

SENATE, No. 95

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Senators DiFRANCESCO and O'CONNOR

1 AN ACT authorizing the creation of a debt of the State of New Jersey
2 by issuance of bonds of the State in the aggregate principal amount
3 of \$450,000,000 to provide moneys for the remediation of
4 hazardous discharge sites, for the construction of potable water
5 treatment, replacement or supply projects when public or private
6 potable water supplies are determined to be contaminated, for loans
7 to upgrade underground storage tanks and the remediation of any
8 discharge therefrom, for the dredging of the Kill Van Kull, for the
9 construction of subaqueous pits and a containment island or islands
10 for the disposal of dredged material from the port area; providing
11 the ways and means to pay and discharge the principal and interest
12 thereof; providing for the submission of this act to the people at a
13 general election; and making an appropriation.

14
15 **BE IT ENACTED** by the Senate and General Assembly of the State
16 of New Jersey:

17
18 1. This act shall be known and may be cited as the "Environmental
19 Cleanup and Containment Bond Act of 1996."

20
21 2. The Legislature finds and declares that the improper,
22 irresponsible, and sometimes illegal discharge of hazardous substances
23 presents a grave threat to the public health and safety, and to the
24 environment, that the dangers posed by these discharges can be
25 minimized only by prompt identification, cleanup and removal of these
26 hazardous discharges, that existing funding sources are not adequate
27 to finance these remediation operations, and that it is therefore in the
28 best interests of all citizens of this State to provide a funding
29 mechanism to finance the prompt and efficient remediation of
30 hazardous discharge sites.

31 The Legislature further finds and declares that discharges from
32 underground storage tanks pose a substantial threat to the State's
33 drinking water resources and to the public health and safety. Persons
34 owning underground storage tanks lack the resources to upgrade their
35 tanks in accordance with upcoming federal and State deadlines, and to
36 perform any necessary cleanup required by a discharge from the tank.

1 Therefore, it is in the best interests of all the citizens of the State to
2 provide loans for the upgrade of underground storage tanks and the
3 cleanup of any discharge therefrom.

4 The Legislature further finds that the removal of sand, silt and mud,
5 also referred to as dredged material, from navigation channels and ship
6 berths in the port area of New York City and northern New Jersey
7 must be performed on a regular basis to ensure the continued
8 economic viability of the shipping and trade industry, which creates
9 more than 200,000 direct and indirect jobs, provides more than \$20
10 billion in regional economic benefits and generates salaries and wages
11 in excess of \$5 billion; that while the economic importance of dredging
12 is significant, it must be recognized that dredged material is often
13 contaminated with harmful and dangerous substances; and that to
14 continue to benefit from the economic resource provided by an
15 accessible port it is therefore in the best interests of all citizens of this
16 State to provide a funding mechanism to finance the State's share of
17 the dredging of the Kill Van Kull, and the construction of subaqueous
18 pits and a containment island or islands to provide for the safe disposal
19 of dredged materials.

20

21 3. As used in this act, unless the context indicates a different
22 meaning or intent:

23 "Bonds" mean the bonds authorized to be issued, or issued, under
24 this act.

25 "Commission" means the New Jersey Commission on Capital
26 Budgeting and Planning.

27 "Commissioner" means the Commissioner of Environmental
28 Protection.

29 "Construction" means, in addition to the usual meaning thereof, acts
30 of construction, reconstruction, improvement, rehabilitation,
31 relocation, demolition, renewal, repair, replacement, extension,
32 betterment, improvement, protection, or consolidation or any
33 combination thereof, of a containment island or islands, and
34 subaqueous pits for the disposal of dredged materials, or of a public
35 or private well, groundwater supply or water supply facility, and
36 includes the sealing of contaminated wells and the closure of
37 contaminated groundwater supplies.

38 "Containment island" means an upland or in-water confined disposal
39 facility which shall consist of an artificially constructed island, a diked
40 extension of an existing island, or a diked extension of land located
41 landward of the mean high water line of tidal waters, and which is
42 designated solely for the disposal of dredged materials.

43 "Contamination" or "contaminant" means any discharged hazardous
44 substance as defined pursuant to section 3 of P.L.1976, c.141
45 (C.58:10-23.11b), hazardous waste as defined pursuant to section 1 of
46 P.L.1976, c.99 (C.13:1E-38), or pollutant as defined pursuant to
47 section 3 of P.L.1977, c.74 (C.58:10A-3); except that sewage and

1 sewage sludge shall not be considered as contamination for the
2 purposes of this act.

3 "Cost" means the expenses incurred in connection with: the
4 initiation, continuation, or completion of a remediation project at
5 hazardous discharge sites authorized by this act; the acquisition by
6 purchase, lease, or otherwise, and the construction of a water supply
7 treatment or replacement project or water supply facility authorized by
8 this act; the construction of a containment island or islands, and
9 subaqueous pits for the disposal of dredged materials from the port
10 region authorized by this act; the dredging of the Kill Van Kull; the
11 acquisition by purchase, lease, or otherwise, and the development of
12 any real or personal property for use in connection with a project
13 authorized by this act, including any rights or interests therein, the
14 execution of any agreements and franchises deemed by the department
15 to be necessary or useful and convenient in connection with any
16 project authorized by this act; the procurement of engineering,
17 inspection, planning, legal, financial, or other professional services,
18 including the services of a bond registrar or an authenticating agent;
19 the issuance of bonds, or any interest or discount thereon; the
20 administrative, organizational, operating or other expenses incident to
21 the financing, initiating, continuing, completing, and placing into
22 service of any project authorized by this act, including the expense of
23 salaries, supplies, equipment and materials; the establishment of a
24 reserve fund or funds for working capital, operating, maintenance, or
25 replacement expenses and for the payment or security of principal or
26 interest on bonds, as the Director of the Division of Budget and
27 Accounting in the Department of the Treasury may determine; and
28 reimbursement to any fund of the State of moneys which may have
29 been transferred or advanced therefrom to any fund created by this act,
30 or any moneys which may have been expended therefrom for, or in
31 connection with, any project authorized by this act.

32 "Department" means the Department of Environmental Protection.

33 "Discharge" means an intentional or unintentional action or
34 omission resulting in the releasing, spilling, leaking, pumping, pouring,
35 emitting, emptying, or dumping of a contaminant onto the land or into
36 the waters of the State.

37 "Dredge or dredging" means the removal of sand, silt, mud, and
38 other materials from the bottom of a waterway in order to deepen
39 navigation channels and ship berths.

40 "Dredged material" means material removed by dredging that is, in
41 the determination of the federal Environmental Protection Agency,
42 either unsuitable for ocean disposal or suitable for ocean disposal only
43 with capping.

44 "Government securities" means any bonds or other obligations
45 which as to principal and interest constitute direct obligations of, or
46 are unconditionally guaranteed by, the United States of America,
47 including obligations of any federal agency, to the extent those

1 obligations are unconditionally guaranteed by the United States of
2 America, and any certificates or any other evidences of an ownership
3 interest in those obligations of, or unconditionally guaranteed by, the
4 United States of America or in specified portions which may consist
5 of the principal of, or the interest on, those obligations.

6 "Hazardous discharge site" means any location where contaminants
7 have been, are suspected to have been, or are threatened to be
8 discharged, and shall include the site at which the discharge occurred,
9 is suspected, or is threatened, and any area to which the contamination
10 has or may migrate.

11 "Port region" means the geographic area created by Article II of the
12 Compact of April 30, 1921, creating the bi-state agency, now known
13 as the Port Authority of New York and New Jersey, and which is
14 commonly referred to as the Port of New York District.

15 "Project" means any work relating to the remediation of a
16 hazardous discharge site or the treatment or replacement of
17 contaminated public or private potable water supplies or the
18 construction of water supply facilities for the provision of potable
19 water or the construction of a containment island or islands and
20 subaqueous pits for the disposal of dredged material from the port
21 region, or the dredging of the Kill Van Kull.

22 "Remedial action" means those actions taken at a hazardous
23 discharge site, as may be required by the department, including the
24 removal, treatment, containment, transportation, securing, or other
25 engineering or treatment measures, whether of a permanent nature or
26 otherwise, designed to ensure that any discharge at the hazardous
27 discharge site is remediated in compliance with the applicable
28 remediation standards.

29 "Remediation" or "remediate" means all necessary actions to
30 investigate and clean up any known, suspected, or threatened
31 discharge of contaminants, including, as necessary, identifying areas
32 of concern and determining the presence of contaminants, the
33 collection and evaluation of data adequate to determine whether or not
34 discharged contaminants exist, determining the nature and extent of
35 any discharged contaminant and any problems presented by a
36 discharge, and the performance of a remedial action.

37 "Subaqueous pit" means an excavated area within a waterway used
38 for the disposal of dredged material.

39 "Underground storage tank" means any one or combination of
40 tanks, including appurtenant pipes, lines, fixtures, and other related
41 equipment, used to contain an accumulation of hazardous substances,
42 the volume of which, including the volume of the appurtenant pipes,
43 lines, fixtures and other related equipment, is 10% or more below the
44 ground.

45 "Upgrade" means the replacement of an underground storage tank,
46 the closure of an underground storage tank when another tank exists
47 at the facility, the installation of secondary containment, monitoring

1 systems, release detection systems, corrosion protection, spill
2 prevention, or overflow prevention therefor, or any other necessary
3 improvement to the tank in order to meet the applicable federal and
4 State standards.

5 "Water supply facilities" means the plants, structures,
6 interconnections between existing water supply systems, machinery,
7 equipment and other property, real, personal, and mixed, constructed
8 or operated, or to be constructed or operated, for the purposes of
9 augmenting the natural water resources of the State and making
10 available a supply of water for all uses, and any and all appurtenances
11 necessary, useful or convenient for making available, collecting,
12 impounding, storing, improving, treating and filtering, or transmitting
13 water.

14

15 4. The commissioner shall adopt, pursuant to the "Administrative
16 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and
17 regulations necessary to implement the provisions of this act. The
18 commissioner shall review and consider the findings and
19 recommendations of the commission in the administration of the
20 provisions of this act.

21

22 5. a. Bonds of the State of New Jersey are authorized to be issued
23 in the aggregate principal amount of \$150,000,000 for the purposes of
24 financing the cost of completing or continuing a phase of a
25 remediation at a hazardous discharge site initiated by the department
26 prior to the date of enactment of this act, the construction of water
27 supply treatment or replacement projects, including the construction
28 of water supply facilities, and providing State loans to finance the
29 upgrades of underground storage tanks and any remediation necessary
30 due to a discharge therefrom.

31 b. Of the \$150,000,000 authorized pursuant to this section,
32 \$75,000,000 shall be allocated for completing or continuing a phase
33 of a remediation at a hazardous discharge site initiated by the
34 department prior to the date of enactment of this act, and the
35 construction of water supply treatment or replacement projects,
36 including the construction of water supply facilities, when potable
37 water is determined by the department to be contaminated or
38 threatened by a discharge and the department determines that an
39 emergency exists. Moneys available to the department for completing
40 or continuing a phase of a remediation at a hazardous discharge site
41 initiated by the department prior to the date of enactment of this act
42 may be used by the department for other hazardous discharge site
43 remediation activities if such moneys are not needed to complete
44 initiated work.

45 c. Of the \$150,000,000 authorized pursuant to this section,
46 \$75,000,000 shall be allocated for State loans to finance the upgrade
47 of underground storage tanks and any necessary remediation due to a

1 discharge therefrom.

2

3 6. Bonds of the State of New Jersey are authorized to be issued in
4 the aggregate principal amount of \$200,000,000 for the purposes of
5 financing the State's share of the cost of the construction of
6 subaqueous pits and a containment island or islands for the disposal of
7 dredged material from the port region in accordance with all applicable
8 State and federal laws, rules or regulations.

9

10 7. Bonds of the State of New Jersey are authorized to be issued in
11 the aggregate principal amount of \$100,000,000 for the purposes of
12 financing the State's share of the cost of dredging the Kill Van Kull.

13

14 8. The bonds authorized under this act shall be serial bonds, term
15 bonds, or a combination thereof, and shall be known as
16 "Environmental Cleanup and Containment Bonds of 1996." These
17 bonds shall be issued from time to time as the issuing officials herein
18 named shall determine and may be issued in coupon form,
19 fully-registered form or book-entry form. The bonds may be subject
20 to redemption prior to maturity and shall mature and be paid not later
21 than 35 years from the respective dates of their issuance.

22

23 9. The Governor, the State Treasurer and the Director of the
24 Division of Budget and Accounting in the Department of the Treasury,
25 or any two of these officials, herein referred to as "the issuing
26 officials," are authorized to carry out the provisions of this act
27 relating to the issuance of bonds, and shall determine all matters in
28 connection therewith, subject to the provisions of this act. If an
29 issuing official is absent from the State or incapable of acting for any
30 reason, the powers and duties of that issuing official shall be exercised
31 and performed by the person authorized by law to act in an official
32 capacity in the place of that issuing official.

33

34 10. Bonds issued in accordance with the provisions of this act shall
35 be direct obligations of the State of New Jersey, and the faith and
36 credit of the State are pledged for the payment of the interest and
37 redemption premium thereon, if any, when due, and for the payment
38 of the principal thereof at maturity or earlier redemption date. The
39 principal of and interest on the bonds shall be exempt from taxation by
40 the State or by any county, municipality or other taxing district of the
41 State.

42

43 11. The bonds shall be signed in the name of the State by means of
44 the manual or facsimile signature of the Governor under the Great Seal
45 of the State, which seal may be by facsimile or by way of any other
46 form of reproduction on the bonds, and attested by the manual or
47 facsimile signature of the Secretary of State, or an Assistant Secretary

1 of State, and shall be countersigned by the facsimile signature of the
2 Director of the Division of Budget and Accounting in the Department
3 of the Treasury and may be manually authenticated by an
4 authenticating agent or bond registrar, as the issuing officials shall
5 determine. Interest coupons, if any, attached to the bonds shall be
6 signed by the facsimile signature of the Director of the Division of
7 Budget and Accounting in the Department of the Treasury. The bonds
8 may be issued notwithstanding that an official signing them or whose
9 manual or facsimile signature appears on the bonds or coupons has
10 ceased to hold office at the time of issuance, or at the time of the
11 delivery of the bonds to the purchaser thereof.

12

13 12. a. The bonds shall recite that they are issued for the purposes
14 set forth in sections 5, 6 and 7 of this act, that they are issued pursuant
15 to this act, that this act was submitted to the people of the State at the
16 general election held in the month of November, 1996, and that this
17 act was approved by a majority of the legally qualified voters of the
18 State voting thereon at the election. This recital shall be conclusive
19 evidence of the authority of the State to issue the bonds and their
20 validity. Any bonds containing this recital shall, in any suit, action or
21 proceeding involving their validity, be conclusively deemed to be fully
22 authorized by this act and to have been issued, sold, executed and
23 delivered in conformity herewith and with all other provisions of law
24 applicable hereto, and shall be incontestable for any cause.

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

29

30 13. When the bonds are issued from time to time, the bonds of
31 each issue shall constitute a separate series to be designated by the
32 issuing officials. Each series of bonds shall bear such rate or rates of
33 interest as may be determined by the issuing officials, which interest
34 shall be payable semiannually; except that the first and last interest
35 periods may be longer or shorter, in order that the intervening
36 semiannual payments may be at convenient dates.

37

38 14. The bonds shall be issued and sold at the price or prices and
39 under the terms, conditions and regulations as the issuing officials may
40 prescribe, after notice of the sale, published at least once in at least
41 three newspapers published in this State, and at least once in a
42 publication carrying municipal bond notices and devoted primarily to
43 financial news, published in this State or in the city of New York, the
44 first notice to appear at least five days prior to the day of bidding. The
45 notice of sale may contain a provision to the effect that any bid in
46 pursuance thereof may be rejected. In the event of rejection or failure
47 to receive any acceptable bid, the issuing officials, at any time within

1 60 days from the date of the advertised sale, may sell the bonds at a
2 private sale at such price or prices and under the terms and conditions
3 as the issuing officials may prescribe. The issuing officials may sell all
4 or part of the bonds of any series as issued to any State fund or to the
5 federal government or any agency thereof, at a private sale, without
6 advertisement.

7
8 15. Until permanent bonds are prepared, the issuing officials may
9 issue temporary bonds in a form and with those privileges as to their
10 registration and exchange for permanent bonds as may be determined
11 by the issuing officials.

12
13 16. The State Treasurer shall establish a fund to be known as the
14 "1996 Environmental Cleanup Fund," and the moneys therein shall be
15 held in those depositories as the State Treasurer may select. The State
16 Treasurer shall deposit into the fund all proceeds from the sale of the
17 bonds issued by the State under this act for the remediation of
18 hazardous discharge sites and the construction of water supply
19 treatment or replacement projects as set forth in subsection b. of
20 section 5 of this act. The moneys in the fund are specifically dedicated
21 and shall be applied to the cost of the purposes set forth in subsection
22 b. of section 5 of this act. Moneys in the fund shall not be expended
23 except in accordance with appropriations from the fund made by law,
24 but bonds may be issued as herein provided, notwithstanding that the
25 Legislature shall not have then adopted an act making a specific
26 appropriation of any of the moneys. Any act appropriating moneys
27 from the "1996 Environmental Cleanup Fund" for the purposes of
28 subsection b. of section 5 of this act need not identify the particular
29 project or projects to be funded by the money.

30
31 17. The State Treasurer shall establish a revolving, nonlapsing fund
32 to be known as the "1996 Underground Storage Tank Trust Fund,"
33 and the moneys therein shall be held in those depositories as the State
34 Treasurer may select. The State Treasurer shall deposit into the fund
35 all proceeds from the sale of the bonds issued by the State under this
36 act for loans as set forth in subsection c. of section 5 of this act. The
37 moneys in the fund are specifically dedicated and shall be applied to
38 the cost of the purposes set forth in subsection c. of section 5 of this
39 act. Moneys derived from the payment of principal and interest on the
40 loans authorized in subsection c. of section 5 of this act shall also be
41 held in the "1996 Underground Storage Tank Trust Fund." Moneys
42 in the fund shall not be expended except in accordance with
43 appropriations from the fund made by law, but bonds may be issued as
44 herein provided, notwithstanding that the Legislature shall not have
45 then adopted an act making a specific appropriation of any of the
46 moneys. Any act appropriating moneys from the "1996 Underground
47 Storage Tank Trust Fund" for the purposes of subsection c. of section

1 5 of this act need not identify the particular project or projects to be
2 funded by the money.

3

4 18. The State Treasurer shall establish a fund to be known as the
5 "1996 Dredging and Containment Fund," and the moneys therein shall
6 be held in those depositories as the State Treasurer may select. The
7 State Treasurer shall deposit into the fund all proceeds from the sale
8 of the bonds issued by the State under this act for the construction of
9 subaqueous pits, a containment island or islands, and dredging projects
10 as set forth in sections 6 and 7 of this act. The moneys in the fund are
11 specifically dedicated and shall be applied to the cost of the purposes
12 set forth in sections 6 and 7 of this act. Moneys in the fund shall not
13 be expended except in accordance with appropriations from the fund
14 made by law, but bonds may be issued as herein provided,
15 notwithstanding that the Legislature shall not have then adopted an act
16 making a specific appropriation of any of the moneys. Any act
17 appropriating moneys from the "1996 Dredging and Containment
18 Fund" shall identify the projects to be funded by the moneys.

19

20 19. a. At any time prior to the issuance and sale of bonds under
21 this act, the State Treasurer is authorized to transfer from any
22 available moneys in any fund of the treasury of the State to the credit
23 of the "1996 Environmental Cleanup Fund," the "1996 Underground
24 Storage Tank Trust Fund," or the "1996 Dredging and Containment
25 Fund," those sums as the State Treasurer may deem necessary. The
26 sums so transferred shall be returned to the same fund of the treasury
27 of the State by the State Treasurer from the proceeds of the sale of the
28 first issue of bonds.

29 b. Pending their application to the purposes provided in this act,
30 the moneys in the "1996 Environmental Cleanup Fund," the "1996
31 Underground Storage Tank Trust Fund," and the "1996 Dredging and
32 Containment Fund," may be invested and reinvested as are other trust
33 funds in the custody of the State Treasurer, in the manner provided by
34 law. Net earnings received from the investment or deposit of moneys
35 in these funds shall be redeposited therein and become part of the
36 respective funds.

37

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

46

47 21. The accrued interest, if any, received upon the sale of the

1 bonds shall be applied to the discharge of a like amount of interest
2 upon the bonds when due. Any expense incurred by the issuing
3 officials for advertising, engraving, printing, clerical, authenticating,
4 registering, legal or other services necessary to carry out the duties
5 imposed upon them by the provisions of this act shall be paid from the
6 proceeds of the sale of the bonds by the State Treasurer, upon the
7 warrant of the Director of the Division of Budget and Accounting in
8 the Department of the Treasury, in the same manner as other
9 obligations of the State are paid.

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

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

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

46

47 24. Refunding bonds issued pursuant to P.L.1985, c.74 as amended

1 by P.L.1992, c.182 (C.49:2B-1 et seq.) may be consolidated with
2 bonds issued pursuant to sections 5, 6 and 7 of this act or with bonds
3 issued pursuant to any other act for purposes of sale.

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

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

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

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

43
44 26. Should the State Treasurer, by December 31 of any year, deem
45 it necessary, because of the insufficiency of funds collected from the
46 sources of revenues as provided in this act, to meet the interest and
47 principal payments for the year after the ensuing year, then the State

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

16

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

28 If you approve of the act entitled below, make a cross (X), plus (+),
29 or check (O)

30 mark in the square opposite the word "Yes."

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

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

<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23</p>	<p>YES</p>	<p style="text-align: center;">ENVIRONMENTAL CLEANUP AND CONTAINMENT BOND ACT OF 1996</p> <p>Shall the "Environmental Cleanup and Containment Bond Act of 1996," which authorizes the State to issue bonds in the amount of \$450,000,000 for the purposes of financing the costs of remediating hazardous discharge sites, including constructing water supply, treatment, or replacement projects when public or private potable water supplies are determined by the Department of Environmental Protection to be contaminated or threatened by hazardous discharges, and the department determines that an emergency exists, for providing loans to upgrade underground storage tanks and clean up any discharge therefrom, for financing the State's share of the costs of constructing subaqueous pits and a containment island or islands for dredged material from the port area, and for financing the State's share of the cost of dredging the Kill Van Kull; and providing the ways and means to pay the interest on the debt and also to pay and discharge the principal thereof, be approved?</p>
<p>24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43</p>	<p>NO</p>	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>If approved, the State would sell \$450 million in State general obligation bonds. The moneys received would be used to fund environmental cleanup and dredging projects as follows: \$75 million to clean up hazardous discharge sites and construct water treatment, replacement or supply projects, when public or private potable water supplies are contaminated or threatened by a hazardous discharge, and when the Department of Environmental Protection determines that an emergency exists; \$75 million for loans to upgrade storage tanks and clean up discharges; \$200 million to construct subaqueous pits and a containment island or islands for the disposal of contaminated dredged material from the New Jersey- New York port region; and \$100 million to dredge the Kill Van Kull, a navigable waterway separating Bayonne, Hudson County, New Jersey and Staten Island, New York.</p>

44
45

The fact and date of the approval or passage of this act, as the case

1 may be, may be inserted in the appropriate place after the title in the
2 ballot. No other requirements of law of any kind or character as to
3 notice or procedure, except as herein provided, need be adhered to.

4 The votes cast for and against the approval of this act, by ballot or
5 voting machine, shall be counted and the result thereof returned by the
6 election officer, and a canvass of the election had in the same manner
7 as is provided for by law in the case of the election of a Governor, and
8 the approval or disapproval of this act so determined shall be declared
9 in the same manner as the result of an election for a Governor, and if
10 there is a majority of all votes cast for and against it at the election in
11 favor of the approval of this act, then all the provisions of this act not
12 made effective theretofore shall take effect forthwith.

13
14 28. There is appropriated the sum of \$5,000 to the Department of
15 State for expenses in connection with the publication of notice
16 pursuant to section 27 of this act.

17
18 29. The commissioner shall submit to the State Treasurer and the
19 commission with the department's annual budget request a plan for the
20 expenditure of funds from the "1996 Environmental Cleanup Fund,"
21 the "1996 Underground Storage Tank Trust Fund," and the "1996
22 Dredging and Containment Fund" for the upcoming fiscal year. The
23 plan shall include the following information: a performance evaluation
24 of the expenditures made from the fund to date; a description of
25 programs planned during the upcoming fiscal year; a copy of the
26 regulations in force governing the operation of programs that are
27 financed, in part or in whole, by funds from the "1996 Environmental
28 Cleanup Fund," the "1996 Underground Storage Tank Trust Fund,"
29 and the "1996 Dredging and Containment Fund"; and an estimate of
30 expenditures for the upcoming fiscal year.

31
32 30. Immediately following the submission to the Legislature of the
33 Governor's annual budget message, the commissioner shall submit to
34 the relevant standing committees of the Legislature, as designated by
35 the President of the Senate and the Speaker of the General Assembly,
36 and to the Joint Budget Oversight Committee, or its successor, a copy
37 of the plan called for under section 29 of this act, together with such
38 changes therein as may have been required by the Governor's budget
39 message.

40
41 31. Not less than 30 days prior to entering into any contract, lease,
42 obligation, or agreement to effectuate the purposes of this act, the
43 commissioner shall report to and consult with the Joint Budget
44 Oversight Committee, or its successor. Except as otherwise provided
45 by this act, all appropriations from the bond funds established by this
46 act shall be by specific allocation for each project, and any transfer of
47 any funds so appropriated shall require the approval by the Joint

1 Budget Oversight Committee or its successor.

2

3 32. This section and sections 27 and 28 of this act shall take
4 effect immediately and the remainder of this act shall take effect as and
5 when provided in section 27.

6

7

8

STATEMENT

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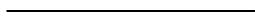
10 This bill would, upon approval of the voters of the State of New
11 Jersey, authorize the State of New Jersey to issue up to \$450 million
12 in general obligation bonds. Of this amount, \$75 million would be
13 used for the purpose of investigating, cleaning up, and removing
14 hazardous discharges, \$75 million would be used to provide loans for
15 the upgrade of underground storage tanks and the cleanup for any
16 discharge therefrom, \$200 million would be used to provide the State's
17 share for the construction of subaqueous pits and a containment island
18 or islands for the disposal of contaminated dredged materials from the
19 Port of New York-New Jersey, and \$100 million would be used to
20 provide the State's share for the dredging of the Kill Van Kull. The
21 moneys designated for hazardous cleanups may also be used to
22 construct potable water supply treatment or replacement projects,
23 including the construction of water supply facilities, in those instances
24 where a potable water supply has been contaminated or threatened and
25 the Department of Environmental Protection determines that an
26 emergency exists.

27 The bond fund monies dedicated toward hazardous discharge
28 investigation and cleanup must first be used for those phases of
29 hazardous discharge site remediations that have already been initiated
30 by the department. If the bond monies are not needed for the initiated
31 work, they may then be used for other hazardous discharge remedial
32 activities which may include the initiation of new phases of work at
33 sites already subject to some remedial activity or the performance of
34 remedial activities at entirely new sites.

35 The cost of an authorized project includes those items necessary or
36 useful to performing the authorized project as well as those
37 professional and financial costs incurred in issuing the bonds. Other
38 allowable costs include organizational, administrative, and other work
39 and services, including salaries, supplies, equipment, and materials
40 deemed necessary.

41 The bonds issued under the act will be repaid from the general fund
42 of the State. The bonds may be issued for terms of up to 35 years and
43 will be paid back over that time with that amount of interest as may be
44 determined upon their sale. The bonds issued will be backed by the
45 full faith and credit of the State of New Jersey.

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Authorizes bonds for \$450 million for hazardous site cleanups, related water supply projects, loans for underground storage tank upgrades and cleanups, construction of subaqueous pits and containment island for dredged material, and dredging projects.