

[First Reprint]
ASSEMBLY, No. 1511

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 8, 1996

By Assemblyman GIBSON and Assemblywoman BARK

1 AN ACT concerning the financing of environmental infrastructure
2 projects, and amending and supplementing the title and body of
3 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. The title of P.L.1985, c.334 is amended to read as follows:

9 AN ACT establishing the New Jersey [Wastewater Treatment]
10 Environmental Infrastructure Trust, defining the functions, duties
11 and powers thereof, including the authorization to issue bonds,
12 notes and other obligations and to establish any reserve funds
13 necessary therefor, and to make loans to and guarantee debt
14 incurred by local government units for [wastewater treatment
15 system] environmental infrastructure projects.

16 (cf: P.L.1985, c.334, title)

17
18 2. Section 1 of P.L.1985, c.334 (C.58:11B-1) is amended to read
19 as follows:

20 1. This act shall be known and may be cited as the "New Jersey
21 [Wastewater Treatment] Environmental Infrastructure Trust Act."

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

23
24 3. Section 2 of P.L.1985, c.334 (C.58:11B-2) is amended to read
25 as follows:

26 2. a. The Legislature finds that the steady deterioration of older
27 sewage and sewer systems and wastewater treatment plants endangers
28 the availability and quality of uncontaminated water resources of the
29 State, thereby posing a grave danger to the health, safety and welfare
30 of the residents of the concerned communities and the State; that the
31 construction, rehabilitation, operation, and maintenance of modern and

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAW committee amendments adopted February 22, 1996.

1 efficient sewer systems and wastewater treatment plants are essential
2 to protecting and improving the State's water quality; that in addition
3 to protecting and improving water quality, adequate wastewater
4 treatment systems are essential to economic growth and development;
5 that many of the wastewater treatment systems in New Jersey must be
6 replaced or upgraded if an inexorable decline in water quality is to be
7 avoided during the coming decades; that the United States Congress
8 in recognition of the crucial role wastewater treatment systems and
9 plants play in maintaining and improving water quality, and with an
10 understanding that the cost of financing and constructing these systems
11 must be borne by local governments and authorities with limited
12 sources of revenues, established in the "Federal Water Pollution
13 Control Act Amendments of 1972," P.L.92-500 (33 U.S.C. §1251 et
14 al.) a program to provide local governments with grants for
15 constructing these systems; that during the last several years the
16 amount of federal grant money available to states and local
17 governments for assistance in constructing and improving wastewater
18 treatment systems has sharply diminished; that the current level of
19 federal grant funding is inadequate to meet the cost of upgrading the
20 State's wastewater treatment capacity to comply with State water
21 quality standards; that the collective needs of the State and local
22 governments for capital financing of wastewater treatment systems far
23 exceed the sums of money presently available through revenue
24 initiatives and State and federal aid programs; and that it is fitting and
25 proper for the State to encourage local governments to undertake
26 wastewater treatment projects through the establishment of a State
27 mechanism to provide loans at the lowest reasonable interest rates and
28 to guarantee or insure local capital improvement bonds.

29 b. The Legislature finds that stormwater runoff and combined
30 sewer overflows are among the major sources of ocean pollution,
31 contributing to beach closings; that combined sewer systems discharge
32 untreated wastewater and stormwater into rivers, streams and coastal
33 waters during wet weather, resulting in water pollution; that some
34 combined sewer systems have deteriorated to the point that overflows
35 occur regularly, even during dry weather; that many sewer systems are
36 on inadequate repair and replacement programs, which may cause
37 disturbances at sewage treatment plants; that many municipalities are
38 under building moratoriums due to the inadequacy of their sewage and
39 stormwater collection systems, which severely affect municipal
40 budgets; and that large unmet capital expenses exist for combined
41 sewer system separation and abatement projects.

42 The Legislature further finds that funding at the federal level for
43 wastewater treatment, stormwater management and combined sewer
44 system rehabilitation projects is insufficient; that State funds available
45 for these projects are inadequate to meet current needs; that local
46 revenues are insufficient to meet these expenses; and that additional

1 funding at the State level is necessary to meet this financial obligation.
2 c. The Legislature finds that the proper in-state disposal of solid
3 waste and the maximum practical recovery of recyclable materials from
4 solid waste are matters of basic concern to all citizens of this State,
5 and ensuring the implementation of an efficient solid waste
6 management strategy is a governmental function thoroughly imbued
7 with the public interest; that the continued exportation of a significant
8 portion of New Jersey's solid waste stream to out-of-state disposal
9 sites is a short-sighted expedient; and that for self-evident economic,
10 environmental and public health considerations, it is imperative that
11 the State renew its commitment to, and provide the resources for,
12 achieving self-sufficiency with respect to solid waste disposal.

13 The Legislature further finds that the environmentally sound and
14 proper closure of municipal solid waste landfills, including the
15 remediation of contamination problems posed by terminated but
16 improperly closed municipal landfills, is a governmental function
17 affected with the public interest; that while the "Sanitary Landfill
18 Facility Closure and Contingency Fund Act," P.L.1981, c.306
19 (C.13:1E-100 et seq.) provided a means by which the owners and
20 operators of sanitary landfill facilities would provide financial
21 assurance for proper closure, it provides no funds for municipal solid
22 waste landfills terminated prior to its enactment;¹that while municipal
23 solid waste landfills located in the Pinelands area were required to
24 terminate operations by August 8, 1990 in accordance with the
25 "National Parks and Recreation Act of 1978" (PL 95-625), the
26 "Pinelands Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.), and
27 the comprehensive management plan prepared and adopted by the
28 Pinelands Commission pursuant thereto, financial assurances for the
29 proper closure of these terminated municipal landfills as required by
30 the "Sanitary Landfill Facility Closure and Contingency Fund Act"
31 were not adequate due to the limited time in which they were accrued;¹
32 that while the responsibility for the proper closure of municipal solid
33 waste landfills that ceased operating prior to the enactment of
34 P.L.1981, c.306 should ideally rest with the users thereof, the
35 considerable closing costs, including the cost of remediating
36 contamination problems, required to ensure the proper closure of these
37 facilities are, in many cases, beyond the financial capabilities of
38 affected municipalities; that the various environmental problems
39 resulting from terminated municipal landfills, including methane gas
40 migration, soil erosion, and ground and surface water contamination,
41 affect the quality of life of all citizens of this State; and that since the
42 proper closure and post-closure care required at each terminated
43 municipal landfill will ultimately enhance the quality of life of all
44 citizens of New Jersey, the State has the responsibility to provide
45 financial assistance to municipalities to stabilize these costs in an
46 efficient and equitable manner.

1 The Legislature further finds that in many cases it may be beneficial
2 for local governments to mine sanitary landfills for the purposes of (1)
3 extracting materials to be used, reused, recycled, sold or composted;
4 (2) reclaiming land; or (3) recovering landfill disposal capacity; that it
5 is in the public interest for local governments to mine certain sanitary
6 landfills; and that State financial assistance may be necessary for local
7 governments to initiate landfill mining projects.

8 The Legislature therefore determines that it is appropriate for the
9 State to encourage local governments to undertake solid waste
10 management projects, landfill mining projects and the environmentally
11 sound closure of municipal solid waste landfills, including the cost of
12 remediating contamination problems posed by terminated but
13 improperly closed municipal landfills, and in the public interest to
14 establish a State mechanism to provide loans at the lowest reasonable
15 interest rates and to guarantee or insure local capital improvement
16 bonds for these purposes.

17 d. The Legislature finds that construction, rehabilitation, operation
18 and maintenance of modern and efficient water supply facilities are
19 essential to protecting and improving the State's water quality; that the
20 citizens of this State, in recognition of the crucial role the construction
21 of new and the upgrading of existing water supply facilities play in
22 maintaining and augmenting the natural water resources of the State,
23 and with an understanding that the cost of financing and constructing
24 these systems is beyond the limited financial resource capabilities of
25 local governments and authorities and must be subsidized by the State
26 and repaid through a system of water supply user charges, approved
27 the enactment of the "Water Supply Bond Act of 1981" (P.L.1981,
28 c.261); that the water supply needs of the State are so great that the
29 funds allocated for this purpose from the "Water Supply Fund"
30 established by that 1981 bond act should be augmented and
31 maximized, to the extent practicable, through the use of alternative
32 methods of State financing to offset the costs of water supply projects
33 and for the construction of new or the rehabilitation of antiquated or
34 inadequate existing water supply facilities.

35 e. The Legislature therefore determines that it is in the public
36 interest to establish a State authority authorized to issue bonds, notes
37 and other obligations and to establish any reserve funds necessary
38 therefor, and to make loans to and guarantee debt incurred by local
39 government units for [wastewater treatment system] environmental
40 infrastructure projects.

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

42
43 4. Section 3 of P.L.1985, c.334 (C.58:11B-3) is amended to read
44 as follows:

45 3. As used in [this act] sections 1 through 27 of P.L.1985, c.334
46 (C.58:11B-1 through 58:11B-27) and sections 23 through 34 of

1 P.L. , c. (C.)(before the Legislature as this bill):

2 [a.] "Bonds" means bonds issued by the trust pursuant to [this act]
3 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. , c. (C.) (before
4 the Legislature as this bill);

5 "Closure" means all activities associated with the design, purchase,
6 construction or maintenance of all measures required by the
7 department, pursuant to law, in order to remediate, prevent, minimize
8 or monitor pollution or health hazards resulting from municipal solid
9 waste landfills subsequent to the termination of operations at any
10 portion thereof, including, but not limited to, the placement of final
11 earthen or vegetative cover, groundwater remediation, the installation
12 of methane gas vents or monitors and leachate monitoring wells or
13 collection systems, and long-term operations and maintenance;

14 "Combined sewer system" means a sewer system designed to carry
15 sanitary sewage at all times, which is also designed to collect and
16 transport stormwater runoff from streets and other sources, thereby
17 serving a combined purpose;

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

21 "Commercial solid waste" means any nonhazardous solid waste
22 derived from wholesale, retail or service establishments, including
23 stores, markets, theaters, offices, restaurants, warehouses, or from
24 other non-manufacturing commercial activities;

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

27 "Composting facility" means a solid waste facility at which the
28 organic components of solid waste are processed and separated
29 utilizing manual or mechanical methods and broken down into their
30 chemical elements and compounds to form humus for the purposes of
31 beneficial use or reuse as approved by the department;

32 [c.] "Cost" means the cost of all labor, materials, machinery and
33 equipment, lands, property, rights and easements, financing charges,
34 interest on bonds, notes or other obligations, plans and specifications,
35 surveys or estimates of costs and revenues, engineering and legal
36 services, and all other expenses necessary or incident to all or part of
37 [a wastewater treatment system] an environmental infrastructure
38 project;

39 [d.] "Department" means the Department of Environmental
40 Protection;

41 "Designated agency" means the public authority, or the department,
42 unit or committee of the county government, which is designated by
43 the board of chosen freeholders to supervise the implementation of the
44 district solid waste management plan pursuant to section 12 of
45 P.L.1975, c.326 (C.13:1E-21), including the implementation of the
46 district recycling plan required pursuant to section 3 of P.L.1987,

1 c.102 (C.13:1E-99.13), and which has statutory power to enter into
2 contracts or agreements and to borrow money;

3 "Environmentally sound sanitary landfill facility" means a sanitary
4 landfill facility that meets State and federal design criteria, and is
5 equipped with a liner or liners, a leachate control and collection
6 system, and a groundwater pollution monitoring system, or any other
7 pollution control or other engineering device required by the
8 department pursuant to law or rule and regulation, and which is
9 identified and included in a district solid waste management plan
10 pursuant to the provisions of the "Solid Waste Management Act,"
11 P.L.1970, c.39 (C.13:1E-1 et seq.);

12 "Household solid waste" means any solid waste derived from
13 households, including but not limited to single and multiple residences,
14 hotels and motels, bunkhouses, ranger stations, crew quarters,
15 campgrounds, picnic grounds and day use recreation areas, except that
16 "household solid waste" shall not include septic waste as defined in
17 section 3 of P.L.1970, c.40 (C.48:13A-3);

18 "Industrial solid waste" means any solid waste derived from
19 manufacturing, industrial and research and development processes and
20 operations that is not a hazardous waste as defined in section 1 of
21 P.L.1976, c.99 (C.13:1E-38), except that "industrial solid waste" shall
22 not include mining waste, oil waste, gas waste, or cement kiln dust
23 waste;

24 "Landfill mining project" means any work relating to the
25 environmentally sound excavation and removal of materials from a
26 sanitary landfill facility for the purposes of recycling, use, reuse, sale,
27 or composting that meets the requirements set forth in sections 25, 26,
28 27 and 33 of P.L. , c. (C.)(before the Legislature as this bill);

29 [e.] "Local government unit" means (1) a county, municipality,
30 municipal or county sewerage or utility authority, municipal sewerage
31 district, joint meeting, improvement authority, or any other political
32 subdivision authorized to construct, operate and maintain wastewater
33 treatment systems; (2) a county, designated agency, public authority
34 or any other political subdivision of the State authorized to construct,
35 operate or maintain a resource recovery facility, composting facility,
36 materials recovery facility, recycling center, or an environmentally
37 sound sanitary landfill facility; (3) a county, municipality, designated
38 agency, public authority or any other political subdivision of the State
39 authorized to undertake a landfill mining project or a municipal solid
40 waste landfill closure project, and to borrow money therefor; or (4) a
41 State authority, district water supply commission, county,
42 municipality, municipal or county utilities authority, municipal water
43 district, joint meeting or any other political subdivision of the State
44 authorized pursuant to law to operate or maintain a public water
45 supply system or to construct, rehabilitate, operate or maintain water
46 supply facilities or otherwise provide water for human consumption;

1 "Materials recovery facility" means a transfer station or other
2 authorized solid waste facility at which nonhazardous solid waste,
3 which material is not source separated by the generator thereof prior
4 to collection, is received for onsite processing and separation utilizing
5 manual or mechanical methods for the purposes of recovering
6 compostable, reusable or recyclable materials for disposition and
7 recycling prior to the disposal of the residual solid waste at an
8 authorized solid waste facility;

9 "Municipal solid waste landfill" means a landfill that received for
10 disposal household solid waste and at least one of the following: (1)
11 commercial solid waste; (2) industrial solid waste; or (3) waste
12 material that was received for disposal prior to October 21, 1976 and
13 that is included within the definition of hazardous waste adopted by
14 the federal government pursuant to the "Resource Conservation and
15 Recovery Act," at 42 U.S.C. §6921; except that "municipal solid waste
16 landfill" shall not include any landfill that is approved for disposal of
17 hazardous waste and regulated pursuant to Subchapter III of the
18 "Resource Conservation and Recovery Act," 42 U.S.C. §6921 et seq;

19 "Municipal solid waste landfill closure project" means any work
20 relating to the environmentally sound and proper closure of a
21 municipal solid waste landfill that meets the requirements set forth in
22 sections 25, 26, 27 and 32 of P.L. , c. (C.) (before the
23 Legislature as this bill);

24 [f.] "Notes" means notes issued by the trust pursuant to [this act]
25 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. , c. (C.) (before
26 the Legislature as this bill);

27 [g.] "Project" or "environmental infrastructure project" means the
28 acquisition, construction, improvement, repair or reconstruction of all
29 or part of any structure, facility or equipment, or real or personal
30 property necessary for or ancillary to any (1) wastewater treatment
31 system [which meets the requirements set forth in sections 20, 21 and
32 22 of this act] project, including any stormwater management or
33 combined sewer overflow abatement projects; (2) solid waste
34 management project, including any landfill mining project or municipal
35 solid waste landfill closure project; or (3) water supply project, as
36 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or
37 P.L. , c. (C.)(before the Legislature as this bill);

38 "Public authority" means a solid waste management authority
39 created pursuant to the "solid waste management authorities law,"
40 P.L.1968, c.249 (C.40:66A-32 et seq.); a municipal or county utilities
41 authority created pursuant to the "municipal and county utilities
42 authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.); an incinerator
43 authority created pursuant to the "incinerator authorities law,"
44 P.L.1948, c.348 (C.40:66A-1 et seq.); a county improvement authority
45 created pursuant to the "county improvement authorities law,"
46 P.L.1960, c.183 (C.40:37A-44 et seq.); a pollution control financing

1 authority created pursuant to the "New Jersey Pollution Control
2 Financing Law," P.L.1973, c.376 (C.40:37C-1 et seq.); or any other
3 public body corporate and politic created for solid waste management
4 purposes in any county or municipality pursuant to the provisions of
5 any law;

6 "Public water utility" means any investor-owned water company or
7 small water company that is subject to the jurisdiction or rate
8 regulation of the Board of Public Utilities as a public utility;

9 "Recycling center" means any facility designed and operated solely
10 for receiving, storing, processing or transferring source separated
11 recyclable materials;

12 "Resource recovery facility" means a solid waste facility
13 constructed and operated for the incineration of solid waste for energy
14 production and the recovery of metals and other materials for reuse,
15 or a mechanized composting facility, or any other facility constructed
16 or operated for the collection, separation, recycling, and recovery of
17 metals, glass, paper, and other recyclable materials for reuse or for
18 energy production, and which is identified and included in a district
19 solid waste management plan pursuant to the provisions of the "Solid
20 Waste Management Act," P.L.1970, c.39 (C.13:1E-1 et seq.);

21 "Sanitary landfill facility" means a solid waste facility at which solid
22 waste is deposited on or in the land as fill for the purpose of
23 permanent disposal or storage for a period exceeding six months,
24 except that it shall not include any waste facility approved for the
25 disposal of hazardous waste;

26 "Small water company" means any company, purveyor or entity,
27 other than a governmental agency, that provides water for human
28 consumption and which regularly serves less than 1,000 customer
29 connections;

30 "Solid waste management project" means any work relating to the
31 acquisition, construction, improvement, repair or reconstruction of all
32 or part of any structure, facility or equipment, or real or personal
33 property necessary for or ancillary to any resource recovery facility,
34 composting facility, materials recovery facility, recycling center, or
35 environmentally sound sanitary landfill facility that meets the
36 requirements set forth in sections 25, 26 and 27 of P.L. , c.
37 (C.)(before the Legislature as this bill); any work relating
38 to any municipal solid waste landfill closure project that meets the
39 requirements set forth in sections 25, 26, 27 and 32 of P.L. , c.
40 (C.)(before the Legislature as this bill); or any work relating
41 to any landfill mining project that meets the requirements set forth in
42 sections 25, 26, 27 and 33 of P.L. , c. (C.)(before
43 the Legislature as this bill);

44 "Stormwater management system" means any equipment, plants,
45 structures, machinery, apparatus, management practices, or land, or
46 any combination thereof, acquired, used, constructed, implemented or

1 operated by a local government unit to prevent nonpoint source
2 pollution, abate improper cross-connections and interconnections
3 between stormwater and sewer systems, minimize stormwater runoff,
4 reduce soil erosion, or induce groundwater recharge, or any
5 combination thereof;

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

9 [i.] "Wastewater" means residential, commercial, industrial, or
10 agricultural liquid waste, [sewerage] sewage, septage, stormwater
11 runoff, or any combination thereof, or other liquid residue discharged
12 or collected into a sewer system or stormwater [runoff] management
13 system, or any combination thereof;

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

28 "Wastewater treatment system project" means any work relating to
29 the acquisition, construction, improvement, repair or reconstruction
30 of all or part of any structure, facility or equipment, or real or personal
31 property necessary for or ancillary to any wastewater treatment system
32 that meets the requirements set forth in sections 20, 21 and 22 of
33 P.L.1985, c.334 (C.58:11B-20, 58:11B-21 and 58:11B-22); or any
34 work relating to any of the stormwater management or combined
35 sewer overflow abatement projects identified in the stormwater
36 management and combined sewer overflow abatement project priority
37 list adopted by the commissioner pursuant to section 28 of P.L.1989,
38 c.181; or any work relating to any other project eligible for financing
39 under the Federal Water Pollution Control Act Amendments of 1972
40 (33 U.S.C. §1251 et seq.), or any amendatory or supplementary acts
41 thereto;

42 "Water supply facilities" means and refers to the real property and
43 the plants, structures, interconnections between existing water supply
44 facilities, machinery and equipment and other property, real, personal
45 and mixed, acquired, constructed or operated, or to be acquired,
46 constructed or operated, in whole or in part, by or on behalf of a

1 public water utility, or by or on behalf of the State, or of a political
2 subdivision of the State or any agency thereof, for the purpose of
3 augmenting the natural water resources of the State and making
4 available an increased supply of water for all uses, or of conserving
5 existing water resources, and any and all appurtenances necessary,
6 useful or convenient for the collecting, impounding, storing,
7 improving, treating, filtering, conserving or transmitting of water, and
8 for the preservation and protection of these resources and facilities,
9 whether in public or private ownership, and providing for the
10 conservation and development of future water supply resources, and
11 facilitating incidental recreational uses thereof;

12 "Water supply project" means any work relating to the acquisition,
13 construction, improvement, repair or reconstruction of all or part of
14 any structure, facility or equipment, or real or personal property
15 necessary for or ancillary to water supply facilities that meets the
16 requirements set forth in sections 28, 29 and 30 of P.L. , c.
17 (C.)(before the Legislature as this bill); or any work relating to
18 the purposes set forth in section 4 of P.L.1981, c.261.

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

20

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

23 4. a. There is established in, but not of, the Department of
24 Environmental Protection a body corporate and politic, with corporate
25 succession, to be known as the "New Jersey [Wastewater Treatment]
26 Environmental Infrastructure Trust." The trust is constituted as an
27 instrumentality of the State exercising public and essential
28 governmental functions, no part of whose revenues shall accrue to the
29 benefit of any individual, and the exercise by the trust of the powers
30 conferred by [this act] the provisions of P.L.1985, c.334 (C.58:11B-1
31 et seq.) or P.L. , c. (C.)(before the Legislature as this bill),
32 shall be deemed and held to be an essential governmental function of
33 the State.

34 b. The trust shall consist of a seven-member board of directors
35 composed of the State Treasurer, the Commissioner of the Department
36 of Community Affairs, and the Commissioner of the Department of
37 Environmental Protection, who shall be members ex officio; one
38 person appointed by the Governor upon the recommendation of the
39 President of the Senate and one person appointed by the Governor
40 upon the recommendation of the Speaker of the General Assembly,
41 who shall serve during the two-year legislative term in which they are
42 appointed; and two residents of the State appointed by the Governor
43 with the advice and consent of the Senate, who shall serve for terms
44 of four years, except that the first two appointed shall serve terms of
45 two and three years respectively. Each appointed director shall serve
46 until his successor has been appointed and qualified. A director is

1 eligible for reappointment. Any vacancy shall be filled in the same
2 manner as the original appointment, but for the unexpired term only.

3 With respect to those public members first appointed by the
4 Governor, the appointment of each of the two members upon the
5 advice and consent of the Senate shall become effective 30 days after
6 their nomination by the Governor if the Senate has not given advice
7 and consent on those nominations within that time period; the
8 President of the Senate and the Speaker of the General Assembly each
9 shall recommend to the Governor a public member for appointment
10 within 20 days following the effective date of this act, and a
11 recommendation made in this manner shall become effective if the
12 Governor makes the appointment in accordance with the
13 recommendation, in writing, within 10 days of the Governor's receipt
14 thereof. In each instance where the Governor fails to make the
15 appointment, the President of the Senate and the Speaker of the
16 General Assembly shall make new recommendations subject to
17 appointment by the Governor as determined in this section.

18 c. Each appointed director may be removed from office by the
19 Governor for cause, upon the Governor's consideration of the findings
20 and recommendations of an administrative law judge after a public
21 hearing before the judge, and may be suspended by the Governor
22 pending the completion of the hearing. Each director, before entering
23 upon his duties, shall take and subscribe an oath to perform the duties
24 of his office faithfully, impartially and justly to the best of his ability.
25 A record of oaths shall be filed in the office of the Secretary of State.

26 d. The Governor shall designate one of the appointed members to
27 be the chairman and chief executive officer of the trust and the
28 directors shall biannually elect a vice-chairman from among the
29 appointed directors. The chairman shall serve as such for a term of
30 two years and until a successor has been designated. A chairman shall
31 be eligible to succeed himself for one additional two year term. The
32 directors shall elect a secretary and treasurer, who need not be
33 directors, and the same person may be elected to serve as both
34 secretary and treasurer.

35 The powers of the trust are vested in the directors in office from
36 time to time and four directors shall constitute a quorum at any
37 meeting. Action may be taken and motions and resolutions adopted by
38 the trust by the affirmative majority vote of those directors present,
39 but in no event shall any action be taken or motions or resolutions
40 adopted without the affirmative vote of at least four members. No
41 vacancy on the board of directors of the trust shall impair the right of
42 a quorum of the directors to exercise the powers and perform the
43 duties of the trust.

44 e. Each director and the treasurer of the trust shall execute a bond
45 to be conditioned upon the faithful performance of the duties of the
46 director or treasurer in a form and amount as may be prescribed by the

1 State Treasurer. Bonds shall be filed in the office of the Secretary of
2 State. At all times thereafter, the directors and treasurer shall maintain
3 these bonds in full effect. All costs of the bonds shall be borne by the
4 trust.

5 f. The directors of the trust shall serve without compensation, but
6 the trust shall reimburse the directors for actual and necessary
7 expenses incurred in the performance of their duties. Notwithstanding
8 the provisions of any other law to the contrary, no officer or employee
9 of the State shall be deemed to have forfeited or shall forfeit his office
10 or employment or any benefits or emoluments thereof by reason of his
11 acceptance of the office of ex officio director of the trust or his
12 services thereon.

13 g. Each ex officio director may designate an officer of his
14 department to represent him at meetings of the trust. Each designee
15 may lawfully vote and otherwise act on behalf of the director for
16 whom he constitutes the designee. The designation shall be delivered
17 in writing to the trust and shall continue in effect until revoked or
18 amended in writing and delivered to the trust.

19 h. The trust may be dissolved by law; provided the trust has no
20 debts or obligations outstanding or that provision has been made for
21 the payment or retirement of these debts or obligations. The trust shall
22 continue in existence until dissolved by act of the Legislature. Upon
23 any dissolution of the trust all property, funds and assets of the trust
24 shall be vested in the State.

25 i. A true copy of the minutes of every meeting of the trust shall be
26 forthwith delivered by and under the certification of the secretary
27 thereof to the Governor and at the same time to the Senate and
28 General Assembly. The time and act of this delivery shall be duly
29 recorded on a delivery receipt. No action taken or motion or
30 resolution adopted at a meeting by the trust shall have effect until 10
31 days, exclusive of Saturdays, Sundays and public holidays, after a copy
32 of the minutes has been delivered to the Governor, unless during the
33 10-day period the Governor shall approve all or part of the actions
34 taken or motions or resolutions adopted, in which case the action or
35 motion or resolution shall become effective upon the approval.

36 If, in the 10-day period, the Governor returns the copy of the
37 minutes with a veto of any action taken by the trust or any member
38 thereof at that meeting, the action shall be of no effect. The Senate or
39 General Assembly shall have the right to provide written comments
40 concerning the minutes to the Governor within the 10-day period,
41 which comments shall be returned to the trust by the Governor with
42 his approval or veto of the minutes.

43 The powers conferred in this subsection upon the Governor shall be
44 exercised with due regard for the rights of the holders of bonds, notes
45 and other obligations of the trust at any time outstanding, and nothing
46 in, or done pursuant to, this subsection shall in any way limit, restrict

1 or alter the obligation or powers of the trust or any representative or
2 officer of the trust to carry out and perform each covenant, agreement
3 or contract made or entered into by or on behalf of the trust with
4 respect to its bonds, notes or other obligations or for the benefit,
5 protection or security of the holders thereof.

6 j. No resolution or other action of the trust providing for the
7 issuance of bonds, refunding bonds, notes or other obligations shall be
8 adopted or otherwise made effective by the trust without the prior
9 approval in writing of the Governor and the State Treasurer. The trust
10 shall provide the Senate and General Assembly with written notice of
11 any request for approval of the Governor and State Treasurer at the
12 time the request is made, and shall also provide the Senate and General
13 Assembly written notice of the response of the Governor and State
14 Treasurer at the time that the response is received by the trust.

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

16

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

19 5. Except as otherwise limited by [this act] the provisions of
20 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. , c. (C.) (before
21 the Legislature as this bill), the trust may:

22 a. Make and alter bylaws for its organization and internal
23 management and, subject to agreements with holders of its bonds,
24 notes or other obligations, make rules and regulations with respect to
25 its operations, properties and facilities;

26 b. Adopt an official seal and alter it;

27 c. Sue and be sued;

28 d. Make and enter into all contracts, leases and agreements
29 necessary or incidental to the performance of its duties and the
30 exercise of its powers under [this act] the provisions of P.L.1985,
31 c.334 (C.58:11B-1 et seq.) or P.L. , c. (C.) (before the
32 Legislature as this bill), and subject to any agreement with the holders
33 of the trust's bonds, notes or other obligations, consent to any
34 modification, amendment or revision of any contract, lease or
35 agreement to which the trust is a party;

36 e. Enter into agreements or other transactions with and accept,
37 subject to the provisions of section 23 of [this act] P.L.1985, c.334
38 (C.58:11B-23), grants, appropriations and the cooperation of the
39 State, or any State agency, in furtherance of the purposes of [this act]
40 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. , c. (C.) (before
41 the Legislature as this bill), and do anything necessary in order to avail
42 itself of that aid and cooperation;

43 f. Receive and accept aid or contributions from any source of
44 money, property, labor or other things of value, to be held, used and
45 applied to carry out the purposes of [this act] P.L.1985, c.334
46 (C.58:11B-1 et seq.) or P.L. , c. (C.) (before the Legislature as

1 this bill), subject to the conditions upon which that aid and those
2 contributions may be made, including, but not limited to, gifts or
3 grants from any department or agency of the State, or any State
4 agency, for any purpose consistent with [this act] the provisions of
5 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. , c. (C.)(before
6 the Legislature as this bill), subject to the provisions of section 23 of
7 [this act] P.L.1985, c.334 (C.58:11B-23);

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

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

18 i. Borrow money and issue bonds, notes and other obligations, and
19 secure the same, and provide for the rights of the holders thereof as
20 provided in [this act] the provisions of P.L.1985, c.334 (C.58:11B-1
21 et seq.) or P.L. , c. (C.)(before the Legislature as this bill);

22 j. Subject to any agreement with holders of its bonds, notes or
23 other obligations, invest moneys of the trust not required for
24 immediate use, including proceeds from the sale of any bonds, notes
25 or other obligations, in any obligations, securities and other
26 investments in accordance with the rules and regulations of the State
27 Investment Council or as may otherwise be approved by the Director
28 of the Division of Investment in the Department of the Treasury upon
29 a finding that such investments are consistent with the corporate
30 purposes of the trust;

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

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

41 m. (1) Make and contract to make loans to local government units
42 to finance the cost of wastewater treatment system projects, solid
43 waste management projects or water supply projects and acquire and
44 contract to acquire notes, bonds or other obligations issued or to be
45 issued by local government units to evidence the loans, all in
46 accordance with the provisions of [this act] P.L.1985, c.334

1 (C.58:11B-1 et seq.) or P.L. _____, c. _____ (C. _____)(before the
 2 Legislature as this bill);

3 (2) Make and contract to make loans to public water utilities to
 4 finance the cost of water supply projects in accordance with the
 5 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. _____, c.
 6 (C. _____)(before the Legislature as this bill);

7 n. Subject to any agreement with holders of its bonds, notes or
 8 other obligations, purchase bonds, notes and other obligations of the
 9 trust and hold the same for resale or provide for the cancellation
 10 thereof, all in accordance with the provisions of [this act] P.L.1985,
 11 c.334 (C.58:11B-1 et seq.) or P.L. _____, c. _____ (C. _____)(before the
 12 Legislature as this bill);

13 o. (1) Charge to and collect from local government units or public
 14 water utilities any fees and charges in connection with the trust's loans,
 15 guarantees or other services, including, but not limited to, fees and
 16 charges sufficient to reimburse the trust for all reasonable costs
 17 necessarily incurred by it in connection with its financings and the
 18 establishment and maintenance of reserve or other funds, as the trust
 19 may determine to be reasonable. The fees and charges shall be in
 20 accordance with a uniform schedule published by the trust for the
 21 purpose of providing actual cost reimbursement for the services
 22 rendered;

23 (2) Any fees and charges collected by the trust pursuant to this
 24 subsection may be deposited and maintained in a fund separate from
 25 any other funds held by the trust pursuant to section 10 of P.L.1985,
 26 c.334 (C.58:11B-10) or sections 23 and 24 of P.L. _____, c.
 27 (C. _____)(before the Legislature as this bill) and shall be available for
 28 any corporate purposes of the trust;

29 p. Subject to any agreement with holders of its bonds, notes or
 30 other obligations, obtain as security or to provide liquidity for payment
 31 of all or any part of the principal of and interest and premium on the
 32 bonds, notes and other obligations of the trust or for the purchase
 33 upon tender or otherwise of the bonds, notes or other obligations,
 34 lines of credit, letters of credit and other security agreements or
 35 instruments in any amounts and upon any terms as the trust may
 36 determine, and pay any fees and expenses required in connection
 37 therewith;

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

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

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

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

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

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

17 b. Whether or not the bonds, notes or other obligations of the trust
18 are of a form and character as to be negotiable instruments under the
19 terms of Title 12A of the New Jersey Statutes, the bonds, notes and
20 other obligations are made negotiable instruments within the meaning
21 of and for the purposes of Title 12A ¹of the New Jersey Statutes¹,
22 subject only to the provisions of the bonds, notes and other obligations
23 for registration.

24 c. Bonds, notes or other obligations of the trust shall be authorized
25 by a resolution or resolutions of the trust and may be issued in one or
26 more series and shall bear any date or dates, mature at any time or
27 times, bear interest at any rate or rates of interest per annum, be in any
28 denomination or denominations, be in any form, either coupon,
29 registered or book entry, carry any conversion or registration
30 privileges, have any rank or priority, be executed in any manner, be
31 payable in any coin or currency of the United States which at the time
32 of payment is legal tender for the payment of public and private debts,
33 at any place or places within or without the State, and be subject to
34 any terms of redemption by the trust or the holders thereof, with or
35 without premium, as the resolution or resolutions may provide. A
36 resolution of the trust authorizing the issuance of bonds, notes or
37 other obligations may provide that the bonds, notes or other
38 obligations be secured by a trust indenture between the trust and a
39 trustee, vesting in the trustee any property, rights, powers and duties
40 in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1
41 et seq.) or P.L. , c. (C.)(before the Legislature as this bill) as
42 the trust may determine.

43 d. Bonds, notes or other obligations of the trust may be sold at any
44 price or prices and in any manner as the trust may determine. Each
45 bond, note or other obligation shall mature and be paid not later than
46 20 years from the effective date thereof, or the certified useful life of

1 the project or projects to be financed by the bonds, whichever is less.

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

18 e. Bonds, notes or other obligations of the trust may be issued
19 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or
20 P.L. _____, c. _____ (C. _____) (before the Legislature as this bill) without
21 obtaining the consent of any department, division, board, bureau or
22 agency of the State, and without any other proceedings or the
23 happening of any other conditions or things, other than those consents,
24 proceedings, conditions or things which are specifically required by
25 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. _____, c. _____ (C. _____) (before
26 the Legislature as this bill).

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

1 notes or other obligations.

2 g. The [aggregate principal amount of bonds, notes or other
3 obligations, including subordinated indebtedness of the trust, shall not
4 exceed \$600,000,000.00, except that, for the purpose of implementing
5 the Fiscal Year 1996 Financial Plan as approved by the Legislature
6 pursuant to SCR No. 105 of 1995 and ACR No. 15 of 1995, and in
7 compliance with subsection j. of this section, the trust may exceed the
8 foregoing limitations. In computing the foregoing limitations there
9 shall be excluded all the] trust may issue bonds, notes or other
10 obligations, including subordinated indebtedness of the trust, which
11 shall be issued for refunding purposes, whenever the refunding shall be
12 determined to result in a debt service savings, as hereinafter provided:

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

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

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

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

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

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

1 or other obligations, and may be secured by one or more of the
2 following:

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

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

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

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

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

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

28 j. [For the purpose of implementing the Fiscal Year 1996 Financial
29 Plan as approved by the Legislature pursuant to SCR No. 105 of 1995
30 and ACR No. 15 of 1995, the trust shall provide the Senate Budget
31 and Appropriations and the Assembly Appropriations Committee, or
32 their successors, with a detailed statement by the trust of the costs of
33 issuance of any bonds issued to implement the Fiscal Year 1996
34 Financial Plan, within thirty days of the issuance thereof, with specific
35 reference, where applicable, to itemized costs for the following
36 services:

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

38 (2) financial advisor;

39 (3) paying agent and registrar;

40 (4) rating agencies;

41 (5) official statement printing;

42 (6) bond printing;

43 (7) trustee;

44 (8) credit enhancement;

45 (9) liquidity facility; and

46 (10) miscellaneous issuance costs; and

1 a calculation of underwriters' spread, broken down into the following
2 components, and accompanied by a list of underwriters' spreads from
3 recent comparable bond issues:

- 4 (1) management fees;
- 5 (2) underwriters' fees;
- 6 (3) selling concessions;
- 7 (4) underwriters' counsel; and
- 8 (5) other costs.] (Deleted by amendment, P.L. , c.)(pending
9 in the Legislature as this bill)
10 (cf: P.L.1995, c.220, s.1)

11

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

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

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

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

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

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

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

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

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

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

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

1 trust;

2 j. Covenant to create or authorize the creation of special funds or
3 accounts to be held in trust or otherwise for the benefit of holders of
4 bonds, notes and other obligations of the trust, or reserves for other
5 purposes and as to the use, investment, and disposition of moneys held
6 in those funds, accounts or reserves;

7 k. Provide for the rights and liabilities, powers and duties arising
8 upon the breach of any covenant, condition or obligation and prescribe
9 the events of default and terms and conditions upon which any or all
10 of the bonds, notes or other obligations of the trust shall become or
11 may be declared due and payable before maturity and the terms and
12 conditions upon which the declaration and its consequences may be
13 waived;

14 l. Vest in a trustee or trustees within or without the State any
15 property, rights, powers and duties in trust as the trust may determine,
16 which may include any or all of the rights, powers and duties of any
17 trustee appointed by the holders of any bonds, notes or other
18 obligations of the trust pursuant to section 18 of [this act] P.L.1985,
19 c.334 (C.58:11B-18), including rights with respect to the sale or other
20 disposition of notes, bonds or other obligations of local government
21 units pledged pursuant to a resolution or trust indenture for the benefit
22 of the holders of bonds, notes or other obligations of the trust and the
23 right by suit or action to foreclose any mortgage pledged pursuant to
24 the resolution or trust indenture for the benefit of the holders of the
25 bonds, notes or other obligations, and to limit or abrogate the right of
26 the holders of any bonds, notes or other obligations of the trust to
27 appoint a trustee under [this act] the provisions of P.L.1985, c.334
28 (C.58:11B-1 et seq.) or P.L. , c. (C.) (before the Legislature
29 as this bill), and to limit the rights, duties and powers of the trustee;

30 m. Pay the costs or expenses incident to the enforcement of the
31 bonds, notes or other obligations of the trust or of the provisions of
32 the resolution authorizing the issuance of those bonds, notes or other
33 obligations or of any covenant or agreement of the trust with the
34 holders of the bonds, notes or other obligations;

35 n. Limit the rights of the holders of any bonds, notes or other
36 obligations of the trust to enforce any pledge or covenant securing the
37 bonds, notes or other obligations; and

38 o. Make covenants other than or in addition to the covenants
39 authorized by [this act] P.L.1985, c.334 (C.58:11B-1 et seq.) or
40 P.L. , c. (C.)(pending in the Legislature as this bill) 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

1 that the covenants, acts or things may not be enumerated herein.
2 (cf: P.L.1985, c.334, s.7)

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

6 9. a. (1) The trust may make and contract to make loans to local
7 government units in accordance with and subject to the provisions of
8 [this act] P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. _____, c.
9 (C. _____)(before the Legislature as this bill) to finance the cost of any
10 wastewater treatment system [projects] ~~project, solid waste~~
11 management project or water supply project, which the local
12 government unit may lawfully undertake or acquire and for which the
13 local government unit is authorized by law to borrow money.

14 (2) The trust may make and contract to make loans to public water
15 utilities in accordance with and subject to the provisions of P.L.1985,
16 c.334 (C.58:11B-1 et seq.) or P.L. _____, c. (C. _____) (pending in the
17 Legislature as this bill) to finance the cost of any water supply project,
18 which the public water utility may lawfully undertake or acquire.

19 The loans may be made subject to those terms and conditions as the
20 trust shall determine to be consistent with the purposes thereof. Each
21 loan by the trust and the terms and conditions thereof shall be subject
22 to approval by the State Treasurer, and the trust shall make available
23 to the State Treasurer all information, statistical data and reports of
24 independent consultants or experts as the State Treasurer shall deem
25 necessary in order to evaluate the loan. Each loan to a local
26 government unit or public water utility shall be evidenced by notes,
27 bonds or other obligations thereof issued to the trust. In the case of
28 each local government unit, notes and bonds to be issued to the trust
29 by the local government unit (1) shall be authorized and issued as
30 provided by law for the issuance of notes and bonds by the local
31 government unit, (2) shall be approved by the Local Finance Board in
32 the Division of Local Government Services in the Department of
33 Community Affairs, and (3) notwithstanding the provisions of
34 N.J.S.40A:2-27, N.J.S.40A:2-28 and N.J.S.40A:2-29 or any other
35 provisions of law to the contrary, may be sold at private sale to the
36 trust at any price, whether or not less than par value, and shall be
37 subject to redemption prior to maturity at any times and at any prices
38 as the trust and local government units may agree. Each loan to a local
39 government unit or public water utility and the notes, bonds or other
40 obligations thereby issued shall bear interest at a rate or rates per
41 annum as the trust and the local government unit or public water
42 utility, as the case may be, may agree.

43 b. The trust is authorized to guarantee or contract to guarantee the
44 payment of all or any portion of the principal and interest on bonds,
45 notes or other obligations issued by a local government unit to finance
46 the cost of any wastewater treatment system project, solid waste

1 management project or water supply project, which the local
2 government unit may lawfully undertake or acquire and for which the
3 local government unit is authorized by law to borrow money, and the
4 guarantee shall constitute an obligation of the trust for the purposes
5 of [this act] P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. , c.
6 (C.)(pending in the Legislature as this bill). Each guarantee by
7 the trust and the terms and conditions thereof shall be subject to
8 approval by the State Treasurer, and the trust shall make available to
9 the State Treasurer all information, statistical data and reports of
10 independent consultants or experts as the State Treasurer shall deem
11 necessary in order to evaluate the guarantee.

12 c. The trust shall not make or contract to make any loans or
13 guarantees to local government units or public water utilities, or
14 otherwise incur any additional indebtedness, on or after [20 years from
15 the effective date of this act] November 5, 2005.
16 (cf: P.L.1985, c.334, s.9)

17

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

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

22 Subject to the provisions of the legislation appropriating moneys to
23 the trust, subject to any other provision of [this act] P.L.1985, c.334
24 (C.58:11B-1 et seq.) or P.L. , c. (C.) (before the Legislature as
25 this bill) providing otherwise, and subject to agreements with the
26 holders of bonds, notes and other obligations of the trust, the trust
27 shall deposit into the wastewater treatment system general loan fund
28 all revenues and receipts of the trust, including moneys received by the
29 trust as payment of the principal of and the interest or premium on
30 loans made from moneys in any wastewater treatment system fund or
31 account held by the trust under [this act] P.L.1985, c.334 (C.58:11B-1
32 et seq.) or P.L. , c. (C.)(before the Legislature as this bill),
33 and the earnings on the moneys in any wastewater treatment system
34 fund or account of the trust, and all grants, appropriations, other than
35 those referred to in section 11 of [this act] P.L.1985, c.334
36 (C.58:11B-11), contributions, or other moneys from any source,
37 available for the making of loans to local government units. The
38 amounts in the wastewater treatment system general loan fund shall be
39 available for application by the trust for loans to local government
40 units for the cost of wastewater treatment system projects, and for
41 other corporate purposes of the trust related to wastewater treatment
42 systems, subject to agreements with the holders of bonds, notes or
43 other obligations of the trust.

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

45

46 11. Section 13 of P.L.1985, c.334 (C.58:11B-13) is amended to

1 read as follows:

2 13. Neither the directors of the trust nor any person executing
3 bonds, notes or other obligations of the trust issued pursuant to [this
4 act] P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. _____, c.
5 (C. _____)(before the Legislature as this bill) shall be liable personally
6 on the bonds, notes or other obligations by reason of the issuance
7 thereof.

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

9

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

12 14. The State does pledge to and covenant and agree with the
13 holders of any bonds, notes or other obligations of the trust issued
14 pursuant to authorization of [this act] P.L.1985, c.334 (C.58:11B-1
15 et seq.) or P.L. _____, c. (C. _____)(before the Legislature as this bill)
16 that the State shall not limit or alter the rights or powers vested in the
17 trust to perform and fulfill the terms of any agreement made with the
18 holders of the bonds, notes or other obligations or to fix, establish,
19 charge and collect any rents, fees, rates, payments or other charges as
20 may be convenient or necessary to produce sufficient revenues to meet
21 all expenses of the trust and to fulfill the terms of any agreement made
22 with the holders of bonds, notes or other obligations, including the
23 obligations to pay the principal of and interest and premium on those
24 bonds, notes or other obligations, with interest on any unpaid
25 installments of interest, and all costs and expenses in connection with
26 any action or proceedings by or on behalf of the holders, and shall not
27 limit or alter the rights and powers of any local government unit to pay
28 and perform its obligations owed to the trust in connection with loans
29 received from the trust, until the bonds, notes and other obligations of
30 the trust, together with interest thereon, are fully met and discharged
31 or provided for.

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

33

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

36 15. The State and all public officers, governmental units and
37 agencies thereof, all banks, trust companies, savings banks and
38 institutions, building and loan associations, savings and loan
39 associations, investment companies, and other persons carrying on a
40 banking business, all insurance companies, insurance associations and
41 other persons carrying on an insurance business, and all executors,
42 administrators, guardians, trustees and other fiduciaries may legally
43 invest any sinking funds, moneys or other funds belonging to them or
44 within their control in any bonds, notes or other obligations issued
45 pursuant to [this act] P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. _____,
46 c. (C. _____)(before the Legislature as this bill), and those bonds, notes

1 or other obligations shall be authorized security for any and all public
2 deposits.

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

4

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

7 17. All property of the trust is declared to be public property
8 devoted to an essential public and governmental function and purpose
9 and the revenues, income and other moneys received or to be received
10 by the trust shall be exempt from all taxes of the State or any political
11 subdivision thereof. All bonds, notes and other obligations of the trust
12 issued pursuant to [this act] P.L.1985, c.334 (C.58:11B-1 et seq.) or
13 P.L. , c. (C.)(before the Legislature as this bill) are declared
14 to be issued by a body corporate and politic of the State and for an
15 essential public and governmental purpose and those bonds, notes and
16 other obligations, and interest thereon and the income therefrom and
17 from the sale, exchange or other transfer thereof shall at all times be
18 exempt from taxation, except for transfer inheritance and estate taxes.
19 (cf: P.L.1985, c.334, s.17)

20

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

23 18. a. If the trust defaults in the payment of principal of, or
24 interest on, any issue of its bonds, notes or other obligations after
25 these are due, whether at maturity or upon call for redemption, and the
26 default continues for a period of 30 days or if the trust defaults in any
27 agreement made with the holders of any issue of bonds, notes or other
28 obligations, the holders of 25% in aggregate principal amount of the
29 bonds, notes or other obligations of the issue then outstanding, by
30 instrument or instruments filed in the office of the clerk of any county
31 in which the trust operates and has an office and proved or
32 acknowledged in the same manner as required for a deed to be
33 recorded, may direct a trustee to represent the holders of the bonds,
34 notes or other obligations of the issuers for the purposes herein
35 provided.

36 b. Upon default, the trustee may, and upon written request of the
37 holders of 25% in principal amount of the bonds, notes or other
38 obligations of the trust of a particular issue then outstanding shall, in
39 his or its own name:

40 (1) By suit, action or proceeding enforce all rights of the holders
41 of bonds, notes or other obligations of the issue, to require the trust
42 to carry out any other agreements with the holders of the bonds, notes
43 or other obligations of the issue and to perform its duties under [this
44 act] P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. , c.
45 (C.)(before the Legislature as this bill);

46 (2) Bring suit upon the bonds, notes or other obligations of the

1 issue;

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

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

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

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

15 (7) Declare all bonds, notes or other obligations of the issue due
16 and payable, and if all defaults are made good, then with the consent
17 of the holders of 50% of the principal amount of the bonds, notes or
18 other obligations of the issue then outstanding, to annul the
19 declaration and its consequences.

20 c. The trustee shall, in addition to the foregoing, have those
21 powers necessary or appropriate for the exercise of any function
22 specifically set forth herein or incident to the general representation of
23 holders of bonds, notes or other obligations of the trust in the
24 enforcement and protection of their rights.

25 d. The Superior Court shall have jurisdiction over any suit, action
26 or proceeding by the trustees on behalf of the holders of bonds, notes
27 or other obligations of the trust. The venue of any suit, action or
28 proceeding shall be in the county in which the principal office of the
29 trust is located.

30 e. Before declaring the principal of bonds, notes or other
31 obligations of the trust due and payable as a result of a trust default on
32 any of its bonds, notes or other obligations, the trustee shall first give
33 30 days' notice in writing to the trust and to the Governor, State
34 Treasurer, President of the Senate and Speaker of the General
35 Assembly.

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

37

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

40 19. Sums of money received pursuant to the authority of [this act]
41 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. , c. (C.) (before
42 the Legislature as this bill), whether as proceeds from the sale of
43 particular bonds, notes or other obligations of the trust or as particular
44 revenues or receipts of the trust, are deemed to be trust funds, to be
45 held and applied solely as provided in the resolution or trust indenture
46 under which the bonds, notes or obligations are authorized or secured.

1 Any officer with whom or any bank or trust company with which those
2 sums of money are deposited as trustee thereof shall hold and apply
3 the same for the purposes thereof, subject to any provision as [this
4 act] the aforementioned acts and the resolution or trust indenture
5 authorizing or securing the bonds, notes or other obligations of the
6 trust may provide.

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

8

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

11 20. a. The Commissioner of Environmental Protection shall for
12 each fiscal year develop a priority system for wastewater treatment
13 systems and shall establish the ranking criteria and funding policies for
14 the projects therefor. The commissioner shall set forth a project
15 priority list for funding by the trust for each fiscal year and shall
16 include the aggregate amount of funds of the trust to be authorized for
17 these purposes. The project priority list may include any stormwater
18 management or combined sewer overflow abatement project identified
19 in the stormwater management and combined sewer overflow
20 abatement project priority list adopted by the commissioner pursuant
21 to section 28 of P.L.1989, c.181.

22 The project priority list, which shall include for each wastewater
23 treatment system the date each project is scheduled to be certified as
24 ready for funding, shall be in conformance with applicable provisions
25 of the "Federal Water Pollution Control Act Amendments of 1972,"
26 Pub.L. 92-500 (33 U.S.C. § 1251 et al.), and any amendatory or
27 supplementary acts thereto, and State law. The project priority list
28 shall include a description of each project and its purpose, impact,
29 cost, and construction schedule, and an explanation of the manner in
30 which priorities were established. The priority system and project
31 priority list for the ensuing fiscal year shall be submitted to the
32 Legislature on or before January 15 of each year on a day when both
33 Houses are meeting. The President of the Senate and the Speaker of
34 the General Assembly shall cause the date of submission to be entered
35 upon the Senate Journal and the Minutes of the General Assembly,
36 respectively[, and shall cause]. On or before May 15 of each year, the
37 trust shall submit the project priority list to be introduced in each
38 House in the form of legislative appropriations bills, [and shall refer
39 these bills] which shall be referred to the Senate [Energy and]
40 Environment Committee and the General Assembly [Agriculture and
41 Environment] ¹[Solid and Hazardous Waste] Agriculture and Waste
42 Management¹ Committee, or their successors, for their respective
43 consideration.

44 b. [Within 60 days of the referral thereof, the] The Senate [Energy
45 and] Environment Committee and the General Assembly [Agriculture
46 and Environment] ¹[Solid and Hazardous Waste] Agriculture and

1 Waste Management¹ shall, either individually or jointly, consider the
2 legislation containing the project priority list, and shall report the
3 legislation, together with any modifications, out of committee for
4 consideration by each House of the Legislature. On or before [April]
5 July 1 of each year, the Legislature shall approve an appropriations act
6 containing the project priority list, including any amendatory or
7 supplementary provisions thereto, which act shall include the
8 authorization of an aggregate amount of funds of the trust to be
9 expended for loans and guarantees for the specific projects, including
10 the individual amounts therefor, on the list[, as modified by the Senate
11 Energy and Environment Committee and the General Assembly
12 Agriculture and Environment Committee].

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

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

18

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

21 21. On or before May 15 of each year, the trust shall submit to the
22 Legislature a financial plan designed to implement the financing of the
23 wastewater treatment system projects on the project priority list
24 approved pursuant to section 20 of [this act] P.L.1985, c.334
25 (C.58:11B-20). The financial plan shall contain an enumeration of the
26 bonds, notes or other obligations of the trust which the trust intends
27 to issue, including the amounts thereof and the terms and conditions
28 thereof, a list of loans to be made to local government units, including
29 the terms and conditions thereof and the anticipated rate of interest per
30 annum and repayment schedule therefor, and a list of loan guarantees
31 or contracts to guarantee the payment of all or a portion of the
32 principal and interest on bonds, notes or other obligations issued by a
33 local government unit to finance the cost of a wastewater treatment
34 system project, and the terms and conditions thereof. The financial
35 plan shall also set forth a complete operating and financial statement
36 covering its proposed operations during the forthcoming fiscal year,
37 including amounts of income from all sources, and the uniform
38 schedule of fees and charges established by the trust pursuant to
39 subsection o. of section 5 of [this act] P.L.1985, c.334 (C.58:11B-5),
40 and the amounts to be derived therefrom, and shall summarize the
41 status of each wastewater treatment system project for which loans or
42 guarantees have been made by the trust, and shall describe major
43 impediments to the accomplishment of the planned wastewater
44 treatment system projects.

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

46

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

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

9 b. Unless the financial plan as described in the submission is
10 approved by adoption of a concurrent resolution of both houses within
11 the time period prescribed in this subsection, the financial plan shall be
12 deemed disapproved and the trust shall not undertake any of the
13 proposed activities contained therein. The President and the Speaker
14 shall cause a concurrent resolution of approval of the trust's financial
15 plan to be placed before the members of the respective houses for a
16 recorded vote within the time period. The time period shall commence
17 on the day of submission and expire on the forty-fifth day after
18 submission or for a house not meeting on the forty-fifth day, on the
19 next meeting day of that house.

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

21

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

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

27 b. No funds shall be expended by the trust for its annual operating
28 expenses unless appropriated by law to the trust. Unless required to be
29 otherwise applied pursuant to law, funds generated by the operation
30 of the trust, including, but not limited to: proceeds from the sale of the
31 trust's bonds, notes or other obligations; revenues derived from
32 investments by the trust; loan repayments from local government units;
33 and fees and charges levied by the trust, may thereafter be applied in
34 accordance with the provisions of [this act] P.L.1985, c.334
35 (C.58:11B-1 et seq.) or P.L. , c. (C.)(before the Legislature
36 as this bill) for any corporate purpose of the trust without
37 appropriation; except that the funds shall only be used to make loans
38 or guarantees approved by the Legislature in accordance with the
39 provisions of sections 20, 21 and 22 of [this act] P.L.1985, c.334
40 (C.58:11B-20, 58:11B-21 and 58:11B-22), sections 25, 26 and 27 of
41 P.L. , c. (C.)(before the Legislature as this bill), or
42 sections 28, 29 and 30 of P.L. , c. (C.)(before the
43 Legislature as this bill).

44 c. The trust shall not apply for[, receive, accept or utilize] any
45 federal funds, including funds which are authorized pursuant to the
46 "Federal Water Pollution Control Act Amendments of 1972," Pub.L.

1 92-500 (33 U.S.C. § 1251 et al.), and any amendatory or
2 supplementary acts thereto.

3 The trust, with the concurrence of the Commissioner of
4 Environmental Protection, may receive, accept or utilize moneys
5 received from local government units as repayments of principal and
6 interest on loans made from the State Revolving Fund Accounts
7 established pursuant to section 1 of P.L.1988, c.133.

8 (cf: P.L.1985, c.334, s.23)

9

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

12 25. The trust shall establish the rules and regulations governing the
13 making and use of loans or guarantees, including, but not limited to,
14 procedures for the submission of loan guarantee requests, standards
15 for the evaluation of requests, provisions implementing priority
16 systems for projects, reporting requirements of the recipient of any
17 loan or guarantee concerning the progress and the expenditure of
18 funds, and limitations, restrictions or requirements concerning the use
19 of loan funds as the trust shall prescribe; provided that the rules and
20 regulations shall be in compliance with the terms and provisions of
21 [this act] P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L. , c.
22 (C.) (before the Legislature as this bill) relating to the making of
23 or eligibility for loans or guarantees for environmental infrastructure
24 projects generally or for any particular type or class of wastewater
25 treatment system, solid waste management or water supply projects.

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

27

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

30 27. The trust shall adopt such rules and regulations as it deems
31 necessary to effectuate the purposes of [this act] P.L.1985, c.334
32 (C.58:11B-1 et seq.) or P.L. , c. (C.) (before the Legislature
33 as this bill), including those required pursuant to sections 25 and 26 of
34 [this act] P.L.1985, c.334 (C.58:11B-25 and 58:11B-26), in
35 accordance with the "Administrative Procedure Act," P.L.1968, c.410
36 (C.52:14B-1 et seq.).

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

38

39 23. (New section) The trust shall create and establish a special fund
40 to be known as the "solid waste management general loan fund."

41 Subject to the provisions of the legislation appropriating moneys to
42 the trust, subject to any other provision of P.L.1985, c.334
43 (C.58:11B-1 et seq.) or P.L. , c. (C.) (before the Legislature
44 as this bill) providing otherwise, and subject to agreements with the
45 holders of bonds, notes and other obligations of the trust, the trust
46 shall deposit into the solid waste management general loan fund all

1 revenues and receipts of the trust, including moneys received by the
2 trust as payment of the principal of and the interest or premium on
3 loans made from moneys in any fund or account held by the trust
4 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or
5 P.L. , c. (C.)(before the Legislature as this bill), and the
6 earnings on the moneys in any fund or account of the trust, and all
7 grants, appropriations, other than those referred to in section 11 of
8 P.L.1985, c.334 (C.58:11B-11), contributions, or other moneys from
9 any source, available for the making of loans to local government units
10 for solid waste management projects. The amounts in the solid waste
11 management general loan fund shall be available for application by the
12 trust for loans to local government units for the cost of solid waste
13 management projects, and for other corporate purposes of the trust,
14 subject to agreements with the holders of bonds, notes or other
15 obligations of the trust.

16

17 24. (New section) The trust shall create and establish a special fund
18 to be known as the "water supply facilities general loan fund."

19 Subject to the provisions of the legislation appropriating moneys to
20 the trust, subject to any other provision of P.L.1985, c.334
21 (C.58:11B-1 et seq.) or P.L. , c. (C.)(before the Legislature
22 as this bill) providing otherwise, and subject to agreements with the
23 holders of bonds, notes and other obligations of the trust, the trust
24 shall deposit into the water supply facilities general loan fund all
25 revenues and receipts of the trust, including moneys received by the
26 trust as payment of the principal of and the interest or premium on
27 loans made from moneys in any fund or account held by the trust
28 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or
29 P.L. , c. (C.)(before the Legislature as this bill), and the
30 earnings on the moneys in any fund or account of the trust, and all
31 grants, appropriations, other than those referred to in section 11 of
32 P.L.1985, c.334 (C.58:11B-11), contributions, or other moneys from
33 any source, available for the making of loans to local government units
34 or public water utilities for water supply projects. The amounts in the
35 water supply facilities general loan fund shall be available for
36 application by the trust for loans to local government units or public
37 water utilities for the cost of water supply projects, and for other
38 corporate purposes of the trust, subject to agreements with the holders
39 of bonds, notes or other obligations of the trust.

40

41 25. (New section) a. The Commissioner of Environmental
42 Protection shall for each fiscal year develop a priority system for solid
43 waste management projects and shall establish the ranking criteria and
44 funding policies therefor. The commissioner shall set forth a project
45 priority list for funding by the trust for each fiscal year and shall
46 include the aggregate amount of funds of the trust to be authorized for

1 these purposes.

2 (1) Any municipal solid waste landfill closure project on the project
3 priority list shall be based on the closure program for municipal solid
4 waste landfills established by the department pursuant to section 32 of
5 P.L. , c. (C.)(before the Legislature as this bill).

6 (2) Any landfill mining project on the project priority list shall be
7 based on the landfill mining program for sanitary landfill facilities
8 established by the department pursuant to section 33 of P.L. , c.
9 (C.)(before the Legislature as this bill).

10 The project priority list, which shall include for each solid waste
11 management project the date the project is scheduled to be certified as
12 ready for funding, shall be in conformance with applicable provisions
13 of the "Solid Waste Management Act," P.L.1970, c.39 (C.13:1E-1 et
14 seq.), and any amendatory or supplementary acts thereto.

15 The project priority list shall include a description of each project
16 and its purpose, impact, cost, and construction schedule, and an
17 explanation of the manner in which priorities were established. The
18 priority system and project priority list for the ensuing fiscal year shall
19 be submitted to the Legislature on or before January 15 of each year
20 on a day when both Houses are meeting. The President of the Senate
21 and the Speaker of the General Assembly shall cause the date of
22 submission to be entered upon the Senate Journal and the Minutes of
23 the General Assembly, respectively. On or before May 15 of each year,
24 the trust shall submit the project priority list to be introduced in each
25 House in the form of legislative appropriations bills, which shall be
26 referred to the Senate Natural Resources and Economic Development
27 Committee and the General Assembly ¹[Solid and Hazardous Waste]
28 Agriculture and Waste Management¹ Committee, or their successors,
29 for their respective consideration.

30 b. The Senate Natural Resources and Economic Development
31 Committee and the General Assembly ¹[Solid and Hazardous Waste]
32 Agriculture and Waste Management¹ Committee shall, either
33 individually or jointly, consider the legislation containing the project
34 priority list, and shall report the legislation, together with any
35 modifications, out of committee for consideration by each House of
36 the Legislature. On or before July 1 of each year, the Legislature shall
37 approve an appropriations act containing the project priority list,
38 including any amendatory or supplementary provisions thereto, which
39 act shall include the authorization of an aggregate amount of funds of
40 the trust to be expended for loans and guarantees for the specific solid
41 waste management projects, including the individual amounts therefor,
42 on the list.

43 c. The trust shall not expend any money for a loan or guarantee
44 during a fiscal year for any solid waste management project unless the
45 expenditure is authorized pursuant to an appropriations act in
46 accordance with the provisions of this section.

1 26. (New section) On or before May 15 of each year, the trust shall
2 submit to the Legislature a financial plan designed to implement the
3 financing of the solid waste management projects on the project
4 priority list approved pursuant to section 25 of P.L. , c.
5 (C.)(before the Legislature as this bill). The financial plan shall
6 contain an enumeration of the bonds, notes or other obligations of the
7 trust which the trust intends to issue, including the amounts thereof
8 and the terms and conditions thereof, a list of loans to be made to local
9 government units, including the terms and conditions thereof and the
10 anticipated rate of interest per annum and repayment schedule
11 therefor, and a list of loan guarantees or contracts to guarantee the
12 payment of all or a portion of the principal and interest on bonds,
13 notes or other obligations issued by a local government unit to finance
14 the cost of a solid waste management project, and the terms and
15 conditions thereof.

16 The financial plan shall also set forth a complete operating and
17 financial statement covering its proposed operations during the
18 forthcoming fiscal year, including amounts of income from all sources,
19 and the uniform schedule of fees and charges established by the trust
20 pursuant to subsection o. of section 5 of P.L.1985 c.334
21 (C.58:11B-5), and the amounts to be derived therefrom, and shall
22 summarize the status of each solid waste management project for
23 which loans or guarantees have been made by the trust, and shall
24 describe major impediments to the accomplishment of the planned
25 solid waste management projects.

26
27 27. (New section) a. The trust shall submit the financial plan
28 required pursuant to section 26 of P.L. , c. (C.)(before the
29 Legislature as this bill) to the President of the Senate and the Speaker
30 of the General Assembly on a day when both houses are meeting. The
31 President and the Speaker shall cause the date of submission to be
32 entered upon the Senate Journal and the Minutes of the General
33 Assembly, respectively.

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

45
46 28. (New section) a. The Commissioner of Environmental

1 Protection shall for each fiscal year develop a priority system for water
2 supply projects and shall establish the ranking criteria and funding
3 policies therefor. The commissioner shall set forth a project priority
4 list for funding by the trust for each fiscal year and shall include the
5 aggregate amount of funds of the trust to be authorized for these
6 purposes. The commissioner shall not include a water supply project
7 on the project priority list for funding unless that specific project shall
8 have been recommended in the New Jersey Statewide Water Supply
9 Plan. The project priority list shall include a description of each project
10 and an explanation of the manner in which priorities were established.
11 The priority system and project priority list for the ensuing fiscal year
12 shall be submitted to the Legislature on or before January 15 of each
13 year on a day when both Houses are meeting. The President of the
14 Senate and the Speaker of the General Assembly shall cause the date
15 of submission to be entered upon the Senate Journal and the Minutes
16 of the General Assembly, respectively. On or before May 15 of each
17 year, the trust shall submit the project priority list to be introduced in
18 each House in the form of legislative appropriations bills, which shall
19 be referred to the Senate Natural Resources and Economic
20 Development Committee and the General Assembly ¹[Solid and
21 Hazardous Waste] Agriculture and Waste Management¹ Committee,
22 or their successors, for their respective consideration.

23 b. The Senate Natural Resources and Economic Development
24 Committee and the General Assembly ¹[Solid and Hazardous Waste]
25 Agriculture and Waste Management¹ shall, either individually or
26 jointly, consider the legislation containing the project priority list, and
27 shall report the legislation, together with any modifications, out of
28 committee for consideration by each House of the Legislature. On or
29 before July 1 of each year, the Legislature shall approve an
30 appropriations act containing the project priority list, including any
31 amendatory or supplementary provisions thereto, which act shall
32 include the authorization of an aggregate amount of funds of the trust
33 to be expended for loans and guarantees for the specific water supply
34 projects, including the individual amounts therefor, on the list.

35 c. The trust shall not expend any money for a loan or guarantee
36 during a fiscal year for any water supply project unless the expenditure
37 is authorized pursuant to an appropriations act in accordance with the
38 provisions of this section.

39

40 29. (New section) On or before May 15 of each year, the trust shall
41 submit to the Legislature a financial plan designed to implement the
42 financing of the water supply projects on the project priority list
43 approved pursuant to section 28 of P.L. , c. (C.)(before the
44 Legislature as this bill). The financial plan shall contain an enumeration
45 of the bonds, notes or other obligations of the trust which the trust
46 intends to issue, including the amounts thereof and the terms and

1 conditions thereof, a list of loans to be made to local government units
2 or public water utilities, including the terms and conditions thereof and
3 the anticipated rate of interest per annum and repayment schedule
4 therefor, and a list of loan guarantees or contracts to guarantee the
5 payment of all or a portion of the principal and interest on bonds,
6 notes or other obligations issued by a local government unit to finance
7 the cost of a water supply project, and the terms and conditions
8 thereof.

9 The financial plan shall also set forth a complete operating and
10 financial statement covering its proposed operations during the
11 forthcoming fiscal year, including amounts of income from all sources,
12 and the uniform schedule of fees and charges established by the trust
13 pursuant to subsection o. of section 5 of P.L.1985 c.334
14 (C.58:11B-5), and the amounts to be derived therefrom, and shall
15 summarize the status of each water supply project for which loans or
16 guarantees have been made by the trust, and shall describe major
17 impediments to the accomplishment of the planned water supply
18 projects.

19

20 30. (New section) a. The trust shall submit the financial plan
21 required pursuant to section 29 of P.L. , c. (C.)(before the
22 Legislature as this bill) to the President of the Senate and the Speaker
23 of the General Assembly on a day when both houses are meeting. The
24 President and the Speaker shall cause the date of submission to be
25 entered upon the Senate Journal and the Minutes of the General
26 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

39 31. (New section) As an alternative to the individual annual
40 submissions required by the provisions of sections 21 and 22 of
41 P.L.1985, c.334 (C.58:11B-21 and 58:11B-22), sections 26 and 27 of
42 P.L. , c. (C.)(before the Legislature as this bill), and
43 sections 29 and 30 of P.L. , c. (C.)(before the Legislature
44 as this bill), the trust may develop and submit to the Legislature a
45 consolidated financial plan designed to implement the financing of the
46 wastewater treatment system projects on the project priority list

1 approved pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20),
2 the solid waste management projects on the project priority list
3 approved pursuant to section 25 of P.L. , c. (C.)(before the
4 Legislature as this bill), and the water supply projects on the project
5 priority list approved pursuant to section 28 of P.L. , c.
6 (C.)(before the Legislature as this bill).

7

8 32. (New section) a. The department shall establish a closure
9 program for municipal solid waste landfills, which shall include but not
10 be limited to:

11 (1) The identification, in consultation with local government units,
12 of ¹(a)¹ all municipal solid waste landfills in the State that ceased
13 operations prior to January 1, 1982 and that are not listed on the
14 National Priorities List pursuant to the "Comprehensive Environmental
15 Response, Compensation, and Liability Act of 1980," at 42 U.S.C.
16 §9605, and conducting a preliminary site assessment to prioritize the
17 municipal solid waste landfills for closure on the basis of the threat
18 posed to the public health, safety or welfare ¹; and (b) any municipal
19 solid waste landfill that is located in any portion of the Pinelands area
20 that ceased operations on or after January 1, 1982 in accordance with
21 section 502 of the "National Parks and Recreation Act of 1978"
22 (PL 95-625), the "Pinelands Protection Act," P.L.1979, c.111
23 (C.13:18A-1 et seq.), and the comprehensive management plan
24 prepared and adopted by the Pinelands Commission pursuant thereto¹;

25 (2) The establishment, at the request of a municipality or
26 municipalities within which is located a municipal solid waste landfill
27 identified pursuant to paragraph (1) of this subsection, of a community
28 advisory committee comprised of local officials and with
29 representation of residents living within one mile of the municipal solid
30 waste landfill. The department shall work with the committee in
31 planning the closure of the municipal solid waste landfill and the
32 long-term use of the site after closure;

33 (3) The closure of the municipal solid waste landfills identified
34 pursuant to paragraph (1) of this subsection in accordance with the
35 remediation standards developed by the department pursuant to
36 section 35 of P.L.1993, c.139 (C.58:10B-12); and

37 (4) The undertaking of such other measures as the department
38 determines necessary to implement the provisions of this section.

39 b. Whenever the department determines that the landfill closure
40 escrow account of an owner or operator of a municipal solid waste
41 landfill ¹, which is located outside of the Pinelands area,¹ that ceased
42 operations between January 1, 1982 and the effective date of P.L. ,
43 c. (C.)(before the Legislature as this bill) has insufficient funds
44 for the proper closure of the municipal solid waste landfill, the
45 department may enter into an agreement with the owner or operator
46 to close the municipal solid waste landfill under the closure program

1 established pursuant to this section.

2 ¹c. No action or measure taken by the department pursuant to the
3 provisions of P.L. , c. (C.) (pending in the Legislature as this
4 bill) shall be inconsistent with the provisions of section 502 of the
5 "National Parks and Recreation Act of 1978" (PL 95-625), the
6 "Pinelands Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.), or
7 any rule or regulation adopted pursuant thereto, or the comprehensive
8 management plan prepared and adopted by the Pinelands Commission
9 pursuant to section 7 of P.L.1979, c.111 (C.13:18A-8).¹

10

11 33. (New section) a. The department shall establish a landfill
12 mining program for sanitary landfill facilities.

13 b. Any local government unit that owns or operates a sanitary
14 landfill facility proposing to undertake a landfill mining project shall
15 submit to the department an application package that shall contain a
16 mining plan and any other information as may be prescribed by the
17 department.

18 c. An owner or operator of a sanitary landfill facility that
19 undertakes a landfill mining project shall prepare a written report
20 concerning the project every six months during the implementation of
21 the project and a final report within 6 months of its completion, which
22 shall be submitted to the department, to the Legislature, and to the
23 Chairmen of the Senate Natural Resources and Economic
24 Development Committee and the Assembly ¹[Solid and Hazardous
25 Waste] Agriculture and Waste Management¹ Committee or their
26 successor committees. The final report shall include but shall not be
27 limited to an explanation of the procedures used in the project, the
28 number of tons of recyclable materials recovered, the types of
29 materials recovered, the number of tons of materials sold, the buyers
30 of any materials recovered, the materials composted, the number of
31 tons of materials composted, additional disposal capacity created, cost
32 effectiveness, the environmental problems revealed, the measures
33 taken for closure, the materials remaining in the landfill, if any, the
34 equipment purchased, an accounting of the costs of the projects, and
35 any other information the department deems appropriate.

36

37 34. (New section) a. The department shall adopt, pursuant to the
38 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
39 seq.), any rules and regulations necessary to implement the provisions
40 of sections 32 and 33 of P.L. , c. (C.)(before the Legislature
41 as this bill). The department shall adopt these rules and regulations
42 within 18 months of the effective date of P.L. , c. (C.)(before
43 the Legislature as this bill).

44

45 35. This act shall take effect immediately.

1

2

3 Establishes New Jersey Environmental Infrastructure Trust to finance
4 wastewater treatment system, solid waste management, and water
5 supply projects.