

CHAPTER 38

AN ACT authorizing the expenditure of funds by the New Jersey Environmental Infrastructure Trust for the purpose of making loans to eligible project sponsors to finance a portion of the cost of construction of environmental infrastructure projects, and making an appropriation.

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

1. a. The New Jersey Environmental Infrastructure Trust, established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), as amended and supplemented by P.L.1997, c.224 and amended by P.L.2004, c.111, is authorized to expend the aggregate sum of up to \$534,000,000 and any unexpended balance of the aggregate expenditures authorized pursuant to section 1 of P.L.2000, c.93, section 1 of P.L.2001, c.224, section 1 of P.L.2002, c.71, section 1 of P.L.2003, c.159, section 1 of P.L.2004, c.110, section 1 of P.L.2005, c.197, section 1 of P.L.2006, c.67, section 1 of P.L.2007, c.140, section 1 of P.L.2008, c.67, section 1 of P.L.2009, c.101, section 1 of P.L.2010, c.62, and section 1 of P.L.2011, c.95 for the purpose of making loans, to the extent sufficient funds are available, to or on behalf of local government units or public water utilities (hereinafter referred to as "project sponsors") to finance all or a portion of the cost of construction of environmental infrastructure projects listed in sections 2 and 4 of this act.

b. The trust is authorized to increase the aggregate sums specified in subsection a. of this section by:

(1) the amounts of capitalized interest and the bond issuance expenses as provided in subsection b. of section 7 of this act;

(2) the amounts of reserve capacity expenses and debt service reserve fund requirements as provided in subsection c. of section 7 of this act;

(3) the interest earned on amounts deposited for project costs pending their distribution to project sponsors as provided in subsection d. of section 7 of this act;

(4) the amounts of the loan origination fee as provided in subsection e. of section 7 of this act; and

(5) the amount appropriated to the Department of Environmental Protection for the purpose of making zero interest and principal forgiveness loans pursuant to section 3 of P.L.2012, c.43 in connection with the project costs of a particular project sponsor, to the extent the priority ranking and an insufficiency of funding prevents the department from making the loan as provided in subsection f. of section 7 of this act.

c. (1) Of the sums made available to the trust from the "Water Supply Trust Fund" established pursuant to subsection a. of section 15 of the "Water Supply Bond Act of 1981" (P.L.1981, c.261) pursuant to P.L.1997, c.223, the trust is authorized to transfer such amounts to the Department of Environmental Protection as needed for drinking water project loans pursuant to the "Safe Drinking Water Act Amendments of 1996," Pub.L.104-182, and any amendatory and supplementary acts thereto (hereinafter referred to as the "Federal Safe Drinking Water Act"), under terms and conditions established by the Commissioner of Environmental Protection and trust, and approved by the State Treasurer, which loans shall be jointly administered by the trust and department.

(2) Of the sums appropriated to the trust from the "Wastewater Treatment Trust Fund" established pursuant to section 15 of the "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329) pursuant to P.L.1987, c.198, the trust is authorized to transfer such amounts as needed to the Clean Water State Revolving Fund established pursuant to section 1 of P.L.2009, c.77 for the purposes of issuing loans or providing the State match as required

for the award of the capitalization grants made available to the State for clean water projects pursuant to the "Water Quality Act of 1987" (33 U.S.C.s.1251 et seq.), and any amendatory and supplementary acts thereto (hereinafter referred to as the "Federal Clean Water Act").

(3) Of the sums appropriated to the trust from the "1992 Wastewater Treatment Trust Fund" established pursuant to section 27 of the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992" (P.L.1992, c.88) pursuant to P.L.1996, c.86, the trust is authorized to transfer such amounts as needed to the Clean Water State Revolving Fund for the purpose of providing the State match as required for the award of the capitalization grants made available to the State for clean water projects pursuant to the Federal Clean Water Act.

(4) Of the sums appropriated to the trust from the "Stormwater Management and Combined Sewer Overflow Abatement Fund" created pursuant to section 14 of the "Stormwater Management and Combined Sewer Overflow Abatement Bond Act of 1989" (P.L.1989, c.181) pursuant to P.L.1998, c.87, the trust is authorized to transfer such amounts as needed to the Clean Water State Revolving Fund for the purpose of providing the State match as required for the award of the capitalization grants made available to the State for clean water projects pursuant to the Federal Clean Water Act.

(5) Of the sums appropriated to the trust from the "2003 Water Resources and Wastewater Treatment Trust Fund" established pursuant to subsection b. of section 19 of the "Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003" (P.L.2003, c.162) pursuant to P.L.2004, c.110, the trust is authorized to transfer such amounts as needed to the Clean Water State Revolving Fund for the purpose of providing the State match as required for the award of the capitalization grants made available to the State for clean water projects pursuant to the Federal Clean Water Act.

(6) Of the sums appropriated to the trust from repayments of loans deposited in any account, including the "Clean Water State Revolving Fund," "Wastewater Treatment Fund," the "1992 Wastewater Treatment Fund," the "Water Supply Fund," the "Stormwater Management and Combined Sewer Overflow Abatement Fund" or the Drinking Water State Revolving Fund, as appropriate, pursuant to sections 11 and 12 of P.L.1995, c.219, sections 11 and 12 of P.L.1996, c.85, sections 11 and 12 of P.L.1997, c.221, sections 12 and 13 of P.L.1998, c.84, section 11 of P.L.1999, c.174, section 11 of P.L.2000, c.92, section 11 of P.L.2001, c.222, section 11 of P.L.2002, c.70, section 11 of P.L.2003, c.158, section 11 of P.L.2004, c.109, section 11 of P.L.2005, c.196, section 11 of P.L.2006, c.68, section 10 of P.L.2007, c.140, section 10 of P.L.2008, c.67, section 10 of P.L.2009, c.101, section 10 of P.L.2010, c.62, and section 10 of P.L.2011, c.95 for deposit into one or more reserve funds established by the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11), the trust shall transfer to the respective fund of origin the unexpended balance of all such moneys no longer utilized by the trust for reserve fund purposes.

d. For the purposes of this act:

(1) "capitalized interest" means the amount equal to interest paid on trust bonds which is funded with trust bond proceeds and the earnings thereon;

(2) "issuance expenses" means and includes, but need not be limited to, the costs of financial document printing, bond insurance premiums or other credit enhancement, underwriters' discount, verification of financial calculations, the services of bond rating agencies and trustees, the employment of accountants, attorneys, financial advisors, loan servicing agents, registrars, and paying agents, and any other costs related to the issuance of trust bonds;

(3) "reserve capacity expenses" means those project costs for reserve capacity not eligible for loans under rules and regulations governing zero interest loans adopted by the Commissioner of Environmental Protection pursuant to section 4 of P.L.1985, c.329 but which are eligible for loans from the trust in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27);

(4) "debt service reserve fund expenses" means the debt service reserve fund costs associated with reserve capacity expenses, water supply projects for which the project sponsors are public water utilities as provided in section 9 of P.L.1985, c.334 (C.58:11B-9), other drinking water projects not eligible for, or interested in, State or federal debt service reserve funds pursuant to the "Water Supply Bond Act of 1981," P.L.1981, c.261, as amended and supplemented by P.L.1997, c.223, and any clean water projects not eligible for, or interested in, State or federal debt service reserve funds from the Clean Water State Revolving Fund; and

(5) "loan origination fee" means the fee charged by the Department of Environmental Protection and financed under the trust loan to pay a portion of the costs incurred by the department in the implementation of the New Jersey Environmental Infrastructure Financing Program.

e. The trust is authorized to increase the loan amount in the future to compensate for a refunding of the issue, provided adequate savings are achieved, for the loans issued pursuant to P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85, P.L.1999, c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71, P.L.2003, c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67, P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62, P.L.2011, c.95 and P.L.2012, c.38.

2. a. (1) The New Jersey Environmental Infrastructure Trust is authorized to expend funds for the purpose of making supplemental loans to or on behalf of the project sponsors listed below for the following clean water environmental infrastructure projects:

| Project Sponsor | Project Number | Estimated Allowable Trust Loan Amount | Estimated Total Allowable Loan Amount |
|------------------------|-----------------------|----------------------------------------------|----------------------------------------------|
| Caldwell Borough | S340523-04-1 | \$664,500 | \$886,000 |
| North Bergen MUA | S340399-21-1 | \$2,484,750 | \$3,313,000 |
| North Hudson SA | S340952-12-1 | \$3,385,500 | \$4,514,000 |
| Milltown Borough | S340102-02-1 | \$591,000 | \$788,000 |
| Newark City | S340815-05-1 | \$7,587,750 | \$10,117,000 |
| Passaic Valley SC | S340689-03-1 | \$14,485,500 | \$19,314,000 |
| Passaic Valley SC | S340689-10-1 | \$10,015,500 | \$13,354,000 |
| Camden County MUA | S340640-10-1 | \$7,875,000 | \$10,500,000 |
| Total | 8 Projects | \$47,089,500 | \$62,786,000 |

(2) The loans authorized in this subsection shall be made for the difference between the allowable loan amounts required by these projects based upon final building costs pursuant to subsection a. of section 7 of this act and the loan amounts certified by the chairman of the trust in State fiscal years State fiscal years 2006, 2007, 2008, 2010, and 2012 and for increased allowable costs as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27). The loans authorized in this subsection shall be made to or on behalf of the project sponsors

listed, up to the individual amounts indicated and in the priority stated, to the extent sufficient funds are available, except as a project fails to meet the requirements of section 6 of this act.

(3) The loans authorized in this subsection shall have priority over the environmental infrastructure projects listed in subsection a. of section 4 of this act.

b. The trust is authorized to adjust the allowable trust loan amount for projects authorized in this section to between 25% and 75% of the total allowable loan amount.

3. a. The New Jersey Environmental Infrastructure Trust is authorized to make loans to or on behalf of the project sponsors for the clean water projects listed in subsection a. of section 2 and subsection a. of section 4 of this act up to the individual amounts indicated and in the priority stated, except as any such amount may be reduced by the trust pursuant to subsection a. of section 7 of this act, or if a project fails to meet the requirements of section 6 of this act. The trust is authorized to increase any such amount pursuant to subsection b., c., d., e. or f. of section 7 or section 8 of this act.

b. The trust is authorized to make loans to project sponsors for the drinking water projects listed in subsection b. of section 4 of this act up to the individual amounts indicated and in the priority stated, except as any such amount may be reduced by the trust pursuant to subsection a. of section 7 of this act, or if a project fails to meet the requirements of section 6 of this act. The trust is authorized to increase any such amount pursuant to subsection b., c., d., e. or f. of section 7 or section 8 of this act.

4. a. The following environmental infrastructure projects shall be known and may be cited as the "State Fiscal Year 2013 Clean Water Project Priority List":

| Project Sponsor | Project Number | Estimated Allowable Trust Loan Amount | Estimated Total Allowable Loan Amount |
|-----------------------------|-----------------------|----------------------------------------------|----------------------------------------------|
| Stafford Township | SB344100-02 | \$742,500 | \$990,000 |
| Ocean County | SB344080-02 | \$3,816,750 | \$5,089,000 |
| Ocean Gate Borough | SB344180-01 | \$1,542,000 | \$2,056,000 |
| Newark City | S340815-21 | \$8,926,500 | \$11,902,000 |
| Elizabeth City | S340942-13 | \$8,851,500 | \$11,802,000 |
| Elizabeth City | S340942-14 | \$2,286,000 | \$3,048,000 |
| Jersey City MUA | S340928-09 | \$2,087,250 | \$2,783,000 |
| Jersey City MUA | S340928-10 | \$2,568,000 | \$3,424,000 |
| Jersey City MUA | S340928-11 | \$3,236,250 | \$4,315,000 |
| Ocean County UA | S340372-49 | \$1,311,750 | \$1,749,000 |
| Camden County MUA | S340640-13 | \$4,180,500 | \$5,574,000 |
| Warren County MUA (Pequest) | S340454-04 | \$11,853,750 | \$15,805,000 |
| Morris Township | S340724-05 | \$4,884,750 | \$6,513,000 |
| Hanover SA | S340388-05 | \$7,587,000 | \$10,116,000 |
| Cinnaminson SA | S340170-06 | \$1,614,750 | \$2,153,000 |
| Evesham MUA | S340838-04 | \$1,938,750 | \$2,585,000 |
| Passaic Valley SC | S340689-20 | \$3,902,250 | \$5,203,000 |
| Bergen County UA | S340386-11 | \$12,575,250 | \$16,767,000 |
| Atlantic County UA | S340809-22 | \$1,197,000 | \$1,596,000 |
| Gloucester County UA | S340902-09 | \$2,508,750 | \$3,345,000 |
| Maple Shade Township | S340710-08 | \$1,496,250 | \$1,995,000 |
| Passaic Valley SC | S340689-21 | \$882,000 | \$1,176,000 |
| Asbury Park City | S340883-05 | \$1,866,000 | \$2,488,000 |
| Cinnaminson SA | S340170-04 | \$1,341,750 | \$1,789,000 |

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| Ocean Township | S340112-03 | \$787,500 | \$1,050,000 |
| Atlantic Highlands Borough | S340857-03 | \$2,355,000 | \$3,140,000 |
| Cranford Township | S340858-01 | \$743,250 | \$991,000 |
| Middlesex County UA | S340699-10 | \$7,698,750 | \$10,265,000 |
| Ocean County UA | S340372-51 | \$4,224,750 | \$5,633,000 |
| Ocean County UA | S340372-52 | \$212,250 | \$283,000 |
| Gloucester County UA | S340902-10 | \$317,250 | \$423,000 |
| Toms River Township MUA | S340145-03 | \$1,981,500 | \$2,642,000 |
| Toms River Township MUA | S340145-04 | \$2,505,000 | \$3,340,000 |
| Perth Amboy City | S340435-09 | \$2,529,750 | \$3,373,000 |
| Jackson Township MUA | S340953-03 | \$614,250 | \$819,000 |
| National Park Borough | S340419-01 | \$1,285,500 | \$1,714,000 |
| Ocean Gate Borough | S340151-01 | \$264,750 | \$353,000 |
| Point Pleasant Borough | S340428-01 | \$1,596,750 | \$2,129,000 |
| Ocean County UA | S340372-48 | \$13,863,000 | \$18,484,000 |
| Ocean County UA | S340372-50 | \$744,000 | \$992,000 |
| Watchung Borough | S340823-02 | \$982,500 | \$1,310,000 |
| Clifton City | S340844-03 | \$3,897,000 | \$5,196,000 |
| Harrison Township | S340362-06 | \$14,439,000 | \$19,252,000 |
| Middletown Township | S340097-01 | \$2,906,250 | \$3,875,000 |
| Gloucester Township | S340364-08 | \$552,750 | \$737,000 |
| NJ Water Supply Authority | S340421-01 | \$23,328,000 | \$31,104,000 |
| Linwood City | S340217-01 | \$618,000 | \$824,000 |
| Highlands Borough | S340901-03 | \$3,379,500 | \$4,506,000 |
| Bellmawr Borough | S342011-02 | \$7,365,750 | \$9,821,000 |
| NJ Water Supply Authority | S343054-09 | \$2,047,500 | \$2,730,000 |
| New Jersey City University | S340111-02 | \$12,825,000 | \$17,100,000 |
| Carteret Borough | S340939-07 | \$10,424,250 | \$13,899,000 |
| Cumberland County UA | S340550-06 | \$1,511,250 | \$2,015,000 |
| Stafford Township | S344100-03 | \$3,685,500 | \$4,914,000 |
| Seaside Park Borough | S344200-02 | \$1,059,750 | \$1,413,000 |
| Bay Head Borough | S344120-02 | \$204,750 | \$273,000 |
| Long Beach Township | S344170-02 | \$507,000 | \$676,000 |
| Winslow Township | S340895-08 | \$1,460,250 | \$1,947,000 |
| Secaucus MUA | S340154-02 | \$315,000 | \$420,000 |
| Burlington Township | S340712-10 | \$953,250 | \$1,271,000 |
| Gloucester County UA | S340902-11 | \$375,000 | \$500,000 |
| Rockaway Valley RSA | S340821-06 | \$5,134,500 | \$6,846,000 |
| Oradell Borough | S340835-01 | \$959,250 | \$1,279,000 |
| Middlesex County UA | S340699-11 | \$15,222,750 | \$20,297,000 |
| Old Bridge Township | S340945-12 | \$7,879,500 | \$10,506,000 |
| Fanwood Borough | S340429-01 | \$1,698,000 | \$2,264,000 |
| Total | 66 Projects | \$258,651,750 | \$344,869,000 |

b. The following environmental infrastructure projects shall be known and may be cited as the "State Fiscal Year 2013 Drinking Water Project Priority List":

| Project Sponsor | Project Number | Estimated Allowable Trust Loan Amount | Estimated Total Allowable Loan Amount |
|--------------------------------|----------------|---------------------------------------|---------------------------------------|
| Vineland City | 0614003-010 | \$2,979,750 | \$3,973,000 |
| Sea Village Marina | 0108021-002 | \$504,000 | \$672,000 |
| Newark City | 0714001-016 | \$7,023,750 | \$9,365,000 |
| Newark City | 0714001-017 | \$1,109,250 | \$1,479,000 |
| Newark City | 0714001-015 | \$8,418,750 | \$11,225,000 |
| Jersey City/Jersey City MUA | 0906001-008 | \$6,524,250 | \$8,699,000 |
| Jersey City/Jersey City MUA | 0906001-007 | \$10,897,500 | \$14,530,000 |
| Manchester Utilities Authority | 1603001-011 | \$570,750 | \$761,000 |
| Southeast Monmouth MUA | 1352005-005 | \$6,615,750 | \$8,821,000 |

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| Aqua NJ - Southern | 0415002-008 | \$1,096,500 | \$1,462,000 |
| Manchester Utilities Authority | 1603001-006 | \$1,119,750 | \$1,493,000 |
| Manchester Utilities Authority | 1603001-012 | \$232,500 | \$310,000 |
| Collingswood Borough | 0412001-002 | \$262,500 | \$350,000 |
| Jersey City MUA | 0906001-006 | \$12,860,250 | \$17,147,000 |
| New Jersey City University/Jersey City MUA | 0906001-005 | \$716,250 | \$955,000 |
| Ocean Township | 1520001-004 | \$669,750 | \$893,000 |
| Fountainhead Properties, Inc. | 1511013-001 | \$182,250 | \$243,000 |
| Collingswood Borough | 0412001-003 | \$654,750 | \$873,000 |
| Ventnor City | 0122001-001 | \$1,575,000 | \$2,100,000 |
| Woodbury City | 0822001-001 | \$2,638,500 | \$3,518,000 |
| Evesham MUA | 0313001-001 | \$1,401,750 | \$1,869,000 |
| Fountainhead Properties, Inc. | 1511013-002 | \$57,000 | \$76,000 |
| Manchester Utilities Authority | 1603001-013 | \$190,500 | \$254,000 |
| Middlesex Water Company | 1225001-014 | \$3,150,000 | \$4,200,000 |
| Clayton Borough | 0801001-001 | \$3,000,750 | \$4,001,000 |
| Millville City | 0610001-002 | \$2,953,500 | \$3,938,000 |
| Independence MUA | 2112001-001 | \$196,500 | \$262,000 |
| Collingswood Borough | 0412001-004 | \$829,500 | \$1,106,000 |
| Collingswood Borough | 0412001-005 | \$436,500 | \$582,000 |
| Hampton Borough | 1013001-001 | \$358,500 | \$478,000 |
| Jackson Township MUA | 1511001-009 | \$591,000 | \$788,000 |
| Fountainhead Properties, Inc. | 1511013-004 | \$176,250 | \$235,000 |
| Fountainhead Properties, Inc. | 1511013-003 | \$18,000 | \$24,000 |
| Pine Beach Borough | 1522001-001 | \$543,750 | \$725,000 |
| Marlboro Township | 1328002-001 | \$5,772,750 | \$7,697,000 |
| Pine Beach Borough | 1522001-002 | \$353,250 | \$471,000 |
| Hammonton Town | 0113001-005 | \$1,630,500 | \$2,174,000 |
| Merchantville-Pennsauken Water Commission | 0424001-007 | \$2,008,500 | \$2,678,000 |
| Flemington Borough | 1009001-006 | \$1,111,500 | \$1,482,000 |
| Flemington Borough | 1009001-007 | \$555,750 | \$741,000 |
| Matawan Borough | 1329001-005 | \$740,250 | \$987,000 |
| Flemington Borough | 1009001-008 | \$126,000 | \$168,000 |
| Montclair Township | 0713001-008 | \$1,573,500 | \$2,098,000 |
| Total | 43 Projects | \$94,427,250 | \$125,903,000 |

c. The trust is authorized to adjust the allowable trust loan amount for projects authorized in this section to between 25% and 75% of the total allowable loan amount.

5. In accordance with and subject to the provisions of sections 5, 6 and 23 of P.L.1985, c.334 (C.58:11B-5, 58:11B-6, and 58:11B-23) and as set forth in the financial plan required pursuant to section 21 of P.L.1985, c.334 (C.58:11B-21), or the financial plan required pursuant to section 25 of P.L.1997, c.224 (C.58:11B-21.1), any proceeds from bonds issued by the trust to make loans for priority environmental infrastructure projects listed in sections 2 and 4 of this act which are not expended for that purpose may be applied for the payment of all or any part of the principal of and interest and premium on the trust bonds whether due at stated maturity, the interest payment dates or earlier upon redemption. A portion of the proceeds from bonds issued by the trust to make loans for priority environmental infrastructure projects pursuant to this act may be applied for the payment of capitalized interest and for the payment of any issuance expenses; for the payment of reserve capacity expenses; for the payment of debt service reserve fund expenses for the payment of the loan origination fees; and for the payment of increased costs as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27).

6. Any loan made by the New Jersey Environmental Infrastructure Trust pursuant to this act shall be subject to the following requirements:

a. The chairman of the trust has certified that the project is in compliance with the provisions of P.L.1977, c.224, P.L.1985, c.334, P.L.1992, c.88, P.L.1997, c.223, P.L.1997, c.224, P.L.1997, c.225, P.L.1999, c.175 or P.L.2003, c.162, and any rules and regulations adopted pursuant thereto, and any amendatory and supplementary acts thereto, as applicable. In making this certification, the chairman may conclusively rely on the project review conducted by the Department of Environmental Protection without any independent review thereof by the trust;

b. The loan shall be conditioned upon inclusion of the project on a project priority list approved pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or section 24 of P.L.1997, c.224 (C.58:11B-20.1);

c. The loan shall be repaid within a period not to exceed 20 years of the making of the loan;

d. The loan, including any portion thereof made by the trust pursuant to subsection f. of section 7 of this act, shall not exceed the allowable project cost of the environmental infrastructure facility, exclusive of capitalized interest and issuance expenses as provided in subsection b. of section 7 of this act, reserve capacity expenses and the debt service reserve fund expenses as provided in subsection c. of section 7 of this act, interest earned on project costs as provided in subsection d. of section 7 of this act, the amounts of the loan origination fee as provided in subsection e. of section 7 of this act, refunding increases as provided in section 8 of this act and increased costs as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27);

e. The loan shall bear interest, exclusive of any late charges or administrative fees payable to the trust pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5) by the project sponsors receiving trust loans, at or below the interest rate paid by the trust on the bonds issued to make or refund the loans authorized by this act, adjusted for underwriting discount and original issue discount or premium, in accordance with the terms and conditions set forth in the financial plan required pursuant to section 21 of P.L.1985, c.334 (C.58:11B-21) or the financial plan required pursuant to section 25 of P.L.1997, c.224 (C.58:11B-21.1); and

f. The loan shall be subject to all other terms and conditions as the trust shall determine to be consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) and any rules and regulations adopted pursuant thereto, and with the financial plan required by section 21 of P.L.1985, c.334 (C.58:11B-21) or the financial plan required pursuant to section 25 of P.L.1997, c.224 (C.58:11B-21.1).

The priority lists and authorization for the making of loans pursuant to this act shall expire on July 1, 2013, and any project sponsor which has not executed and delivered a loan agreement with the trust for a loan authorized in this act shall no longer be entitled to that loan.

7. a. The New Jersey Environmental Infrastructure Trust is authorized to reduce the individual amount of loan funds made available to or on behalf of project sponsors pursuant to sections 2 and 4 of this act based upon final building costs defined in and determined in accordance with rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27) or rules and regulations adopted by the Commissioner of Environmental Protection pursuant to section 4 of P.L.1985, c.329, section 11 of P.L.1977,

c.224 (C.58:12A-11) or section 5 of P.L.1981, c.261. The trust is authorized to use any such reduction in the loan amount made available to a project sponsor to cover that project sponsor's increased costs due to differing site conditions or other allowable expenses as defined and determined in accordance with the rules and regulations adopted by the trust pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27).

b. The trust is authorized to increase each loan amount authorized in sections 2 and 4 of this act by the amount of capitalized interest and issuance expenses allocable to each loan made by the trust pursuant to this act; provided that the increase for issuance expenses, excluding underwriters' discount, original issue discount or premiums, municipal bond insurance premiums and bond rating agency fees, shall not exceed 0.4% of the principal amount of trust bonds issued to make loans authorized by this act.

c. The trust is authorized to increase each loan amount authorized in sections 2 and 4 of this act by the amount of reserve capacity expenses, and by the debt service reserve fund expenses associated with the costs identified in paragraphs (3) and (4) of subsection d. of section 1 of this act.

d. The trust is authorized to increase each loan amount authorized in sections 2 and 4 of this act by the interest earned on amounts deposited for project costs pending their distribution to project sponsors.

e. The trust is authorized to increase each loan amount authorized in sections 2 and 4 of this act by the loan origination fee.

f. The trust is authorized to increase each loan amount authorized in sections 2 and 4 of this act by the amount appropriated to the Department of Environmental Protection for the purpose of making the corresponding zero interest loan pursuant to section 3 of P.L.2012, c.43 in connection with the project costs of the project sponsor, to the extent the priority ranking and an insufficiency of funding prevents the department from making the loan.

8. The New Jersey Environmental Infrastructure Trust is authorized to increase the individual amount of loan funds made available to project sponsors by the trust pursuant to P.L.1989, c.190, P.L.1990, c.97, P.L.1991, c.324, P.L.1992, c.37, P.L.1993, c.192, P.L.1994, c.105, P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85, P.L.1999, c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71, P.L.2003, c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67, P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62, P.L.2011, c.95, or P.L.2012, c.38, provided that adequate savings are achieved, to compensate for a refunding of trust bonds issued to make loans authorized by the aforementioned acts.

9. The expenditure of funds authorized pursuant to this act is subject to the provisions of P.L.1977, c.224 (C.58:12A-1 et al.), P.L.1985, c.329, P.L.1985, c.334 (C.58:11B-1 et seq.), as amended and supplemented by P.L.1997, c.224, P.L.1992, c.88, P.L.1989, c.181, P.L.1997, c.223, P.L.1997, c.225, P.L.1999, c.175 or P.L.2003, c.162, and the rules and regulations adopted pursuant thereto or the Federal Safe Drinking Water Act, as appropriate.

10. a. There is appropriated to the New Jersey Environmental Infrastructure Trust as needed from repayments of loans deposited in any account, including the "Wastewater Treatment Fund," the "1992 Wastewater Treatment Fund," the "Water Supply Fund," the "Stormwater Management and Combined Sewer Overflow Abatement Fund," or the Drinking Water State Revolving Fund, as appropriate, and from any net earnings received from the investment and reinvestment of such deposits, the sum of \$200,000,000 consisting of:

(1) The unexpended balance of \$100,000,000 currently on deposit in the special fund (hereinafter referred to as the "Interim Financing Program Fund") created and established by the trust for the short-term or temporary loan financing or refinancing program (hereinafter referred to as the "Interim Financing Program") authorized pursuant to subsection d. of section 9 of P.L.1985, c.334 (C.58:11B-9), which balance previously had been appropriated to the trust for such purpose pursuant to section 12 of P.L.2004, c.109, less any Interim Financing Program Fund amounts appropriated to the Department of Environmental Protection to supplement the sums appropriated from the Clean Water State Revolving Fund for clean water projects pursuant to the Federal Clean Water Act; and

(2) such other amounts to be deposited in the Interim Financing Program Fund, provided that the amount so reappropriated and appropriated to the trust for deposit in the Interim Financing Program Fund shall be utilized by the trust to 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.

b. The Interim Financing Program Eligibility List shall be submitted to the Legislature on or before June 18, 2012 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.

11. This act shall take effect immediately.

Approved August 7, 2012.