: P.L.1985, c.334, s.24)

38

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

41 25. The trust shall establish the rules and regulations governing the
42 making and use of loans or guarantees, including, but not limited to,
43 procedures for the submission of loan guarantee requests, standards
44 for the evaluation of requests, provisions implementing priority
45 systems for projects, reporting requirements of the recipient of any
46 loan or guarantee concerning the progress and the expenditure of

1 funds, and limitations, restrictions or requirements concerning the use
2 of loan funds as the trust shall prescribe; provided that the rules and
3 regulations shall be in compliance with the terms and provisions of
4 [this act] P.L.1985, c.334 (C.58:11B-1 et seq.) relating to the making
5 of or eligibility for loans or guarantees for wastewater treatment
6 system projects generally or for any particular type or class of
7 wastewater treatment system, stormwater management or combined
8 sewer overflow abatement, or dredging or dredged material disposal
9 projects.

10 (cf: P.L.1985, c.334, s.25)

11

12 21. Section 27 of P.L.1985, c.334 (C.58:11B-27) is amended to
13 read as follows:

14 27. The trust shall adopt such rules and regulations as it deems
15 necessary to effectuate the purposes of [this act] P.L.1985, c.334
16 (C.58:11B-1 et seq.), including those required pursuant to sections 25
17 and 26 of [this act] P.L.1985, c.334 (C.58:11B-25 and 58:11B-26), in
18 accordance with the "Administrative Procedure Act," P.L.1968, c.410
19 (C.52:14B-1 et seq.).

20 (cf: P.L.1985, c.334, s.27)

21

22 22. This act shall take effect immediately.

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24

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STATEMENT

26

27 This bill would authorize the New Jersey Wastewater Treatment
28 Trust, a State financing authority empowered to maximize the use of
29 available State funds for financing the costs of wastewater treatment
30 system projects, to also provide financing to local governments,
31 including any bistate authority, board, commission or committee, for
32 any project eligible for financing under the federal "Clean Water Act
33 of 1977," including dredging or dredged material disposal projects.

34 To accomplish this purpose, the bill would authorize the Trust, with
35 the concurrence of the Commissioner of Environmental Protection, to
36 apply for, receive, accept or utilize any federal funds which are
37 authorized pursuant to federal law.

38 The bill would also clarify the authority of the Trust with respect to
39 stormwater management and combined sewer overflow abatement
40 projects, remove the debt ceiling on the Trust, and make various
41 clarifying, process, and technical amendments to the "New Jersey
42 Wastewater Treatment Trust Act."

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Authorizes New Jersey Wastewater Treatment Trust to apply for and utilize federal funds to finance dredging, dredged material disposal, stormwater management and combined sewer overflow abatement projects; eliminates debt ceiling on trust.

WITHDRAWN