

[First Reprint]  
ASSEMBLY, No. 1512

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 8, 1996

By Assemblywoman MYERS and Assemblyman BUCCO

1 AN ACT amending the "Stormwater Management and Combined  
2 Sewer Overflow Abatement Bond Act of 1989" to authorize the  
3 Department of Environmental Protection and the New Jersey  
4 Environmental Infrastructure Trust to use bond moneys therefrom  
5 to make <sup>1</sup>grants or<sup>1</sup> low or zero interest loans to local government  
6 units for financing the construction of stormwater management and  
7 combined sewer overflow abatement projects; providing for the  
8 submission of this amendatory act to the people at a general  
9 election and making an appropriation.

10

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

13

14 1. Section 3 of P.L.1989, c.181 is amended to read as follows:

15 3. As used in this act:

16 "Bonds" mean the bonds authorized to be issued, or issued, under  
17 this act;

18 "Combined sewer system" means a [wastewater treatment system  
19 that carries both wastewater and stormwater runoff] sewer system  
20 designed to carry sanitary sewage at all times, which is also designed  
21 to collect and transport stormwater runoff from streets and other  
22 sources, thereby serving a combined purpose;

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

26 "Commission" means the New Jersey Commission on Capital  
27 Budgeting and Planning;

28 "Commissioner" means the Commissioner of Environmental  
29 Protection;

30 "Construction" means, in addition to the usual meaning thereof, acts  
31 of construction, reconstruction, improvement, rehabilitation,

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Assembly AAW committee amendments adopted February 22, 1996.

1 relocation, demolition, renewal, repair, replacement, extension,  
2 improvement, and betterment;

3 "Cost" means the expenses incurred in connection with: the  
4 acquisition by purchase, lease, or otherwise, and the construction of  
5 a project authorized by this act; the acquisition by purchase, lease, or  
6 otherwise, and the development of any real or personal property for  
7 use in connection with a project authorized by this act, including any  
8 rights or interests therein; the execution of any agreements and  
9 franchises deemed by the department to be necessary or useful and  
10 convenient in connection with any project authorized by this act; the  
11 procurement of engineering, inspection, planning, legal, financial, or  
12 other professional services, including the services of a bond registrar  
13 or an authenticating agent; the issuance of bonds, or any interest or  
14 discount thereon; the administrative, organizational, operating, or  
15 other expenses incident to the financing, completing, and placing into  
16 service of any project authorized by this act; the establishment of a  
17 reserve fund or funds for working capital, operating, maintenance, or  
18 replacement expenses and for the payment or security of principal or  
19 interest on bonds, as the Director of the Division of Budget and  
20 Accounting in the Department of the Treasury may determine; and  
21 reimbursement to any fund of the State of moneys which may have  
22 been transferred or advanced therefrom to any fund created by this act,  
23 or of any moneys which may have been expended therefrom for, or in  
24 connection with, any project authorized by this act;

25 "Department" means the Department of Environmental Protection;

26 "Government securities" means any bonds or other obligations  
27 which as to principal and interest constitute direct obligations of, or  
28 are unconditionally guaranteed by, the United States of America,  
29 including obligations of any federal agency, to the extent those  
30 obligations are unconditionally guaranteed by the United States of  
31 America, and any certificates or any other evidences of an ownership  
32 interest in those obligations of, or unconditionally guaranteed by, the  
33 United States of America or in specified portions which may consist  
34 of the principal of, or the interest on, those obligations;

35 "Local government unit" means a county, municipality, municipal  
36 or county sewerage authority or utilities authority, municipal sewerage  
37 district, joint meeting or any other political subdivision of the State  
38 authorized pursuant to law to construct, operate or maintain a  
39 stormwater management system or a combined sewer system;

40 "Project" means any work relating to any of the stormwater  
41 management or combined sewer overflow abatement projects  
42 identified in the stormwater management and combined sewer  
43 overflow abatement project priority list adopted by the commissioner  
44 pursuant to section 28 of [this act] P.L.1989, c.181;

45 "Stormwater management system" means any equipment, plants,  
46 structures, machinery, apparatus, management practices, or land, or

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

7 "Trust" means the New Jersey Environmental Infrastructure Trust  
8 established pursuant to the "New Jersey Environmental Infrastructure  
9 Trust Act," P.L.1985, c.334 (C.58:11B-1 et seq.);

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

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

27 (cf: P.L.1989, c.181, s.3)

28

29 2. Section 5 of P.L.1989, c.181 is amended to read as follows:

30 5. a. Bonds of the State of New Jersey are authorized to be issued  
31 in the aggregate principal amount of \$50,000,000 for the [purpose]  
32 purposes of <sup>1</sup>[(1) providing grants to local government units for  
33 financing the costs of the mapping, planning or designing of  
34 stormwater management and combined sewer overflow abatement  
35 projects; and (2) making loans to local government units for financing]  
36 providing grants or loans to local government units for<sup>1</sup> the costs of  
37 stormwater management and combined sewer overflow abatement  
38 projects, all as identified pursuant to the stormwater management and  
39 combined sewer overflow abatement project priority list adopted by  
40 the commissioner pursuant to section 28 of this act. [The rate of  
41 interest on loans to local government units for projects shall be 2% per  
42 annum.]

43 b. Of the total principal amount authorized pursuant to subsection  
44 a. of this section:

45 (1) Not less than \$45,000,000 is allocated to the department for  
46 the purposes of <sup>1</sup>[(a) providing grants to local government units for

1 financing the costs of the mapping, planning or designing of  
2 stormwater management and combined sewer overflow abatement  
3 projects; and (b) making low or zero interest loans to local  
4 government units for financing] providing grants or low or zero  
5 interest loans to local government units for<sup>1</sup> the costs of stormwater  
6 management and combined sewer overflow abatement projects, all as  
7 designated and authorized pursuant to section 28 of P.L.1989, c.181;  
8 and

9 (2) No more than \$5,000,000 is allocated for payment to, and use  
10 by, the trust in establishing reserves and providing loan guarantees in  
11 accordance with paragraph (2) of subsection a. of section 15 of  
12 P.L.1989, c.181.

13 If the "New Jersey Environmental Infrastructure Trust Act" (before  
14 the Legislature as Assembly Bill No. 1511<sup>1</sup> of 1996) has not been  
15 enacted into law by the date of the approval of this act by the voters,  
16 the bonds allocated pursuant to paragraph (2) of this subsection shall  
17 be allocated with the bonds allocated pursuant to paragraph (1) of this  
18 subsection, and subsection b. of section 14 of P.L.1989, c.181 and  
19 paragraph (2) of subsection a. of section 15 of P.L.1989, c.181 shall  
20 be inoperative.

21 (cf: P.L.1989, c.181, s.5)

22

23 3. Section 10 of P.L.1989, c.181 is amended to read as follows:

24 10. a. The bonds shall recite that they are issued for the purposes  
25 set forth in section 5 of [this act] P.L.1989, c.181, that they are issued  
26 pursuant to this act, that this act was submitted to the people of the  
27 State at the general election held in the month of November, 1989, and  
28 that this act was approved by a majority of the legally qualified voters  
29 of the State voting thereon at the election. [This recital] The bonds  
30 shall also recite, if issued after the effective date of P.L. , c.  
31 (before the Legislature as this bill), that the amendments to P.L.1989,  
32 c.181 were submitted to the people of the State at the general election  
33 held in the month of November, 1996, and were approved by a  
34 majority of the legally qualified voters of the State voting thereon.  
35 These recitals shall be conclusive evidence of the authority of the State  
36 to issue the bonds and their validity. Any bonds containing [this  
37 recital] the recitals shall, in any suit, action or proceeding involving  
38 their validity, be conclusively deemed to be fully authorized by this act  
39 and to have been issued, sold, executed and delivered in conformity  
40 herewith and with all other provisions of laws applicable hereto, and  
41 shall be incontestable for any cause.

42 b. The bonds shall be issued in those denominations and in the  
43 form or forms, whether coupon, fully-registered or book-entry, and  
44 with or without provisions for interchangeability thereof, as may be  
45 determined by the issuing officials.

46 (cf: P.L.1989, c.181, s.10)

1 4. Section 14 of P.L.1989, c.181 is amended to read as follows:

2 14. a. The proceeds from the sale of the bonds [and any  
3 repayment of the principal and interest on loans made to local  
4 government units pursuant to this act] allocated pursuant to paragraph  
5 (1) of subsection b. of section 5 of P.L.1989, c.181 shall be paid to the  
6 State Treasurer [to be held by the State Treasurer] for deposit in a  
7 separate nonlapsing revolving fund, which shall be known as the  
8 "Stormwater Management and Combined Sewer Overflow Abatement  
9 Fund[.]." [The proceeds of this fund shall be deposited in those  
10 depositories as may be selected by the State Treasurer to the credit of  
11 the fund] for use by the department as hereinafter provided.

12 b. The proceeds from the sale of bonds allocated pursuant to  
13 paragraph (2) of subsection b. of section 5 of P.L.1989, c.181 shall be  
14 paid to the State Treasurer for deposit in a separate nonlapsing  
15 revolving fund, which shall be known as the "Stormwater Management  
16 and Combined Sewer Overflow Abatement Trust Fund," for use by the  
17 trust as hereinafter provided.

18 (cf. P.L.1989, c.181, s.14)

19

20 5. Section 15 of P.L.1989, c.181 is amended to read as follows:

21 15. a. (1) The moneys in the "Stormwater Management and  
22 Combined Sewer Overflow Abatement Fund" are specifically dedicated  
23 and shall be applied to the [cost of the purposes set forth in section 5  
24 of this act] financing of the costs of stormwater management and  
25 combined sewer overflow abatement projects<sup>1</sup>, as set forth in section  
26 5 of P.L.1989, c.181, and<sup>1</sup> designated and authorized pursuant to  
27 section 28 of P.L.1989, c.181. However, no moneys in the fund shall  
28 be expended for those purposes, except as otherwise authorized by  
29 this act, without the specific appropriation thereof by the Legislature,  
30 but bonds may be issued as herein provided, notwithstanding that the  
31 Legislature shall not have then adopted an act making a specific  
32 appropriation of any of the moneys. Any act appropriating moneys  
33 from the "Stormwater Management and Combined Sewer Overflow  
34 Abatement Fund" shall identify the project to be funded by the  
35 moneys.

36 Payments of principal and interest on loans made from the  
37 "Stormwater Management and Combined Sewer Overflow Abatement  
38 Fund" shall be returned to that fund for use for any authorized purpose  
39 to which moneys in the fund may be used pursuant to P.L.1989, c.181.  
40 Moneys in the "Stormwater Management and Combined Sewer  
41 Overflow Abatement Fund" may be made available to the trust, with  
42 the concurrence of the department, for temporary use by the trust for  
43 any of the purposes set forth in paragraph (2) of this subsection, under  
44 terms and conditions established therefor by the commissioner and the  
45 trust and approved by the State Treasurer.

46 The trust shall repay to the "Stormwater Management and

1 Combined Sewer Overflow Abatement Fund" any sums made available  
2 for temporary use. Repayment shall be in accordance with the terms  
3 and conditions approved therefor.

4 (2) The moneys in the "Stormwater Management and Combined  
5 Sewer Overflow Abatement Trust Fund" are specifically dedicated and  
6 allocated to, and shall be applied to the cost of, the establishment by  
7 the trust of reserve and loan guarantee accounts within that fund. The  
8 reserve account is to be used to secure debt issued by the trust  
9 pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.); and the guarantee  
10 account is to be used by the trust to secure debt issued by a local  
11 government unit. The trust shall not directly or indirectly use any  
12 moneys paid to it pursuant to this paragraph for the purpose of issuing  
13 a loan guarantee in connection with the financing of a stormwater  
14 management or combined sewer overflow abatement project, unless  
15 the project, and the amount and the terms or conditions of the loan  
16 guarantee, shall have been approved by the Legislature. Moneys in the  
17 reserve and loan guarantee accounts may be made available to the  
18 department, with the concurrence of the trust, for temporary use by  
19 the department in implementing the provisions of P.L.1989, c.181,  
20 under terms and conditions established therefor by the commissioner  
21 and the trust and approved by the State Treasurer. The department  
22 shall repay to the "Stormwater Management and Combined Sewer  
23 Overflow Abatement Trust Fund" any sums made available for  
24 temporary use. Repayment shall be in accordance with the terms and  
25 conditions approved therefor.

26 (3) Moneys in the "Stormwater Management and Combined Sewer  
27 Overflow Abatement Fund" may be transferred to the trust for use as  
28 set forth in paragraph (2) of this subsection.

29 b. At any time prior to the issuance and sale of bonds under this  
30 act, the State Treasurer is authorized to transfer from any available  
31 moneys in any fund of the treasury of the State to the credit of the  
32 "Stormwater Management and Combined Sewer Overflow Abatement  
33 Fund" or the "Stormwater Management and Combined Sewer  
34 Overflow Abatement Trust Fund" those sums as the State Treasurer  
35 may deem necessary. The sums so transferred shall be returned to the  
36 same fund of the treasury of the State by the State Treasurer from the  
37 proceeds of the sale of the first issue of bonds.

38 c. Pending their application to the purposes provided in this act,  
39 the moneys in the "Stormwater Management and Combined Sewer  
40 Overflow Abatement Fund" may be invested and reinvested as are  
41 other trust funds in the custody of the State Treasurer, in the manner  
42 provided by law, and moneys in the "Stormwater Management and  
43 Combined Sewer Overflow Abatement Trust Fund" may be invested  
44 and reinvested by the trust as are other trust funds in the custody of  
45 the [State Treasurer, in the manner provided by law] trust.

46 Net earnings received from the investment or deposit of moneys in

1 the "Stormwater Management and Combined Sewer Overflow  
2 Abatement Fund" shall be paid [into the General Fund] to that fund  
3 <sup>1</sup>[for use by the department to cover administrative expenses incurred  
4 in administering that fund]<sup>1</sup>, and net earnings received from the  
5 investment or deposit of moneys in the "Stormwater Management and  
6 Combined Sewer Overflow Abatement Trust Fund" shall be paid to  
7 that fund for use by the trust to cover administrative expenses incurred  
8 in administering that fund. Any moneys not required for administrative  
9 expenses shall be used for any other authorized purpose to which  
10 moneys in the <sup>1</sup>[respective funds] "Stormwater Management and  
11 Combined Sewer Overflow Abatement Trust Fund"<sup>1</sup> may be used .

12 d. The <sup>1</sup>[department and the] <sup>1</sup>trust may charge and collect  
13 annually from local government units fees and charges in connection  
14 with any loans, guarantees or other services provided by the  
15 <sup>1</sup>[department or the]<sup>1</sup> trust, in amounts sufficient to reimburse the  
16 <sup>1</sup>[department or the]<sup>1</sup> trust for all reasonable costs necessarily incurred  
17 in connection therewith, and in connection with the establishment and  
18 maintenance of reserve or other funds, as the <sup>1</sup>[department or]<sup>1</sup> trust  
19 may determine to be reasonable.

20 (cf: P.L.1989, c.181, s.15)

21

22 6. Section 28 of P.L.1989, c.181 is amended to read as follows:

23 28. The commissioner shall [for each fiscal year], on or before  
24 January 15 of each year, develop and submit to the Legislature a  
25 priority system for stormwater management system and combined  
26 sewer overflow abatement projects and shall establish the ranking  
27 criteria and funding policies for the projects therefor. The  
28 commissioner shall set forth a stormwater management system and  
29 combined sewer overflow abatement project priority list for funding  
30 for each fiscal year and shall include the aggregate amount of funds to  
31 be authorized for these purposes. No [monies] moneys shall be  
32 expended for grants or loans in a fiscal year for any stormwater  
33 management system or combined sewer overflow abatement project  
34 unless the expenditure is authorized pursuant to an appropriations act.  
35 As part of the annual submission required by this subsection, the  
36 department and the trust shall each provide a financial accounting of  
37 all project expenditures made in the preceding year, and of all  
38 administrative expenses incurred by the <sup>1</sup>[department and the]<sup>1</sup> trust  
39 from interest earnings from the <sup>1</sup>["Stormwater Management and  
40 Combined Sewer Overflow Abatement Fund" and the]<sup>1</sup> "Stormwater  
41 Management and Combined Sewer Overflow Abatement Trust Fund"  
42 in connection therewith.

43 (cf: P.L.1989, c.181, s.28)

44

45 7. Section 29 of P.L.1989, c.181 is amended to read as follows:

46 29. Not less than 30 days prior to entering into any contract,

1 lease, obligation, or agreement to effectuate the purposes of this act,  
2 the [commissioner] commissioner or the trust shall report to and  
3 consult with the Joint Budget Oversight Committee, or its successor.  
4 (cf: P.L.1989, c.181, s.29)

5

6 8. Section 30 of P.L.1989, c.181 is amended to read as follows:

7 30. All appropriations from the [bond fund] "Stormwater  
8 Management and Combined Sewer Overflow Abatement Fund" shall  
9 be by specific allocation for each project, and any transfer of any funds  
10 so appropriated shall require the approval of the Joint Budget  
11 Oversight Committee or its successor.

12 (cf: P.L.1989, c.181, s.30)

13

14 9. (New section) For the purpose of complying with the  
15 provisions of the State Constitution, this act shall be submitted to the  
16 people at the general election to be held in the month of November,  
17 1996. To inform the people of the contents of this act, it shall be the  
18 duty of the Secretary of State, after this section takes effect, and at  
19 least 60 days prior to the election, to cause this act to be published at  
20 least once in one or more newspapers of each county, if any  
21 newspapers are published therein, and to notify the clerk of each  
22 county of this State of the passage of this act; and the clerks  
23 respectively, in accordance with the instructions of the Secretary of  
24 State, shall have printed on each of the ballots the following:

25 If you approve of the act entitled below, make a cross (X), plus  
26 (+), or check (o) mark in the square opposite the word "Yes."

27 If you disapprove of the act entitled below, make a cross (X), plus  
28 (+), or check (o) mark in the square opposite the word "No."

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

1		STORMWATER MANAGEMENT AND
2		COMBINED SEWER OVERFLOW
3		ABATEMENT BOND ISSUE
4		Shall the amendments to the "Stormwater
5		Management and Combined Sewer Overflow
6		Abatement Bond Act of 1989," which
7		authorize the Department of Environmental
8		Protection and the New Jersey Environmental
9		Infrastructure Trust to use such bonds to
10		make <sup>1</sup> <u>grants or</u> <sup>1</sup> low or zero interest loans to
11	YES	local governments for financing the cost of
12		stormwater management and combined sewer
13		overflow abatement projects, <sup>1</sup> <u>which</u>
14		<u>authorize the Trust to use interest earnings on</u>
15		<u>bond moneys to cover administrative costs</u>
16		<u>incurred therewith,</u> <sup>1</sup> and <sup>1</sup> <u>which authorize the</u>
17		<u>Trust</u> <sup>1</sup> to establish reserve and guarantee
18		accounts in conjunction therewith, be
19		approved?
20		

1		INTERPRETIVE STATEMENT
2		Approval of the amendments to the
3		"Stormwater Management and Combined
4		Sewer Overflow Abatement Bond Act of
5		1989," would authorize the use of moneys
6		from bonds issued pursuant to that act <u>by the</u>
7		<u>Department of Environmental Protection and</u>
8		<u>the New Jersey Environmental Infrastructure</u>
9		<u>Trust</u> <sup>1</sup> to make <u>grants or</u> <sup>1</sup> low or zero
10		interest loans to local governments, <u>authorize</u>
11		<u>the Trust to use interest earnings on bond</u>
12		<u>moneys to cover its administrative expenses,</u> <sup>1</sup>
13		and <u>authorize the Trust</u> <sup>1</sup> to establish reserve
14		and guarantee accounts in conjunction
15		therewith. The <u>grants or</u> <sup>1</sup> loans are to be
16		used to finance the costs of projects to
17		manage stormwater and to abate overflows of
18	NO	combined wastewater and stormwater sewers
19		in order to minimize or prevent certain
20		discharges of pollutants into the State's
21		waters. Authorization for the issuance of the
22		bonds was approved by the voters in 1989.
23		The proposed revisions to the bond act under
24		this act authorize the Department of
25		Environmental Protection and the New Jersey
26		Environmental Infrastructure Trust to
27		administer a combined loan and loan
28		guarantee program for stormwater
29		management and combined sewer overflow
30		abatement projects.
31		Approval of these revisions to the
32		"Stormwater Management and Combined
33		Sewer Overflow Abatement Bond Act of
34		1989" would not involve any new State
35		bonded indebtedness.
36		

37 The fact and date of the approval or passage of this act, as the case  
38 may be, may be inserted in the appropriate place after the title in the  
39 ballot. No other requirements of law of any kind or character as to  
40 notice or procedure, except as herein provided, need be adhered to.

41 The votes so cast for and against the approval of this amendatory  
42 act, by ballot or voting machine, shall be counted and the result  
43 thereof returned by the election officer, and a canvass of the election  
44 had in the same manner as is provided for by law in the case of the  
45 election of a Governor, and the approval or disapproval of this act so  
46 determined shall be declared in the same manner as the result of an

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

5  
6 10. (New section) There is appropriated, from the General Fund,  
7 the sum of \$5,000 to the Department of State for expenses in  
8 connection with the publication of the notice required pursuant to  
9 section 9 of P.L. , c. (before the Legislature as this bill).

10  
11 11. Sections 9 and 10 of this act shall take effect immediately, and  
12 the remainder of the act shall take effect as and when provided in  
13 section 9 of this act.

14  
15  
16 \_\_\_\_\_  
17  
18 Amends the "Stormwater Management and Combined Sewer Overflow  
19 Abatement Bond Act of 1989."