

## CHAPTER 31

**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.), is authorized to expend the aggregate sum of up to \$409.35 million 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, section 1 of P.L.2011, c.95, section 1 of P.L.2012, c.38, section 1 of P.L.2013, c.94, section 1 of P.L.2014, c.26, and section 1 of P.L.2015, c.107 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.2016, c.32 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, section 10 of P.L.2011, c.95, section 10 of P.L.2012, c.38, section 10 of P.L.2013, c.94, section 10 of P.L.2014, c.26, section 10 of P.L.2015, c.107, and section 10 of P.L.2016, c.31 for deposit into one or more reserve funds or accounts 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 such 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) "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;

(3) "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; and

(4) "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; and

(5) "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).

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, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26, P.L.2015, c.107, and P.L.2016, c.31.

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:

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable Trust Loan Amount</b>	<b>Estimated Total Allowable Loan Amount</b>
Warren Township SA	S340964-01-1	\$75,000	\$100,000
North Hudson SA	S340952-20-1	\$675,000	\$900,000
Wanaque Valley RSA	S340780-04-1	\$750,000	\$1,000,000
Warren Township SA	S340964-02-1	\$75,000	\$100,000
Burlington Township	S340712-14-1	\$150,000	\$200,000
Ventnor City	S340667-02-1	\$3,750,000	\$5,000,000
<b>Total projects: 6</b>		<b>\$5,475,000</b>	<b>\$7,300,000</b>

(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 2015 and 2016 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. (1) The 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 drinking water environmental infrastructure projects:

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable Trust Loan Amount</b>	<b>Estimated Total Allowable Loan Amount</b>
Gloucester City	0414001-020-1	\$975,000	\$1,300,000
North Jersey District Water Supply Comm.	1613001-017-1	\$1,125,000	\$1,500,000
<b>Total Projects: 2</b>		<b>\$2,100,000</b>	<b>\$2,800,000</b>

(2) The loans authorized in this subsection shall be made for the difference between the allowable loan amount required by this project based upon final building costs pursuant to subsection a. of section 7 of this act and the loan amount certified by the chairman of the trust in State fiscal years 2015 and 2016 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 for the projects authorized in this subsection shall have priority over environmental infrastructure projects listed in subsection b. of section 4 of this act.

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 and such excess amounts to the extent the priority ranking and an insufficiency of funding prevents the Department of Environmental Protection from making the loan as provided in subsection f. of section 7 of this act.

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 2 and 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 "Storm Sandy and State Fiscal Year 2017 Clean Water Project Eligibility List":

<b>Project Sponsor</b>	<b>Project Number</b>	<b>Estimated Allowable Trust Loan Amount</b>	<b>Estimated Total Allowable Loan Amount</b>
Camden County MUA	S340640-15	\$6,825,000	\$9,100,000
Jersey City MUA	S340928-15	\$30,300,000	\$40,400,000
Elizabeth City	S340942-18	\$3,525,000	\$4,700,000
Ocean County UA	S340372-56	\$6,000,000	\$8,000,000
Bayshore RSA	S340697-05	\$21,150,000	\$28,200,000
Bayshore RSA	S340697-06	\$8,100,000	\$10,800,000
Atlantic County UA	S340809-27	\$2,400,000	\$3,200,000
Middletown Township SA	S340097-04	\$15,675,000	\$20,900,000
Hoboken City	S340635-05	\$3,825,000	\$5,100,000
North Hudson SA	S340952-19	\$3,225,000	\$4,300,000
North Hudson SA	S340952-23	\$1,275,000	\$1,700,000
North Hudson SA	S340952-26	\$675,000	\$900,000
Cumberland County UA	S340550-07	\$937,500	\$1,250,000
Millville City	S340921-07	\$9,000,000	\$12,000,000
Passaic Valley SC	S340689-22	\$2,250,000	\$3,000,000
Passaic Valley SC	S340689-25	\$6,825,000	\$9,100,000
Jersey City MUA	S340928-21	\$9,000,000	\$12,000,000
Bergen County UA	S340386-17	\$7,500,000	\$10,000,000
Kearny MUA	S340259-07	\$4,875,000	\$6,500,000
Cumberland County UA	S340550-08	\$937,500	\$1,250,000
North Wildwood City	S340663-06	\$10,350,000	\$13,800,000
Willingboro MUA	S340132-08	\$1,350,000	\$1,800,000
Ocean County UA	S340372-57	\$2,100,000	\$2,800,000
Perth Amboy City	S340435-15	\$1,500,000	\$2,000,000
Rockaway Valley RSA	S340821-06	\$4,875,000	\$6,500,000
Gloucester Township MUA	S340364-13	\$975,000	\$1,300,000
South Monmouth RSA	S340377-03	\$2,250,000	\$3,000,000
South Monmouth RSA	S340377-04	\$1,200,000	\$1,600,000
South Monmouth RSA	S340377-05	\$2,550,000	\$3,400,000
Washington Township MUA	S340930-03	\$1,725,000	\$2,300,000
Washington Township MUA	S340930-04	\$825,000	\$1,100,000

Montclair Township	S340837-03	\$1,125,000	\$1,500,000
Ocean Township SA	S340750-12	\$3,000,000	\$4,000,000
Pine Hill MUA	S340274-05	\$1,275,000	\$1,700,000
Oradell Borough	S340835-04	\$1,125,000	\$1,500,000
Ocean Township	S340112-07	\$1,875,000	\$2,500,000
Long Beach Township	S340023-06	\$3,750,000	\$5,000,000
Hillsborough Township	S340099-02	\$1,200,000	\$1,600,000
Burlington County	S340818-07	\$1,725,000	\$2,300,000
Carteret Borough	S340939-09	\$6,450,000	\$8,600,000
Hammonton Town	S340927-09	\$3,450,000	\$4,600,000
Sea Girt Borough	S340468-01	\$2,625,000	\$3,500,000
Ventnor City	S340667-03	\$1,200,000	\$1,600,000
Somerville Borough	S342013-01	\$13,050,000	\$17,400,000
<b>Total Projects: 44</b>		<b>\$215,850,000</b>	<b>\$287,800,000</b>

b. The following environmental infrastructure projects shall be known and may be cited as the "Storm Sandy and State Fiscal Year 2017 Drinking Water Project Eligibility List":

<b>Project Sponsor</b>	<b>Project No.</b>	<b>Estimated Allowable Trust Loan Amount</b>	<b>Estimated Total Allowable Loan Amount</b>
Hammonton Town	0113001-011	\$1,425,000	\$1,900,000
Saddle Brook Township	0257001-002	\$1,350,000	\$1,800,000
Bordentown City	0303001-006	\$1,125,000	\$1,500,000
Bordentown City	0303001-007	\$2,100,000	\$2,800,000
Pemberton Township	0329004-004	\$900,000	\$1,200,000
Willingboro MUA	0338001-009	\$5,250,000	\$7,000,000
East Orange Water Commission	0705001-011	\$7,275,000	\$9,700,000
Newark City	0714001-015	\$8,850,000	\$11,800,000
Washington Township MUA	0818004-009	\$600,000	\$800,000
Washington Township MUA	0818004-010	\$1,425,000	\$1,900,000
Washington Township MUA	0818004-011	\$1,200,000	\$1,600,000
Washington Township MUA	0818004-012	\$150,000	\$200,000
Washington Township MUA	0818004-014	\$675,000	\$900,000
Clinton Town	1005001-009	\$900,000	\$1,200,000
Hightstown Borough	1104001-007	\$300,000	\$400,000
Hightstown Borough	1104001-008	\$150,000	\$200,000
Pennington Borough	1108001-001	\$900,000	\$1,200,000
Milltown Borough	1214001-004	\$1,875,000	\$2,500,000
Middlesex Water Company	1225001-016	\$4,275,000	\$5,700,000
Middlesex Water Company	1225001-023	\$5,550,000	\$7,400,000
Berkeley Township MUA	1505004-007	\$525,000	\$700,000
Berkeley Township	1505004-008	\$2,625,000	\$3,500,000

MUA			
Jackson Township MUA	1511001-010	\$4,425,000	\$5,900,000
Jackson Township MUA	1511001-011	\$1,125,000	\$1,500,000
Little Egg Harbor MUA	1516001-003	\$3,450,000	\$4,600,000
Little Egg Harbor MUA	1516001-500	\$750,000	\$1,000,000
Ocean Township	1520001-007	\$975,000	\$1,300,000
Ocean Gate Borough	1521001-001	\$600,000	\$800,000
Stafford Township	1530004-018	\$1,800,000	\$2,400,000
Stafford Township	1530004-019	\$1,350,000	\$1,800,000
Manchester Utilities Authority	1603001-014	\$1,500,000	\$2,000,000
North Jersey District Water Supply Comm.	1613001-033	\$3,000,000	\$4,000,000
North Shore Water Association	1904004-002	\$337,500	\$450,000
Lake Glenwood Village	1922010-008	\$675,000	\$900,000
Rahway City	2013001-007	\$13,650,000	\$18,200,000
Rahway City	2013001-008	\$2,025,000	\$2,700,000
<b>Total Projects: 36</b>		<b>\$85,087,500</b>	<b>\$113,450,000</b>

c. The trust is authorized to adjust the allowable trust loan amount for projects authorized in this section to between 0% and 75% of the total allowable loan amount, and such excess amounts to the extent the priority ranking and an insufficiency of funding prevents the Department of Environmental Protection from making the loan as provided in subsection f. of section 7 of this act, and up to 100% of the total allowable loan amount for projects certified by the Department of Environmental Protection pursuant to section 1 of P.L.2013, c.93 (C.58:11B-9.5).

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 eligibility 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 30 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 eligibility lists and authorization for the making of loans pursuant to this act shall expire on July 1, 2017, 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.2016, c.32 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, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26, P.L.2015, c.107, or P.L.2016, c.31, 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 \$500,000,000 consisting of:

(1) The unexpended balance of \$200,000,000 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, in an aggregate amount that does not exceed at any time, the amount appropriated, 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 Project Priority List") in the form provided to the Legislature by the Commissioner of Environmental Protection.

b. The Interim Financing Program Project Priority List shall be submitted to the Secretary of the Senate and the Clerk of the General Assembly at least once each fiscal year. The Secretary of the Senate and the Clerk 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 Project Priority List shall not be eligible for a short-term or temporary loan from the Interim Financing Program Fund.

c. The trust may issue market rate interest short-term temporary loans for wastewater treatment and water supply projects on the Interim Financing Program Project Priority List for the reduction of lead in publicly-owned facilities otherwise ineligible to receive funding for that purpose pursuant to subsection a. of this section.

11. a. There is appropriated to the New Jersey Environmental Infrastructure Trust for deposit in the special fund created and established by the trust for the short-term or temporary Disaster Relief Emergency Financing Program loan financing or refinancing program (hereinafter referred to as the "Disaster Relief Emergency Financing Program") authorized pursuant to subsection a. of section 1 of P.L.2013, c.93 (C.58:11B-9.5) such sums as needed consisting of:

(1) sums from the "Interim Financing Program Fund" as needed by the trust to make short-term or temporary loans pursuant to the Disaster Relief Emergency Financing Program to any one or more of the project sponsors, for the respective projects thereof; and

(2) such other amounts to be deposited in the Disaster Relief Emergency Financing Program Fund, provided that the amount so appropriated to the trust for deposit in the Disaster Relief Emergency Financing Program Fund shall be utilized by the trust to make short-term or temporary loans pursuant to the Disaster Relief Emergency Financing Program to any one or more of the project sponsors, for the respective projects thereof. Any projects funded by the Disaster Relief Emergency Financing Program shall be subject to the approval of the Commissioner of Environmental Protection.

b. The Disaster Relief Emergency Financing Program Project Priority List shall be submitted to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) at least once in each fiscal year. Any environmental infrastructure project or the project sponsor thereof not identified in the Disaster Relief Emergency Financing Program Project Priority List shall not be eligible for a short-term or temporary loan from the Disaster Relief Emergency Financing Program Fund.

12. Notwithstanding the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the trust shall not be required to adopt rules and

regulations governing the making of Disaster Relief Emergency Financing Program loans, Planning and Design Financing loans, or Equipment Loan Program loans.

13. This act shall take effect immediately.

Approved August 18, 2016.