

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2144

STATE OF NEW JERSEY

DATED: JUNE 5, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2144.

Senate Bill No. 2144 authorizes the New Jersey Wastewater Treatment Trust to expend up to \$50,000,000, and any unexpended balances from the authorizations made by P.L.1994, c.105, P.L.1995, c.218, and P.L.1996, c.87 to provide loans with an interest rate at or below the prevailing market rate to local government units for the costs of eligible wastewater treatment system projects. The eligible projects are those included in the "State Fiscal Year 1998 Project Priority List" and one project that received loans in the past and which now requires a supplemental loan in order to meet actual costs.

The New Jersey Wastewater Treatment Trust, established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), is a State financing authority which can issue bonds, notes and other debt obligations. In the initial year of funding, the provisions of P.L.1987, c.199 authorized the Trust to expend \$150,000,000 for loans to local government units for up to 50% of the costs of eligible wastewater treatment system projects. Subsequently, the provisions of P.L.1988, c.132 authorized the expenditure of \$75,000,000, the provisions of P.L.1989, c.190 authorized \$85,000,000, the provisions of P.L.1990, c.97 authorized \$100,000,000, the provisions of P.L.1991, c.324 authorized \$90,000,000, the provisions of P.L.1992, c.37 authorized \$75,000,000, the provisions of P.L.1993, c.192 authorized \$75,000,000, the provisions of P.L.1994, c.105 authorized \$60,000,000, the provisions of P.L.1995, c.218 authorized \$50,000,000, and the provisions of P.L.1996, c.87 authorized \$75,000,000.

This bill permits the Trust to expend up to \$50 million for loans to local government units for eligible wastewater treatment system projects, and authorizes the use of any remaining moneys from prior authorizations, any loan repayments received to date, and the amounts for capitalized interest and issuance expenses, to fund the State FY 1998 financing program.

This bill and Senate Bill No. 2142 of 1997 together provide loan financing for 100% of the eligible cost of a wastewater treatment system project: approximately one-half of the loan amount from the

Trust with interest at or below the prevailing market rate and one-half from a zero interest loan from the Department.

As reported, this bill is identical to Assembly Bill 3020 (Chatzidakis/Gibson).

FISCAL IMPACT:

This bill authorizes the New Jersey Wastewater Treatment Trust to expend up to \$50,000,000, and any unexpended balances from the authorizations made by P.L.1994, c.105, P.L.1995, c.218, and P.L.1996, c.87 to provide loans with an interest rate at or below the prevailing market rate to local government units for the costs of eligible wastewater treatment system projects.