

SENATE, No. 1144

STATE OF NEW JERSEY

INTRODUCED MAY 16, 1996

By Senator CAFIERO

1 AN ACT authorizing the creation of a debt of the State of New Jersey  
2 by the issuance of bonds of the State in the aggregate principal  
3 amount of \$70,000,000 for the purpose of providing grants and  
4 loans to local units of government in the Pinelands area for  
5 infrastructure capital projects necessary to protect water resources  
6 while accommodating development in the regional growth and town  
7 management areas and in certain other designated areas; authorizing  
8 the issuance of refunding bonds; providing the ways and means to  
9 pay and discharge the principal of and interest on the bonds and  
10 refunding bonds; providing for the submission of this act to the  
11 people at a general election; and making an appropriation.  
12

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

15  
16 1. This act shall be known and may be cited as the "Pinelands  
17 Water Resources Protection Trust Bond Act."  
18

19 2. The Legislature finds and declares that the "Pinelands Protection  
20 Act," P.L.1979, c.111 (C.13:18A-1 et seq.) was enacted, and a  
21 comprehensive management plan was adopted thereunder, to protect  
22 the unique natural, ecological, agricultural, scenic and recreational  
23 resources of the Pinelands area; that these resources are dependent  
24 upon the quality and quantity of surface and ground waters; that the  
25 Kirkwood-Cohansey aquifer system underlying the Pinelands may be  
26 vulnerable to degradation because of overuse; that existing and new  
27 wastewater treatment systems must be upgraded or constructed to  
28 protect the special qualities of those surface and ground waters; that  
29 the land use programs included in the comprehensive management plan  
30 encourage growth in certain portions of the Pinelands area so that  
31 others can be better protected from development impacts; that this  
32 growth will be accommodated in part through the Pinelands  
33 development credit program, which seeks to encourage landowners in  
34 areas wherein development is restricted to record use restrictions in  
35 the deeds to their land in return for monetary remuneration; that these  
36 Pinelands development credits will be redeemed in regional growth  
37 areas permitting greater development densities, and should be available

1 for redemption in town management areas; that this growth will  
2 require concomitant improvements to the infrastructure in these areas;  
3 that the Kirkwood-Cohansey aquifer system provides water supply to  
4 areas outside of the Pinelands; that it is unreasonable and unjust to  
5 expect the taxpayers of the Pinelands regional growth and town  
6 management areas to assume the full financial burdens that result from  
7 the growth; and that it is altogether fitting and proper to provide for  
8 the capital investment in infrastructure improvements by the State  
9 through the issuance of bonds.

10

11 3. As used in this act:

12 "Bonds" means the bonds authorized to be issued, or issued, under  
13 this act;14 "Commission" means the New Jersey Commission on Capital  
15 Budgeting and Planning;16 "Commissioner" means the Commissioner of the Department of  
17 Environmental Protection;18 "Comprehensive management plan" means the plan for the  
19 protection of the Pinelands area, adopted pursuant to section 7 of  
20 P.L.1979, c.111 (C.13:18A-8);21 "Cost" means the expenses incurred in connection with: the  
22 acquisition by purchase, lease or otherwise, the development, and the  
23 construction of any project authorized by this act; the acquisition by  
24 purchase, lease or otherwise, and the development of any real or  
25 personal property for use in connection with any project authorized by  
26 this act, including any rights or interests therein; the execution of any  
27 agreements and franchises deemed by the commissioner to be  
28 necessary or useful and convenient in connection with any projects  
29 authorized by this act; the procurement of engineering, inspection,  
30 planning, research, legal, financial, or other professional services,  
31 including the services of a bond registrar or an authenticating agent;  
32 the issuance of bonds, or any interest or discount thereon; the  
33 administrative, organizational, operating, or other expenses incident  
34 to the financing, completing, and placing into service of projects  
35 authorized by this act; the establishment of a reserve fund or funds for  
36 working capital, operating, maintenance, or replacement expenses and  
37 for the payment or security of principal or interest on bonds, as the  
38 Director of the Division of Budget and Accounting in the Department  
39 of the Treasury may determine; and reimbursement to any fund of the  
40 State of moneys which may have been transferred or advanced  
41 therefrom to any fund created by this act, or of any moneys which may  
42 have been expended therefrom for, or in connection with, any project  
43 authorized by this act;

44 "Department" means the Department of Environmental Protection;

45 "Government securities" means any bonds or other obligations  
46 which as to principal and interest constitute direct obligations of, or

1 are unconditionally guaranteed by, the United States of America,  
2 including obligations of any federal agency, to the extent those  
3 obligations are unconditionally guaranteed by the United States of  
4 America, and any certificates or any other evidences of an ownership  
5 interest in those obligations of, or unconditionally guaranteed by, the  
6 United States of America or in specified portions which may consist  
7 of the principal of, or the interest on, those obligations;

8 "Infrastructure capital project" or "project" means the acquisition,  
9 construction, improvement, expansion, repair or rehabilitation of all or  
10 part of any structure, facility or equipment: (1) necessary for, or  
11 ancillary to, any wastewater treatment system or water supply system;  
12 or (2) necessary for, or ancillary to, any system that may be  
13 authorized and designated by the Legislature as an infrastructure  
14 capital project;

15 "Local government unit" means any county, municipality, authority  
16 or agency that is not a State authority or agency, which has  
17 administrative jurisdiction over an area to be served by, or which  
18 exercises functions appropriate for, the management of an  
19 infrastructure capital project;

20 "Pinelands area" means the area so designated by subsection a. of  
21 section 10 of P.L.1979, c.111 (C.13:18A-11);

22 "Pinelands Commission" means the commission created pursuant to  
23 section 4 of P.L.1979, c.111 (C.13:18A-4);

24 "Regional growth area" means an area designated in the  
25 comprehensive management plan as a receiving area for Pinelands  
26 development credits to accommodate regional growth;

27 "Town management area" means an area designated in the  
28 comprehensive management plan in which municipalities may plan for  
29 growth and development and in which the potential exists for the use  
30 of Pinelands development credits.

31

32 4. a. The commissioner shall adopt, pursuant to the  
33 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
34 seq.), rules and regulations necessary to implement the provisions of  
35 this act. The commissioner shall review and consider the findings and  
36 recommendations of the commission in the administration of the  
37 provisions of this act.

38 b. The Pinelands Commission shall adopt , within 12 months of  
39 voter approval of this act, an infrastructure plan of projects to be  
40 funded under this act.

41 c. The Pinelands Commission shall adopt, pursuant to the  
42 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
43 seq.), rules and regulations that permit municipalities to designate  
44 town management areas as receiving areas for Pinelands development  
45 credits. These rules and regulations shall be made a part of the  
46 comprehensive management plan.

1 d. The Pinelands Commission shall, in cooperation with the  
2 Department of Environmental Protection, Rutgers, the State  
3 University, and the United States Geological Survey, assess and  
4 prepare a report on the potential impact of groundwater withdrawals,  
5 both at current and anticipated or proposed rates, from the  
6 Kirkwood-Cohansey aquifer system.

7  
8 5. a. Bonds of the State of New Jersey are authorized to be issued  
9 in the aggregate principal amount of \$70,000,000 for the purpose of  
10 providing grants and loans to any local government unit in the  
11 Pinelands area for infrastructure capital projects necessary to  
12 accommodate development in the regional growth area. Grants and  
13 loans may be provided to local government units for infrastructure  
14 capital projects that serve town management areas, provided that the  
15 municipality makes provisions for the accommodation of Pinelands  
16 development credits in a manner consistent with the comprehensive  
17 management plan.

18 No project shall be approved by the commissioner except upon a  
19 finding that the master plan and zoning ordinance of the municipality,  
20 and the master plan of the county wherein the project is to take place,  
21 has been certified by the Pinelands Commission to be in conformance  
22 with the comprehensive management plan, and upon a finding by the  
23 Pinelands Commission that the project conforms with the  
24 infrastructure plan adopted by the Pinelands Commission pursuant to  
25 subsection b. of section 4 of this act and the provisions of the  
26 comprehensive management plan.

27 b. Not more than \$5,000,000 of the aggregate principal amount of  
28 the bonds authorized in subsection a. of this section shall be available  
29 for the preparation of the infrastructure plan and aquifer assessment  
30 and report required pursuant to subsections b. and d. of section 4 of  
31 this act.

32 c. Not more than \$10,000,000 of the aggregate principal amount  
33 of the bonds authorized in subsection a. of this section shall be made  
34 available for providing grants and loans to any local government unit  
35 in the Pinelands area for infrastructure capital projects designed to  
36 assist in the elimination of the direct discharges of treated wastewater  
37 into the Atlantic Ocean and the Delaware River.

38 d. Not more than \$5,000,000 of the aggregate principal amount of  
39 the bonds authorized pursuant to subsection a. of this section shall be  
40 available for providing grants and loans to any local government unit  
41 in the Pinelands area for small scale infrastructure capital projects  
42 designed to service existing public educational facilities, or expansions  
43 thereof, which are located outside regional growth areas and town  
44 management areas.

45 e. The interest rate on loans made to local government units from  
46 the "Pinelands Water Resources Protection Trust Fund" created

1 pursuant to section 14 of this act shall not exceed 50 percent of the  
2 average interest rate of the Bond Buyer Municipal Bond Index for  
3 bonds available for purchase during the last 26 weeks preceding the  
4 date of the approval of the loan by the department.

5 f. Payments of principal and interest on loans made from the  
6 "Pinelands Water Resources Protection Trust Fund" shall be paid to  
7 the "Pinelands Water Resources Protection Trust Fund."

8 g. When financial assistance for an infrastructure capital project is  
9 obtained from a federal agency or another State program or agency,  
10 the cost of the project shall be computed after deducting the federal or  
11 other State contribution.

12  
13 6. The bonds authorized under this act shall be serial bonds, term  
14 bonds, or a combination thereof, and shall be known as "Pinelands  
15 Water Resources Protection Trust Bonds." They shall be issued from  
16 time to time as the issuing officials herein named shall determine and  
17 may be issued in coupon form, fully-registered form or book-entry  
18 form. The bonds may be subject to redemption prior to maturity and  
19 shall mature and be paid not later than 35 years from the dates of their  
20 issuance.

21  
22 7. The Governor, the State Treasurer, and the Director of the  
23 Division of Budget and Accounting in the Department of the Treasury,  
24 or any two of these officials, herein referred to as "the issuing  
25 officials," are authorized to carry out the provisions of this act relating  
26 to the issuance of bonds, and shall determine all matters in connection  
27 therewith, subject to the provisions of this act. If an issuing official is  
28 absent from the State or incapable of acting for any reason, the powers  
29 and duties of that issuing official shall be exercised and performed by  
30 the person authorized by law to act in an official capacity in the place  
31 of that issuing official.

32  
33 8. Bonds issued in accordance with the provisions of this act shall  
34 be a direct obligation of the State of New Jersey, and the faith and  
35 credit of the State are pledged for the payment of the interest and  
36 redemption premium thereon, if any, when due, and for the payment  
37 of the principal thereof at maturity or earlier redemption date. The  
38 principal of and interest on the bonds shall be exempt from taxation by  
39 the State or by any county, municipality or other taxing district of the  
40 State.

41  
42 9. The bonds shall be signed in the name of the State by means of  
43 the manual or facsimile signature of the Governor under the Great Seal  
44 of the State, which seal may be by facsimile or by way of any other  
45 form of reproduction on the bonds, and attested by the manual or  
46 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. The bonds may be issued notwithstanding  
8 that an official signing them or whose manual or facsimile signature  
9 appears on the bonds or coupons has ceased to hold office at the time  
10 of issuance, or at the time of the delivery of the bonds to the purchaser  
11 thereof.

12

13 10. a. The bonds shall recite that they are issued for the purposes  
14 set forth in section 5 of this act, that they are issued pursuant to this  
15 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 act  
17 was approved by a majority of the legally qualified voters of the State  
18 voting thereon at the election. This recital shall be conclusive evidence  
19 of the validity of the bonds and of the authority of the State to issue  
20 them. 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 laws  
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 11. 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 intervening semiannual  
36 payments may be at convenient dates.

37

38 12. The bonds shall be issued and sold at the price or prices and  
39 under the terms, conditions, and regulations as the issuing officials  
40 may prescribe, after notice of the sale, published at least once in at  
41 least 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 of

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

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

13  
14 14. The proceeds from the sale of the bonds shall be paid to the  
15 State Treasurer, to be held by the State Treasurer in a separate fund,  
16 which shall be known as the "Pinelands Water Resources Protection  
17 Trust Fund." The proceeds of this fund shall be deposited in those  
18 depositories as may be selected by the State Treasurer to the credit of  
19 the fund.

20  
21 15. a. The moneys in the "Pinelands Water Resources Protection  
22 Trust Fund" are specifically dedicated and shall be applied to the cost  
23 of the purposes set forth in section 5 of this act. However, no moneys  
24 in the fund shall be expended for those purposes, except as otherwise  
25 authorized by this act, without the specific appropriation thereof by  
26 the Legislature, but bonds may be issued as herein provided,  
27 notwithstanding that the Legislature shall not have then adopted an act  
28 making a specific appropriation of any of the moneys. Any act  
29 appropriating moneys from the "Pinelands Water Resources Protection  
30 Trust Fund" shall identify the specific project or projects to be funded  
31 by the moneys.

32 b. At any time prior to the issuance and sale of bonds under this  
33 act, the State Treasurer is authorized to transfer from any available  
34 moneys in any fund of the treasury of the State to the credit of the  
35 "Pinelands Water Resources Protection Trust Fund" those sums as the  
36 State Treasurer may deem necessary. The sums so transferred shall be  
37 returned to the same fund of the treasury of the State by the State  
38 Treasurer from the proceeds of the sale of the first issue of bonds.

39 c. Pending their application to the purposes provided in this act,  
40 the moneys in the "Pinelands Water Resources Protection Trust Fund"  
41 may be invested and reinvested as are other trust funds in the custody  
42 of the State Treasurer, in the manner provided by law. Net earnings  
43 received from the investment or deposit of moneys in the fund shall be  
44 paid into the "Pinelands Water Resources Protection Trust Fund,"  
45 which earnings may be used by the department and the commission to  
46 cover administrative expenses incurred in the issuing of the grants and

1 loans for infrastructure capital projects as provided for in this act. No  
2 moneys shall be expended for these administrative purposes without  
3 the specific appropriation therefor by the Legislature.

4

5 16. If any coupon bond, coupon, or registered bond is lost,  
6 mutilated or destroyed, a new bond or coupon shall be executed and  
7 delivered of like tenor, in substitution for the lost, mutilated or  
8 destroyed bond or coupon, upon the owner furnishing to the issuing  
9 officials evidence satisfactory to them of the loss, mutilation or  
10 destruction of the bond or coupon, the ownership thereof, and the  
11 security, indemnity and reimbursement for expenses connected  
12 therewith, as the issuing officials may require.

13

14 17. The accrued interest, if any, received upon the sale of the  
15 bonds shall be applied to the discharge of a like amount of interest  
16 upon the bonds when due. Any expense incurred by the issuing  
17 officials for advertising, engraving, printing, clerical, authenticating,  
18 registering, legal or other services necessary to carry out the duties  
19 imposed upon them by the provisions of this act shall be paid from the  
20 proceeds of the sale of the bonds by the State Treasurer, upon the  
21 warrant of the Director of the Division of Budget and Accounting in  
22 the Department of the Treasury, in the same manner as other  
23 obligations of the State are paid.

24

25 18. Bonds of each series issued hereunder shall mature, including  
26 any sinking fund redemptions, not later than the 35th year from the  
27 date of issue of that series, and in amounts as shall be determined by  
28 the issuing officials. The issuing officials may reserve to the State by  
29 appropriate provision in the bonds of any series the power to redeem  
30 any of the bonds prior to maturity at the price or prices and upon the  
31 terms and conditions as may be provided in the bonds.

32

33 19. The issuing officials may issue refunding bonds in an amount  
34 not to exceed the amount necessary to effectuate the refinancing of  
35 any bonds issued pursuant to this act, at any time and from time to  
36 time, for the purpose of refinancing any bond or bonds issued pursuant  
37 to this act, subject to the following provisions:

38 a. Refunding bonds may be issued at any time prior to the maturity  
39 or redemption of the bonds to be refinanced thereby as the issuing  
40 officials shall determine.

41 b. Each series of refunding bonds may be issued in a sufficient  
42 amount to pay or to provide for the payment of the principal of the  
43 bonds to be refinanced thereby, together with any redemption premium  
44 thereon, any interest accrued or to accrue on the bonds to be  
45 refinanced to the date of payment of the outstanding bonds, the  
46 expense of issuing the refunding bonds and the expenses, if any, of

1 paying the bonds to be refinanced.

2 c. No refunding bonds shall be issued unless the issuing officials  
3 shall first determine that the present value of the aggregate principal  
4 amount of and interest on the refunding bonds is less than the present  
5 value of the aggregate principal amount of and interest on the bonds  
6 to be refinanced thereby; provided, for the purposes of this limitation,  
7 present value shall be computed using a discount rate equal to the  
8 yield of those refunding bonds, and yield shall be computed using an  
9 actuarial method based on a 360-day year with semiannual  
10 compounding and upon the price or prices paid to the State by the  
11 initial purchasers of those refunding bonds.

12 d. Any refinancing authorized hereunder may be effected by the  
13 sale of the refunding bonds and the application of the proceeds thereof  
14 to the immediate payment of the principal of the bonds to be  
15 refinanced thereby, together with any redemption premium thereon,  
16 any interest accrued or to accrue on those bonds to be refinanced to  
17 the date of payment of those bonds, the expenses of issuing the  
18 refunding bonds and the expenses, if any, of paying those bonds to be  
19 refinanced, or, to the extent not required for that immediate payment,  
20 shall be deposited, together with any other moneys legally available  
21 therefor, in trust with one or more trustees or escrow agents, which  
22 trustees or escrow agents shall be trust companies or national or state  
23 banks having powers of a trust company, located either within or  
24 without the State, to be applied solely to the payment when due of the  
25 principal of, redemption premium, if any, and interest due and to  
26 become due on the bonds to be refinanced on or prior to the  
27 redemption date or maturity date thereof, as the case may be. The  
28 proceeds or moneys so held by the trustees or escrow agents may be  
29 invested in government securities, including government securities  
30 issued or held in book-entry form on the books of the Department of  
31 Treasury of the United States; provided those government securities  
32 shall not be subject to redemption prior to their maturity other than at  
33 the option of the holder thereof. Except as otherwise provided in this  
34 subsection, neither government securities nor moneys so deposited  
35 with the trustees or escrow agents shall be withdrawn or used for any  
36 purpose other than, and shall be held in trust for, the payment of the  
37 principal of, redemption premium, if any, and interest on the bonds to  
38 be refinanced thereby; provided that any cash received from the  
39 principal or interest payments on those government securities  
40 deposited with the trustees or escrow agents, to the extent the cash  
41 will not be required at any time for that purpose, shall be paid over to  
42 the trustees or escrow agents, and to the extent the cash will be  
43 required for that purpose at a later date, shall, to the extent practicable  
44 and legally permissible, be reinvested in government securities  
45 maturing at times and in amounts sufficient to pay when due the  
46 principal of, redemption premium, if any, and interest to become due

1 on the bonds to be refinanced, on and prior to the redemption date or  
2 maturity date thereof, as the case may be, and interest earned from  
3 those reinvestments, to the extent not required for the payment of  
4 bonds, shall be paid over to the State, as received by the trustees or  
5 escrow agents. Notwithstanding anything to the contrary contained  
6 herein: (1) the trustees or escrow agents shall, if so directed by the  
7 issuing officials, apply moneys on deposit with the trustees or escrow  
8 agents pursuant to the provisions of this section, and redeem or sell  
9 government securities so deposited with the trustees or escrow agents,  
10 and apply the proceeds thereof to (a) the purchase of bonds which  
11 were refinanced by the deposit with the trustees or escrow agents of  
12 the moneys and government securities and immediately thereafter  
13 cancel all outstanding bonds so purchased or (b) the purchase of  
14 different government securities; provided however, that the moneys  
15 and government securities on deposit with the trustees or escrow  
16 agents after the purchase and cancellation of the outstanding bonds or  
17 the purchase of different government securities shall be sufficient to  
18 pay when due the principal of, redemption premium, if any, and  
19 interest on all other bonds in respect of which the moneys and  
20 government securities were deposited with the trustees or escrow  
21 agents on or prior to the redemption date or maturity date thereof, as  
22 the case may be; and (2) in the event that on any date, as a result of  
23 any purchases and cancellations of the outstanding bonds or any  
24 purchases of different government securities as provided in this  
25 subsection, the total amount of moneys and government securities  
26 remaining on deposit with the trustees or escrow agents is in excess of  
27 the total amount which would have been required to be deposited with  
28 the trustees or escrow agents on that date in respect of the remaining  
29 bonds for which the deposit was made in order to pay when due the  
30 principal of, redemption premium, if any, and interest on those  
31 remaining bonds, the trustees or escrow agents shall, if so directed by  
32 the issuing officials, pay the amount of that excess to the State. Any  
33 amounts held by the State Treasurer in a separate fund or funds for the  
34 payment of the principal of, redemption premium, if any, and interest  
35 on bonds to be refinanced, as provided herein, shall, if so directed by  
36 the issuing officials, be transferred by the State Treasurer for deposit  
37 with one or more trustees or escrow agents, as provided herein, to be  
38 applied to the payment when due of the principal of, redemption  
39 premium, if any, and interest to become due on those bonds to be  
40 refinanced, as provided in this section, or be applied by the State  
41 Treasurer to the payment when due of the principal of, redemption  
42 premium, if any, and interest on refunding bonds issued hereunder to  
43 refinance those bonds. The State Treasurer is authorized to enter into  
44 contracts with one or more trust companies or national or state banks,  
45 as provided herein, to act as trustees or escrow agents, as provided  
46 herein, subject to the approval of the issuing officials.

1 e. Notwithstanding the provisions of section 12 of this act, any  
2 series of refunding bonds issued pursuant to this section shall mature  
3 at any time or times not later than five years following the latest  
4 scheduled final maturity date, determined without regard to any  
5 redemptions prior thereto, of any of the bonds to be refunded thereby,  
6 and in no event later than 35 years following the date of issuance of  
7 that series of refunding bonds, and those refunding bonds may be sold  
8 at public or private sale at prices and under terms, conditions and  
9 regulations as the issuing officials may prescribe. Refunding bonds  
10 shall be entitled to all the benefits of this act and subject to all its  
11 limitations, except as to the sale provisions and to the extent therein  
12 otherwise expressly provided.

13 f. Upon the decision by the issuing officials to issue refunding  
14 bonds pursuant to this section, and prior to the sale of those bonds,  
15 the issuing officials shall transmit to the Joint Budget Oversight  
16 Committee, or its successor, a report that a decision has been made,  
17 reciting the basis on which the decision was made, including an  
18 estimate of the debt service savings to be achieved and the calculations  
19 upon which the issuing officials relied when making the decision to  
20 issue refunding bonds. The report also shall disclose the intent of the  
21 issuing officials to issue and sell the refunding bonds at public or  
22 private sale and the reasons therefor.

23 g. The Joint Budget Oversight Committee, or its successor, shall  
24 have authority to approve or disapprove the sale of refunding bonds  
25 as included in each report submitted in accordance with subsection f.  
26 of this section. The committee shall notify the issuing officials in  
27 writing of the approval or disapproval as expeditiously as possible.

28 h. No refunding bonds shall be issued unless the report has been  
29 submitted to and approved by the Joint Budget Oversight Committee,  
30 or its successor, as set forth in subsection g. of this section.

31 i. Within 30 days after the sale of the refunding bonds, the issuing  
32 officials shall notify the Joint Budget Oversight Committee, or its  
33 successor, of the result of that sale, including the prices and terms,  
34 conditions and regulations concerning the refunding bonds, the actual  
35 amount of debt service savings to be realized as a result of the sale of  
36 refunding bonds, and the intended use of the proceeds from the sale of  
37 those bonds.

38 j. The Joint Budget Oversight Committee, or its successor, shall,  
39 however, review all information and reports submitted in accordance  
40 with this section and may, on its own initiative, make observations and  
41 recommendations to the issuing officials, or to the Legislature, or  
42 both, as it deems appropriate.

43

44 20. Any bond or bonds issued hereunder shall no longer be deemed  
45 to be outstanding, shall no longer constitute a direct obligation of the  
46 State of New Jersey, and the faith and credit of the State shall no

1 longer be pledged to the payment of the principal of, redemption  
2 premium, if any, and interest on the bonds, and the bonds shall be  
3 secured solely by and payable solely from moneys and government  
4 securities deposited in trust with one or more trustees or escrow  
5 agents, which trustees and escrow agents shall be trust companies or  
6 national or state banks having powers of a trust company, located  
7 either within or without the State, as provided herein, whenever there  
8 shall be deposited in trust with the trustees or escrow agents, as  
9 provided herein, either moneys or government securities, including  
10 government securities issued or held in book-entry form on the books  
11 of the Department of Treasury of the United States, the principal of  
12 and interest on which when due will provide money which, together  
13 with the moneys, if any, deposited with the trustees or escrow agents  
14 at the same time, shall be sufficient to pay when due the principal of,  
15 redemption premium, if any, and interest due and to become due on  
16 the bonds on or prior to the redemption date or maturity date thereof,  
17 as the case may be; provided the government securities shall not be  
18 subject to redemption prior to their maturity other than at the option  
19 of the holder thereof. The State of New Jersey hereby covenants with  
20 the holders of any bonds for which government securities or moneys  
21 shall have been deposited in trust with the trustees or escrow agents  
22 as provided in this section that, except as otherwise provided in this  
23 section, neither the government securities nor moneys so deposited  
24 with the trustees or escrow agents shall be withdrawn or used by the  
25 State for any purpose other than, and shall be held in trust for, the  
26 payment of the principal of, redemption premium, if any, and interest  
27 to become due on the bonds; provided that any cash received from the  
28 principal or interest payments on the government securities deposited  
29 with the trustees or escrow agents, to the extent the cash will not be  
30 required at any time for that purpose, shall be paid over to the State,  
31 as received by the trustees or escrow agents, free and clear of any  
32 trust, lien, pledge or assignment securing the bonds; and to the extent  
33 the cash will be required for that purpose at a later date, shall, to the  
34 extent practicable and legally permissible, be reinvested in government  
35 securities maturing at times and in amounts sufficient to pay when due  
36 the principal of, redemption premium, if any, and interest to become  
37 due on the bonds on and prior to the redemption date or maturity date  
38 thereof, as the case may be, and interest earned from the reinvestments  
39 shall be paid over to the State, as received by the trustees or escrow  
40 agents, free and clear of any trust, lien or pledge securing the bonds.  
41 Notwithstanding anything to the contrary contained herein: a. the  
42 trustees or escrow agents shall, if so directed by the issuing officials,  
43 apply moneys on deposit with the trustees or escrow agents pursuant  
44 to the provisions of this section, and redeem or sell government  
45 securities so deposited with the trustees or escrow agents, and apply  
46 the proceeds thereof to (1) the purchase of the bonds which were

1 refinanced by the deposit with the trustees or escrow agents of the  
2 moneys and government securities and immediately thereafter cancel  
3 all bonds so purchased, or (2) the purchase of different government  
4 securities; provided however, that the moneys and government  
5 securities on deposit with the trustees or escrow agents after the  
6 purchase and cancellation of the bonds or the purchase of different  
7 government securities shall be sufficient to pay when due the principal  
8 of, redemption premium, if any, and interest on all other bonds in  
9 respect of which the moneys and government securities were deposited  
10 with the trustees or escrow agents on or prior to the redemption date  
11 or maturity date thereof, as the case may be; and b. in the event that  
12 on any date, as a result of any purchases and cancellations of bonds or  
13 any purchases of different government securities, as provided in this  
14 sentence, the total amount of moneys and government securities  
15 remaining on deposit with the trustees or escrow agents is in excess of  
16 the total amount which would have been required to be deposited with  
17 the trustees or escrow agents on that date in respect of the remaining  
18 bonds for which the deposit was made in order to pay when due the  
19 principal of, redemption premium, if any, and interest on the remaining  
20 bonds, the trustees or escrow agents shall, if so directed by the issuing  
21 officials, pay the amount of the excess to the State, free and clear of  
22 any trust, lien, pledge or assignment securing the refunding bonds.

23

24 21. Refunding bonds issued pursuant to section 19 of this act may  
25 be consolidated with other bonds issued pursuant to section 6 of this  
26 act or with bonds issued pursuant to any other act for purposes of sale.

27

28 22. To provide funds to meet the interest and principal payment  
29 requirements for the bonds and any refunding bonds issued under this  
30 act and outstanding, there is appropriated in the order following:

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

34 b. If, at any time, funds necessary to meet the interest, redemption  
35 premiums, if any, and principal payments on outstanding bonds issued  
36 under this act, are insufficient or not available, there shall be assessed,  
37 levied and collected annually in each of the municipalities of the  
38 counties of this State, a tax on the real and personal property upon  
39 which municipal taxes are or shall be assessed, levied and collected,  
40 sufficient to meet the interest on all outstanding bonds issued  
41 hereunder and on the bonds proposed to be issued under this act in the  
42 calendar year in which the tax is to be raised and for the payment of  
43 bonds falling due in the year following the year for which the tax is  
44 levied. The tax shall be assessed, levied and collected in the same  
45 manner and at the same time as other taxes upon real and personal  
46 property. The governing body of each municipality shall pay to the

1 treasurer of the county in which the municipality is located, on or  
2 before December 15 in each year, the amount of tax herein directed to  
3 be assessed and levied, and the county treasurer shall pay the amount  
4 of the tax to the State Treasurer on or before December 20 in each  
5 year.

6 If on or before December 31 in any year, the issuing officials, by  
7 resolution, determine that there are moneys in the General Fund  
8 beyond the needs of the State, sufficient to meet the principal of bonds  
9 falling due and all interest and redemption premiums, if any, payable  
10 in the ensuing calendar year, the issuing officials shall file the  
11 resolution in the office of the State Treasurer, whereupon the State  
12 Treasurer shall transfer the moneys to a separate fund to be designated  
13 by the State Treasurer, and shall pay the principal, redemption  
14 premium, if any, and interest out of that fund as the same shall become  
15 due and payable, and the other sources of payment of the principal,  
16 redemption premium, if any, and interest provided for in this section  
17 shall not then be available, and the receipts for the year from the tax  
18 specified in subsection a. of this section shall be considered and treated  
19 as part of the General Fund, available for general purposes.  
20

21 23. Should the State Treasurer, by December 31 of any year, deem  
22 it necessary, because of the insufficiency of funds collected from the  
23 sources of revenues as provided in this act, to meet the interest and  
24 principal payments for the year after the ensuing year, then the State  
25 Treasurer shall certify to the Director of the Division of Budget and  
26 Accounting in the Department of the Treasury the amount necessary  
27 to be raised by taxation for those purposes, which is to be assessed,  
28 levied and collected for and in the ensuing calendar year. The director  
29 shall, on or before March 1 following, calculate the amount in dollars  
30 to be assessed, levied and collected in each county as herein set forth.  
31 This calculation shall be based upon the corrected assessed valuation  
32 of each county for the year preceding the year in which the tax is to be  
33 assessed, but the tax shall be assessed, levied and collected upon the  
34 assessed valuation of the year in which the tax is assessed and levied.  
35 The director shall certify the amount to the county board of taxation  
36 and the treasurer of each county. The county board of taxation shall  
37 include the proper amount in the current tax levy of the several taxing  
38 districts of the county in proportion to the ratables as ascertained for  
39 the current year.  
40

41 24. For the purpose of complying with the provisions of the State  
42 Constitution, this act shall be submitted to the people at the general  
43 election to be held in the month of November, 1996. To inform the  
44 people of the contents of this act, it shall be the duty of the Secretary  
45 of State, after this section takes effect, and at least 60 days prior to the  
46 election, to cause this act to be published at least once in one or more

1 newspapers of each county, if any newspapers are published therein,  
2 and to notify the clerk of each county of this State of the passage of  
3 this act; and the clerks respectively, in accordance with the  
4 instructions of the Secretary of State, shall have printed on each of the  
5 ballots the following:

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

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

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

1		<b>PINELANDS WATER RESOURCES</b>
2		<b>PROTECTION BOND ISSUE</b>
3		
4		Shall the "Pinelands Water Resources
5		Protection Trust Bond Act," which authorizes
6		the State to issue bonds in the amount of
7		\$70,000,000 for the purposes of providing
8		grants and loans to local government units in
9		the Pinelands area for infrastructure capital
10		projects necessary to protect ground and
11	YES	surface waters while accommodating
12		appropriate development in a manner
13		prescribed by law; and in a principal amount
14		sufficient to refinance any of the bonds if the
15		same will result in a present value savings;
16		and providing the ways and means to pay the
17		interest on the debt and also to pay and
18		discharge the principal thereof, be approved?
19		<b>INTERPRETIVE STATEMENT</b>
20		Approval of this act will authorize the sale of
21		\$70,000,000 in State general obligation bonds
22		to be used for grants and loans to counties,
23		municipalities, and other local government
24		authorities or agencies for wastewater
25		treatment and water supply infrastructure
26		systems for the Pinelands area. It will also
27		help to finance water supply planning to
28		protect ground and surface water resources.
29		These infrastructure projects would be
30		approved only upon a finding that the master
31	NO	plan and zoning ordinance of the municipality,
32		and the master plan of the county wherein the
33		project is to take place, have been certified by
34		the Pinelands Commission to be in
35		conformance with the Pinelands
36		Comprehensive Management Plan and that the
37		project conforms with the infrastructure plan
38		adopted by the Pinelands Commission. The
39		act also authorizes the issuance of bonds in a
40		sufficient amount to refinance all or any of
41		these bonds if the same will result in a present
42		value savings.
43		

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

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

15  
16 25. There is appropriated the sum of \$5,000 to the Department of  
17 State for expenses in connection with the publication of notice  
18 pursuant to section 24 of this act.

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

30  
31 27. Immediately following the submission to the Legislature of the  
32 Governor's annual budget message, the commissioner shall submit to  
33 the Senate Budget and Appropriations Committee, the Assembly  
34 Appropriations Committee, the Senate Environment Committee, and  
35 the Assembly Committee, or their successors, and to the Joint Budget  
36 Oversight Committee, or its successor, a copy of the plan called for  
37 under section 26 of this act, together with any changes therein as may  
38 have been required by the Governor's budget message.

39  
40 28. Not less than 30 days prior to entering into any contract, lease,  
41 obligation, or agreement to effectuate the purposes of this act, the  
42 commissioner shall report to and consult with the Joint Budget  
43 Oversight Committee, or its successor.

44  
45 29. All appropriations from the bond fund established by this act  
46 shall be by specific allocation for each project, and any transfer of

1 funds appropriated from the "Pinelands Water Resources Protection  
2 Trust Fund" shall require the approval of the Joint Budget Oversight  
3 Committee, or its successor.

4  
5 30. This section and sections 24 and 25 of this act shall take effect  
6 immediately and the remainder of the act shall take effect as provided  
7 in section 24.

8  
9  
10 STATEMENT

11  
12 This bill would provide for the authorization of \$70 million in State  
13 general obligation bonds to be used for various studies and  
14 infrastructure capital projects in the Pinelands.

15 Of the \$70 million authorization, not more than \$5 million may be  
16 used to prepare an infrastructure plan and an aquifer assessment. The  
17 bill requires that both of these endeavors be undertaken by the  
18 Pinelands Commission. The infrastructure plan is necessary to  
19 determine which projects are needed. The aquifer assessment will  
20 allow the Pinelands Commission to determine the impacts of  
21 withdrawals and development on the aquifer and thus on the Pinelands  
22 ecosystem. An additional \$10 million may be used for infrastructure  
23 projects designed to eliminate wastewater discharges from leaving the  
24 Pinelands. Currently over 100 million gallons per day of Pinelands  
25 water leaves the system by way of discharges into the Delaware River  
26 and Atlantic Ocean. These withdrawals may add to the depletion of  
27 the aquifer. Also, \$5 million may be used for loans or grants for small  
28 scale infrastructure capital projects designed to service existing public  
29 schools, or expansions thereof, which are located outside regional  
30 growth areas and town management areas.

31 The remaining \$50 million is to be used for loans or grants to  
32 counties, municipalities, or other local authorities or agencies for  
33 infrastructure capital projects necessary to accommodate development  
34 in regional growth areas in the Pinelands.

35 Grants and loans also may be provided for local government units  
36 in areas other than regional growth areas, if the project would serve  
37 a town management area, provided the municipality provides for  
38 accommodation of Pinelands development credits in a manner  
39 consistent with the comprehensive management plan for the Pinelands.

40 No project would be approved unless the municipality's master plan  
41 and zoning ordinances, and the county's master plan, conform to the  
42 comprehensive management plan and the project is on the  
43 infrastructure plan.

44 The bill also requires that the Pinelands Commission adopt  
45 regulations permitting municipalities to designate town management  
46 areas as receiving areas for Pinelands development credits.

1       The bill creates the "Pinelands Water Resources Protection Trust  
2 Fund" into which the bond proceeds will be deposited and provides  
3 that moneys from the fund are conditioned on a project specific  
4 appropriation by the Legislature. The Commissioner of Environmental  
5 Protection is to submit with the annual budget request a plan for the  
6 expenditure of moneys from the bond fund.

7       The bill provides that the bond act is to be submitted to the people  
8 for approval at the general election to be held in November 1996.

9

10

11

12

13 "Pinelands Water Resources Protection Trust Bond Act."