

ASSEMBLY AGRICULTURE AND WASTE MANAGEMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1126

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 1996

The Assembly Agriculture and Waste Management Committee favorably reports Assembly Bill No. 1126 with committee amendments.

As amended, Assembly Bill No. 1126 amends and supplements the "Resource Recovery and Solid Waste Disposal Facility Bond Act of 1985" (P.L.1985, c.330) to authorize the use of a portion of the bond moneys by the "New Jersey Environmental Infrastructure Trust," and to specify the uses to which the bond moneys may be spent.

The 1985 bond act was approved in November 1985 by the voters of New Jersey. The proposed revisions to the "Resource Recovery and Solid Waste Disposal Facility Bond Act of 1985" contained in this bill are also required to be approved by the electorate.

The "Resource Recovery and Solid Waste Disposal Facility Bond Act of 1985" authorized the issuance of \$85 million in State general obligation bonds for the purpose of making loans to local governments for financing the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

This bill provides that the \$85 million in bonds authorized pursuant to P.L.1985, c.330 would be used for the purpose of making low interest or zero interest State loans to local governments for financing the costs of solid waste management projects identified pursuant to the project priority list adopted by the Commissioner of the Department of Environmental Protection (DEP) under section 25 of the bill. Solid waste management projects would include: (1) the construction of composting facilities, materials recovery facilities, recycling centers, resource recovery facilities and environmentally sound sanitary landfill facilities; (2) municipal solid waste landfill closure projects; and (3) landfill mining projects.

The 1985 bond act provides that payments of principal and interest on loans made from the "Resource Recovery and Solid Waste Disposal Facility Fund" would be made to that fund. This bill provides that up to \$40 million in these loan repayments may be made available to the "New Jersey Environmental Infrastructure Trust," a proposed

financing authority which would be empowered to make loans and loan guarantees to local governments for financing the costs of solid waste management projects pursuant to the "New Jersey Environmental Infrastructure Trust Act" (a companion measure, Assembly Bill No. 1511 of 1996).

The Trust would be authorized to use these bond moneys to secure local debt and to secure revenue bonds or other debt issued by the trust, the proceeds of which will be used to make loan guarantees to local governments for the costs of financing eligible projects.

The bill also provides that moneys from cancelled resource recovery facility projects would revert to the Resource Recovery and Solid Waste Disposal Facility Fund. There is approximately \$2.5 million in unappropriated funds in the Fund, inclusive of interest earned and loan repayments received. The return of moneys from cancelled resource recovery facility projects in Bergen County, for which a \$15 million appropriation was made to the DEP from the Fund pursuant to P.L.1985, c.335, and Passaic County, for which a \$13.3 million appropriation was made to the DEP from the Fund pursuant to P.L.1988, c.86, would increase the available balance in the Resource Recovery and Solid Waste Disposal Facility Fund to approximately \$30.8 million.

If the "New Jersey Environmental Infrastructure Trust Act" has not been enacted into law by the date of the approval of this bill by the voters in November, 1996, the amendments made to the 1985 bond act pertaining to the Trust would remain inoperative.

Committee amendments make a number of substantive changes to the bill. The amendments: (1) include terminated municipal solid waste landfills located in the Pinelands area within the universe of landfills eligible for municipal solid waste landfill closure project funding; (2) delete the provisions authorizing DEP to use interest earnings on bond moneys for administrative expenses; (3) delete the provisions permitting DEP to charge fees for the services rendered in connection with loans or other services provided by the DEP; and (4) require the insertion on the ballot question the statement that the Trust may use interest earnings on bond fund moneys for administrative expenses.

Committee amendments also make several changes of a technical nature.

This bill was pre-filed for introduction in the 1996-1997 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.