

ASSEMBLY ENVIRONMENT AND SOLID WASTE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 5589

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 12, 2021

The Assembly Environment and Solid Waste Committee reports favorably and with committee amendments Assembly Bill No. 5589.

This bill would authorize the New Jersey Infrastructure Bank (I-Bank) to expend up to \$1.979 billion to provide loans to local governments and privately-owned water companies (project sponsors) for a portion of the costs of water infrastructure projects, for the purpose of implementing the State Fiscal Year 2022 New Jersey Environmental Infrastructure Financing Program (NJEIFP).

A companion bill, Assembly Bill No. 5588 of the 2020-2021 session, would appropriate certain federal and State moneys to the Department of Environmental Protection (DEP) for the purpose of partially funding the costs of the clean water and drinking water projects enumerated by the bill.

This bill and the companion bill would establish: (1) a list of 11 projects to improve water discharge and treatment systems that had previously received a loan and require supplemental loans, representing \$75.45 million in estimated total loan amounts; (2) a list of two projects to improve drinking water systems that had previously received a loan and require supplemental loans, representing \$28.5 million in estimated total loan amounts; (3) the "Storm Sandy and State Fiscal Year 2022 Clean Water Project Eligibility List," a list of 133 projects to improve water discharge and treatment systems, representing \$1.285 billion in estimated total loan amounts; (4) a list of four projects in the in the Pinelands area that are receiving funding under the "Pinelands Infrastructure Trust Bond Act of 1985," P.L.1985, c.302 to improve water discharge and treatment systems, representing \$15.343 million in estimated total loan amounts; and (5) the "State Fiscal Year 2021 Drinking Water Project Eligibility List," a list of 72 projects to improve drinking water systems, representing \$574.449 million in estimated total loan amounts. Several projects in the "Storm Sandy and State Fiscal Year 2022 Clean Water Project Eligibility List" and the "State Fiscal Year 2021 Drinking Water Project Eligibility List," representing \$409.168 million in estimated total loan amounts, are eligible to receive long-term funding from the

I-Bank by the end of FY2021, and thus would not receive loans under the 2022 NJEIFP if they receive funding during FY2021. However, they are included in these lists in the event that long-term financing cannot be secured by the end of FY2021.

The bill would also appropriate to the I-Bank an amount up to \$1 billion, as necessary, to make short-term or temporary loans to project sponsors on the "Interim Environmental Financing Program Project Priority List," which is required to be submitted to the Legislature by the Commissioner of Environmental Protection. The bill would also appropriate to the I-Bank the amount needed to fund project sponsors on the "Environmental Disaster Relief Emergency Financing Program Project Priority List," which is also required to be submitted to the Legislature by the Commissioner of Environmental Protection.

The bill would also authorize the I-Bank to transfer moneys between various State funds, for the purpose of funding the NJEIFP and providing the State match for federal funding provided under the federal laws, including the Clean Water Act and Safe Drinking Water Act, as detailed in subsection c. of section 1 of the bill.

The bill would establish certain requirements on loans to project sponsors made by the I-Bank pursuant to the bill, as enumerated in section 6 of the bill. The bill would also authorize the I-Bank to decrease or increase the loan amounts it provides, subject to certain conditions enumerated in sections 7 and 8 of the bill.

COMMITTEE AMENDMENTS:

The committee amendments to the bill clarify the terms and conditions of the financing program year applicable if the I-Bank adjusts allowable loan amounts to 100 percent of the total allowable loan amount.