

## CHAPTER 59

**AN ACT** concerning environmental infrastructure projects, amending and supplementing P.L.1985, c.334, and amending P.L.1997, c.224.

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

C.58:11B-9.2 "Planning and Design Fund."

1. a. The trust shall create and establish a special fund (hereinafter referred to as the "Planning and Design Fund") for the short-term or temporary financing or refinancing of environmental planning and engineering design costs (hereinafter referred to as the "Planning and Design Financing Program").

The Planning and Design Fund shall be credited with:

(1) moneys deposited in the fund as administrative fees received by the trust pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5);

(2) moneys received by the trust as repayment of the principal of and the interest or premium on loans made from the fund;

(3) any interest earnings received on the moneys in the fund;

(4) moneys deposited in the Interim Financing Program Fund established pursuant to section 9 of P.L.1985, c.334 (C.58:11B-9) subject to the provisions of subsection c. of this section; and

(5) such other moneys as the Legislature may appropriate to the trust for deposit into the fund at any time to finance or refinance short-term or temporary loans pursuant to the Planning and Design Financing Program.

b. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the trust may make short-term or temporary loans for environmental planning and engineering design costs to (1) local government units to finance or refinance wastewater treatment system projects not included on the project priority list for the ensuing fiscal year or eligible for approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20); or (2) public water utilities or private persons to finance or refinance water supply projects not included on the project priority list for the ensuing fiscal year or eligible for approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, without regard to any other provisions of P.L.1985, c.334 or P.L.1997, c.224, including, without limitation, the provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Financing Program Eligibility List pursuant to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9), or any administrative or legislative approvals.

c. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the trust may utilize moneys deposited in the Interim Financing Program Fund established pursuant to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9) to make short-term or temporary loans for environmental planning and engineering design costs to (1) local government units to finance or refinance wastewater treatment system projects included on the project priority list pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20); or (2) public water utilities or private persons to finance or refinance water supply projects included on the project priority list pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, in advance of the anticipated loans the trust may make and contract to make under the provisions of subsection a. of section 9 of P.L.1985, c.334 (C.58:11B-9) to be financed or refinanced through the issuance of bonds, notes or other obligations of the trust authorized under section 6 of P.L.1985, c.334 (C.58:11B-6), without regard to any other provisions of P.L.1985, c.334 or P.L.1997, c.224,

including, without limitation, the provisions of section 20 of P.L.1985, c.334 (C.58:11B-20), section 24 of P.L.1997, c.224 (C.58:11B-20.1), the Interim Financing Program Eligibility List pursuant to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9), or any administrative or legislative approvals.

2. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to read as follows:

C.58:11B-9 Loans to local governments.

9. a. (1) The trust may make and contract to make loans to local government units, or to a local government unit on behalf of another local government unit, in accordance with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of any wastewater treatment system project or water supply project, which the local government unit may lawfully undertake or acquire and for which the local government unit is authorized by law to borrow money.

(2) The trust may make and contract to make loans to public water utilities, or to any other person or local government unit on behalf of a public water utility, in accordance with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of any water supply project, which the public water utility may lawfully undertake or acquire.

(3) The trust may make and contract to make loans to private persons other than local government units, or to any other person or local government unit on behalf of a private person, in accordance with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of stormwater management systems.

The loans may be made subject to those terms and conditions as the trust shall determine to be consistent with the purposes thereof. Each loan by the trust and the terms and conditions thereof shall be subject to approval by the State Treasurer, and the trust shall make available to the State Treasurer all information, statistical data and reports of independent consultants or experts as the State Treasurer shall deem necessary in order to evaluate the loan. Each loan to a local government unit, public water utility or any other person shall be evidenced by notes, bonds or other obligations thereof issued to the trust. In the case of each local government unit, notes and bonds to be issued to the trust by the local government unit (1) shall be authorized and issued as provided by law for the issuance of notes and bonds by the local government unit, (2) shall be approved by the Local Finance Board in the Division of Local Government Services in the Department of Community Affairs, and (3) notwithstanding the provisions of N.J.S.40A:2-27, N.J.S.40A:2-28 and N.J.S.40A:2-29 or any other provisions of law to the contrary, may be sold at private sale to the trust at any price, whether or not less than par value, and shall be subject to redemption prior to maturity at any times and at any prices as the trust and local government units may agree. Each loan to a local government unit, public water utility or any other person and the notes, bonds or other obligations thereby issued shall bear interest at a rate or rates per annum as the trust and the local government unit, public water utility or any other person, as the case may be, may agree.

b. The trust is authorized to guarantee or contract to guarantee the payment of all or any portion of the principal and interest on bonds, notes or other obligations issued by a local government unit to finance the cost of any wastewater treatment system project or water supply project, which the local government unit may lawfully undertake or acquire and for which the local government unit is authorized by law to borrow money, and the guarantee

shall constitute an obligation of the trust for the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each guarantee by the trust and the terms and conditions thereof shall be subject to approval by the State Treasurer, and the trust shall make available to the State Treasurer all information, statistical data and reports of independent consultants or experts as the State Treasurer shall deem necessary in order to evaluate the guarantee.

c. The trust shall not make or contract to make any loans or guarantees to local government units, public water utilities or any other person, or otherwise incur any additional indebtedness, on or after November 5, 2028.

d. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the trust may receive funds from any source or issue its bonds, notes or other obligations in any principal amounts as in the judgment of the trust shall be necessary to provide sufficient funds to finance or refinance short-term or temporary loans to local government units, public water utilities or private persons for any wastewater treatment system projects included on the project priority list for the ensuing fiscal year and eligible for approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or water supply projects included on the project priority list for the ensuing fiscal year and eligible for approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, without regard to any other provisions of P.L.1985, c.334 or P.L.1997, c.224, including, without limitation, any administrative or legislative approvals.

The trust shall create and establish a special fund (hereinafter referred to as the "Interim Financing Program Fund") for the short-term or temporary loan financing or refinancing program (hereinafter referred to as the "Interim Financing Program").

Any short-term or temporary loans made by the trust pursuant to this subsection may only be made in advance of the anticipated loans the trust may make and contract to make under the provisions of subsection a. of this section from any source of funds anticipated to be received by the trust. The trust may make short-term or temporary loans pursuant to the Interim Financing Program to any one or more of the project sponsors, for the respective projects thereof, identified in the interim financing project priority list (hereinafter referred to as the "Interim Financing Program Eligibility List") in the form provided to the Legislature by the Commissioner of Environmental Protection.

Incremental revisions or supplements to the Interim Financing Program Eligibility List may be submitted to the Legislature at any time between January 15th and May 15th of each year.

The Interim Financing Program Eligibility List, including any revision thereof or supplement thereto, shall be submitted to the Legislature on or before June 30 of each year on a day when both Houses are meeting. The President of the Senate and the Speaker of the General Assembly shall cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. Any environmental infrastructure project or the project sponsor thereof not identified in the Interim Financing Program Eligibility List shall not be eligible for a short-term or temporary loan from the Interim Financing Program Fund.

3. Section 20 of P.L.1985, c.334 (C.58:11B-20) is amended to read as follows:

C.58:11B-20 Project priority list.

20. a. The Commissioner of Environmental Protection shall for each fiscal year develop a priority system for wastewater treatment systems and shall establish the ranking criteria and

funding policies for the projects therefor. The commissioner shall set forth a project priority list for funding by the trust for each fiscal year and shall include the aggregate amount of funds of the trust to be authorized for these purposes. The project priority list may include any stormwater management or combined sewer overflow abatement project identified in the stormwater management and combined sewer overflow abatement project priority list adopted by the commissioner pursuant to section 28 of P.L.1989, c.181.

The project priority list, which shall include for each wastewater treatment system the date each project is scheduled to be certified as ready for funding, shall be in conformance with applicable provisions of the "Federal Water Pollution Control Act Amendments of 1972," Pub.L. 92-500 (33 U.S.C. s.1251 et al.), and any amendatory or supplementary acts thereto, and State law. The project priority list shall include a description of each project and its purpose, impact, cost, and construction schedule, and an explanation of the manner in which priorities were established. The priority system and project priority list for the ensuing fiscal year shall be submitted to the Legislature on or before January 15 of each year on a day when both Houses are meeting. The President of the Senate and the Speaker of the General Assembly shall cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. Incremental revisions or supplements to the project priority list may be submitted to the Legislature at any time between January 15th and May 15th of each year. On or before May 15 of each year, the trust shall submit the project priority list, including any revision thereof or supplement thereto, to be introduced in each House in the form of legislative appropriations bills, which shall be referred to the Senate Environment Committee and the General Assembly Environment and Solid Waste Committee, or their successors, for their respective consideration.

b. The Senate Environment Committee and the General Assembly Environment and Solid Waste Committee shall, either individually or jointly, consider the legislation containing the project priority list, and shall report the legislation, together with any modifications, out of committee for consideration by each House of the Legislature. On or before July 1 of each year, the Legislature shall approve an appropriations act containing the project priority list, including any amendatory or supplementary provisions thereto, which act shall include the authorization of an aggregate amount of funds of the trust to be expended for loans and guarantees for the specific projects, including the individual amounts therefor, on the list.

c. The trust shall not expend any money for a loan or guarantee during a fiscal year for any wastewater treatment system project unless the expenditure is authorized pursuant to an appropriations act as provided in the provisions of this section, or as otherwise set forth in an appropriations act.

4. Section 24 of P.L.1997, c.224 (C.58:11B-20.1) is amended to read as follows:

C.58:11B-20.1 Priority system for water supply projects; policies.

24. a. The Commissioner of Environmental Protection shall for each fiscal year develop a priority system for water supply projects and shall establish the ranking criteria and funding policies therefor. The commissioner shall set forth a project priority list for funding by the trust for each fiscal year and shall include the aggregate amount of funds of the trust to be authorized for these purposes. The commissioner may include a water supply project on the project priority list if it meets the eligibility requirements for funding pursuant to the federal "Safe Drinking Water Act Amendments of 1996," Pub.L.104-182. The project priority list shall include a description of each project and an explanation of the manner in which

priorities were established. The priority system and project priority list for the ensuing fiscal year shall be submitted to the Legislature on or before January 15 of each year on a day when both Houses are meeting. The President of the Senate and the Speaker of the General Assembly shall cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. Incremental revisions or supplements to the project priority list may be submitted to the Legislature at any time between January 15th and May 15th of each year. On or before May 15 of each year, the trust shall submit the project priority list, including any revision thereof or supplement thereto, to be introduced in each House in the form of legislative appropriations bills, which shall be referred to the Senate Environment Committee and the General Assembly Environment and Solid Waste Committee, or their successors, for their respective consideration.

b. The Senate Environment Committee and the General Assembly Environment and Solid Waste Committee shall, either individually or jointly, consider the legislation containing the project priority list, and shall report the legislation, together with any modifications, out of committee for consideration by each House of the Legislature. On or before July 1 of each year, the Legislature shall approve an appropriations act containing the project priority list, including any amendatory or supplementary provisions thereto, which act shall include the authorization of an aggregate amount of funds of the trust to be expended for loans and guarantees for the specific water supply projects, including the individual amounts therefor, on the list.

c. The trust shall not expend any money for a loan or guarantee during a fiscal year for any water supply project unless the expenditure is authorized pursuant to an appropriations act as provided in the provisions of this section, or as otherwise set forth in an appropriations act.

5. Section 27 of P.L.1997, c.224 (C.58:11B-22.2) is amended to read as follows:

C.58:11B-22.2 Submission of consolidated financial plan.

27. As an alternative to the individual annual submissions required by the provisions of sections 21 and 22 of P.L.1985, c.334 (C.58:11B-21 and 58:11B-22), sections 25 and 26 of P.L.1997, c.224 (C.58:11B-21.1 and C.58:11B-22.1) and subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9), the trust may develop and submit to the Legislature a consolidated financial plan designed to implement the financing of the wastewater treatment system projects on the project priority list approved pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20), the water supply projects on the project priority list approved pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1), the water resources projects and wastewater treatment system projects on the water resources project and wastewater treatment system project priority list developed pursuant to section 31 of P.L.2003, c.162, the environmental infrastructure projects identified in the Interim Financing Program Eligibility List developed pursuant to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9), and any other environmental infrastructure projects approved by the Legislature.

C.58:11B-19.1 Receipt of federal funds by trust.

6. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the trust may receive federal funds to make loans or grants in the implementation of the New Jersey Environmental Infrastructure Financing Program for 2009 to local government units, public water utilities or private persons for any wastewater treatment system projects included on the project priority list for

the ensuing fiscal year and eligible for approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or water supply projects included on the project priority list for the ensuing fiscal year and eligible for approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable.

7. This act shall take effect immediately.

Approved May 6, 2009.