ASSEMBLY, No. 4866



STATE OF NEW JERSEY

220th LEGISLATURE



INTRODUCED NOVEMBER 14, 2022

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

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District 33 (Hudson)

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District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:

Assemblymen Verrelli, Karabinchak and Guardian

SYNOPSIS

Establishes Resilient NJ Revolving Loan Fund in, and authorizes issuance of bonds by, NJ Infrastructure Bank to fund certain hazard mitigation and resiliency projects; makes various changes to NJ Infrastructure Bank's enabling act.

CURRENT VERSION OF TEXT

As introduced.



An Act concerning the financing of certain resilience and hazard mitigation projects, the establishment of a “Resilient New Jersey Revolving Loan Fund,” and the authority of the New Jersey Infrastructure Bank, supplementing Title 58 of the Revised Statutes, and amending P.L.1985, c.334 and P.L.2009, c.59.

Be It Enacted by the Senate and General Assembly of the State of New Jersey:

1. (New section) Sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill) shall be known and may be cited as the “Resilient NJ Revolving Loan Fund Act.”

2. (New section) As used in sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill):

“Bank” means the New Jersey Infrastructure Bank, created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4).

“Bonds” mean the bonds issued, or authorized to be issued, by the bank pursuant to sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill) and in compliance with the bank’s authority pursuant to, and subject to the same conditions as provided in, P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), as applicable.

“Commissioner” means the Commissioner of Environmental Protection.

“Fund” means the Resilient New Jersey Revolving Loan Fund established pursuant to section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill).

“Hazard mitigation and resiliency project” means a hazard mitigation and resiliency project identified on a State or local hazard mitigation plan, undertaken by the State, a local government unit, or a nonprofit organization in accordance with the provisions of the STORM Act.

“Loan origination fee” means the fee charged by the bank in connection with services provided to a sponsor of a hazard mitigation and resilience project pursuant to the sponsor’s participation in the Resilient New Jersey Financing Program. A project sponsor may finance any portion of the loan origination fee through the bank by a hazard mitigation and resilience project assistance loan to pay a portion of the costs incurred by the bank in the implementation of the Resilient New Jersey Financing Program.

“Local government unit” means any county or municipality, or any agency, instrumentality, authority, or corporation of any county or municipality.

“Nonprofit organization” means a private nonprofit organization that is exempt from federal taxation pursuant to section 501 (c)(3) of the federal Internal Revenue Code, 26 U.S.C. s.501 (c)(3).

“Other assistance” means the same as the same as the term is defined in section 3 of P.L.1985, c.334 (C.58:11B-3).

“Resilient New Jersey Financing Program” means the program established by the bank pursuant to sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill).

“State Office of Emergency Management” means the Office of Emergency Management in the Division of State Police in the Department of Law and Public Safety.

“STORM Act” means the “Safeguarding Tomorrow through Ongoing Risk Management Act,” Pub. L. 116-284, or any amendatory or supplementary acts thereto, and any rules, regulations, or guidance adopted pursuant thereto by the Federal Emergency Management Agency.

3. (New section) a. (1) There is established in the New Jersey Infrastructure Bank a special, nonlapsing fund to be known as the “Resilient New Jersey Revolving Loan Fund.” Monies in the fund shall be held separately and be available in perpetuity solely for the purpose of funding hazard mitigation and resilience projects undertaken by the State, local government units, and nonprofit organizations in accordance with the provisions of the STORM Act and sections 1 through 9 ofP.L. , c. (C. ) (pending before the Legislature as this bill).

(2) There shall be established within the fund three subaccounts:

(a) a federally-funded hazard mitigation and resilience project subaccount approved to receive federal funds, repayments of loans, and interest earned on amounts in the subaccount;

(b) a State-funded hazard mitigation and resilience project subaccount approved to receive State matching funds, and funds in excess of those required to be deposited in the federally-funded hazard mitigation and resilience project subaccount; and

(c) a Resilient New Jersey Financing Program Loan Origination Fee subaccount established pursuant to section 4 of P.L. , c. (C.      ) (pending before the Legislature as this bill).

b. The fund shall be credited with:

(1) any federal funds apportioned and allocated to the State pursuant to the STORM Act;

(2) proceeds from bonds, notes, or any other credit instrument issued by the bank pursuant to sections 1 through 9 ofP.L. , c. (C. ) (pending before the Legislature as this bill);

(3) any other moneys appropriated by the Legislature or otherwise made available to the fund for the purposes of sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill);

(4) moneys obtained from the payment of interest assessed on, and the repayment of principal of, any loans made pursuant to sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill);

(5) any interest earnings or other investment income earned or received on the moneys in the fund; and

(6) loan origination fees paid and received pursuant to section 4 of P.L. , c. (C. ) (pending before the Legislature as this bill).

c. All money appropriated or otherwise made available to the fund shall be dedicated for the purposes of the fund. Pending use, moneys in the fund may be invested and reinvested in the same manner as other moneys of the bank in the manner provided by law. All earnings received from the investment or deposit of such moneys shall be paid into and become a part of the fund and be available for use pursuant to sections 1 through 9 ofP.L. , c. (C.        ) (pending before the Legislature as this bill).

d. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3), to the contrary, all moneys in the fund shall be held separate from other funds of the bank, and shall not be combined or comingled with any funds that finance wastewater treatment system projects, water supply projects, other environmental infrastructure projects, or transportation projects. The amounts of federal capitalization grants appropriated pursuant to the STORM act and associated State matching funds, the repayments of loans, and the interest earned on amounts in the fund shall be accounted for separately from other amounts in the fund.

e. The State Office of Emergency Management, in conjunction with the bank, shall apply to the Federal Emergency Management Agency when funding is made available to states under the provisions of the STORM Act and the State Office of Emergency Management and the bank shall have the authority to enter into any agreement necessary to capitalize the fund.

f. The bank shall establish terms for providing assistance from the fund, including below market interest rates, deferred payment schedules, and other provisions that will enable these funds to be used effectively and in accordance with the provisions of the STORM Act, any agreement entered into with the Federal Emergency Management Agency, and sections 1 through 9 of P.L.    , c. (C. ) (pending before the Legislature as this bill).

g. The bank shall include an itemized account of expenditures from the fund in the financial plan required pursuant to section 7 of P.L. , c. (C. ) (pending before the Legislature as this bill).

4. (New section) a. There is established in the Resilient New Jersey Revolving Loan Fund a special subaccount to be known as the Resilient New Jersey Financing Program Loan Origination Fee subaccount.

The Resilient New Jersey Financing Program Loan Origination Fee subaccount shall be credited with:

(1) moneys deposited into the subaccount as loan origination fees received by the bank and paid by loan applicants for hazard mitigation and resiliency projects Resilient New Jersey Financing Program; and

(2) any interest paid on the amounts of the loan origination fees.

b. Moneys in the Resilient New Jersey Financing Program Loan Origination Fee subaccount shall be drawn and used by the bank to reimburse the bank for administrative and operating expenses incurred in administering the Resilient New Jersey Financing Program. The monies in the Resilient New Jersey Financing Program Loan Origination Fee subaccount shall also be available for application by the bank for loans to local government units and nonprofit organizations for the cost of hazard mitigation and resiliency projects. Amounts in excess of the funds drawn by the bank from the subaccount established pursuant to this section during any given fiscal year shall be carried forward into the following fiscal year and held on deposit in the fund.

5. (New section) a. In addition to its powers and duties set forth in P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), and sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), the New Jersey Infrastructure Bank shall establish a “Resilient New Jersey Financing Program” to fund hazard mitigation and resiliency projects undertaken by the State, local government units, and nonprofit organizations in accordance with the provisions of the STORM Act and sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill).

b. Except as otherwise provided in sections 1 through 9 of P.L.    , c. (C. ) (pending before the Legislature as this bill), the Resilient New Jersey Financing Program shall comply with all provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), unless such provision is specifically related to environmental infrastructure or transportation projects as defined in section 3 of P.L.1985, c.334 (C.58:11B-3).

In establishing this program and issuing bonds pursuant to sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill), the bank shall have the same powers and duties set forth in the “New Jersey Infrastructure Trust Act,” P.L.1985, c.334 (C.58:11B-1 et seq.). The bank shall borrow money and issue bonds, notes, and other obligations, and secure the same, and provide for the rights of the holders thereof in the same manner as provided pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.).

c. The bank shall make and contract to make loans and provide other assistance to State entities, local government units, and nonprofit organizations to finance the cost of hazard mitigation and resiliency projects in accordance with the provisions of the STORM Act and sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill) and acquire and contract to acquire notes, bonds or other obligations issued or to be issued by any local government units to evidence the loans, all in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.). The loans shall be made subject to those terms and conditions as the bank shall determine to be consistent with the purposes of the STORM Act and sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill). Each loan by the bank and the terms and conditions thereof shall be subject to approval by the State Treasurer, and the bank 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.

6. (New section) a. The State Office of Emergency Management, in conjunction with the bank, shall for each fiscal year develop a priority system for the ranking of hazard mitigation and resiliency projects to be financed through the Resilient New Jersey Financing Program and the Resilient New Jersey Revolving Loan Fund.

b. (1) The State Office of Emergency Management, in conjunction with the bank, shall set forth a Resilient New Jersey Financing Program Project Priority List, hereinafter referred to as the “hazard mitigation and resiliency project priority list,” for funding by the bank for each fiscal year and shall include the aggregate amount of funds of the bank to be authorized for these purposes. The hazard mitigation and resiliency project priority list shall include a description of each project and an explanation of the manner in which projects are ranked.

The hazard mitigation and resiliency project priority list for the ensuing fiscal year shall be submitted to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) on or before January 15 of each year. The Senate Secretary 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.

(2) Any hazard mitigation and resiliency project, or sponsor thereof, not identified in the hazard mitigation and resiliency project priority list shall not be eligible for a loan from the Resilient New Jersey Revolving Loan Fund. The bank may revise or supplement the hazard mitigation and resiliency project priority list no more than four times during the fiscal year and shall submit the revised list to the Legislature when the revisions are made.

No funds may be disbursed pursuant to this subsection for hazard mitigation and resiliency project activities prior to certification in writing, from the bank to the State Treasurer, that the project activities satisfy the provisions of the STORM Act, sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill), and P.L.1985, c.334 (C.58:11B-1 et seq.).

Any short-term or temporary loans made by the bank may only be made in advance of an anticipated long-term hazard mitigation and resiliency project loan. Any such short-term or temporary loan made shall mature no later than the last day of the fifth succeeding fiscal year following the closing date on which the short-term or temporary loan was made by the bank. Any short-term or temporary loan made by the bank pursuant to this subsection may mature in a shorter period of time as may be necessary to align with construction completion. With respect to any short-term or temporary loan for planning, design, and construction expenses, the bank may authorize one short-term supplemental loan for residual expenses thereof upon receipt by the bank from the State Office of Emergency Management of a certification that states that the time required to complete construction of the project exceeds the maximum maturity date of the short-term or temporary loan. Any such short-term supplemental loan shall not exceed in duration the last day of the third succeeding fiscal year following the loan closing of the short-term supplemental loan.

c. The State Office of Emergency Management, in conjunction with the bank, shall set forth a Resilient New Jersey Financing Program Project Eligibility List for long-term funding by the bank and shall include the aggregate amount of funds to be authorized for these purposes.

On or before May 15 of each year, the bank shall submit the Resilient New Jersey Financing Program Project Eligibility List, to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) to be introduced in each House in the form of legislative appropriations bills, which shall be referred to the Senate Environment and Energy Committee and the Assembly Environment and Solid Waste Committee, or their successors, for their respective consideration. The Senate Secretary 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.

The Senate Environment and Energy Committee and the Assembly Environment and Solid Waste Committee shall, either individually or jointly, consider the legislation containing the Resilient New Jersey Program Project Eligibility 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 Resilient New Jersey Program Project Eligibility List, which act shall include the authorization of an aggregate amount of funds of the bank to be expended for long-term loans and guarantees for the hazard mitigation and resiliency projects, including the individual amounts therefor, on the list.

On or before October 15 of each year the bank may submit an additional Resilient New Jersey Financing Program Project Eligibility List, to be introduced in each House in the form of legislative appropriations bills, which shall be referred to the Senate Environment and Energy Committee and the Assembly Environment and Solid Waste Committee, or their successors, for their respective consideration. 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.

d. The bank shall not expend any money for a loan or guarantee during a fiscal year for any hazard mitigation or resiliency project unless the expenditure is authorized pursuant to an appropriations act of the current or three immediate preceding fiscal years as provided in the provisions of this section, or as otherwise set forth in an appropriations act.

e. The bank shall submit to the Secretary of the Senate and the Clerk of the General Assembly on or before January 15 of each year a report which shall identify the hazard mitigation resiliency projects financed during the prior fiscal year, including a project description, the amount of the loan provided for each project, and the duration of each loan.

7. (New section) a. On or before May 15 of each year, the bank shall submit to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), a financial plan designed to implement the financing of hazard mitigation and resiliency projects on the Resilient New Jersey Financing Program Project Eligibility List approved pursuant to section 6 of P.L. , c. (C. ) (pending before the Legislature as this bill) or as otherwise approved by the Legislature. The financial plan shall list the bonds, notes, or other obligations of the bank which the bank intends to issue, including the amounts thereof and the terms and conditions thereof, a list of loans to be made, including the terms and conditions thereof and the anticipated rate of interest per annum and repayment schedule therefor, and a list of loan guarantees or contracts to guarantee the payment of all or a portion of the principal and interest on the bonds, notes, or other obligations.

The financial plan shall also set forth a complete operating and financial statement covering the proposed operations of the Resilient New Jersey Financing Program during the forthcoming fiscal year, including amounts of income from all sources, and the uniform schedule of fees and charges established by the bank, and the amounts to be derived therefrom. The financial plan shall also summarize the status of each hazard mitigation and resiliency project for which loans or guarantees have been made by the bank, and shall describe major impediments to the accomplishment of the planned hazard mitigation and resiliency projects.

b. On or before June 30 of each year, the Legislature may reject the financial plan through the adoption by both houses of a concurrent resolution. If the Legislature takes no action on or before June 30, the financial plan shall be deemed approved.

c. The financial plan required by this section shall not be eligible for inclusion in a consolidated financial plan as established in section 27 of P.L.1997, c.224 (C.58:11B-22.2).

8. (New section) a. Monies in the Resilient New Jersey Revolving Loan Fund (1) shall be used in accordance with the provisions of the STORM Act and sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill) for the purpose of providing loans or other financial assistance for hazard mitigation and resiliency projects undertaken by State entities, local government units, and nonprofit organizations, and (2) shall be supplemental to, and not intended to take the place of, funding that otherwise would be appropriated to State agencies, local government units, or nonprofit organizations for hazard mitigation or resiliency projects.

b. The bank may provide loans or other financial assistance from the fund to local government units and nonprofit organizations to (1) supplement, as allowable under federal law, rule, or regulation, funding received from other federal resilience grant programs, including the Building Resilient Infrastructures and Communities (BRIC) program, the Flood Mitigation Assistance (FMA) program, the Hazard Mitigation Grant Program (HMGP), and the United States Department of Housing and Urban Development’s Community Development Block Grant Mitigation program, and (2) participate in the United States Army Corps of Engineers’ Flood Risk Management Program.

c. (1) The bank may provide loans or other financial assistance from the fund to local government units for the purpose of establishing a program to provide loan funds to private property owners to use for hazard mitigation and resilience projects for a building. Hazard mitigation projects for private property owners shall include, but not be limited to, wind retrofit, flood mitigation elevation, floodproofing, fire retrofit mitigation, hurricane retrofit mitigation projects, and any other eligible projects pursuant to the STORM act.

(2) Repayment of a loan provided by a local government unit to a private property owner may be collected in the same manner as property taxes and shall be collateralized by a lien on the real property that is the site of the hazard mitigation and resilience project. A property owner may sell property after receiving a loan pursuant to this subsection, provided that the property owner repays the loan.

(3) To the extent permitted by federal law, a local government unit that provides loans to private property owners pursuant to paragraph (1) of this subsection shall establish a graduated loan forgiveness program that shall, at minimum:

(a) provide full loan forgiveness for eligible households with income between 80 percent and 50 percent of the median income for the municipality in which the property to which the loan applies is located;

(b) provide 50 percent loan forgiveness for eligible households with income between 80 percent to 100 percent of the median income for the municipality in which the property to which the loan applies is located; and

(c) provide additional loan forgiveness percentages for households not covered by subparagraph (a) or (b) of this paragraph, based on:

(i) the number of private property owners with loans issued pursuant to this subsection that are outstanding;

(ii) the availability of funding; and

(iii) any other factor that the local government unit, in consultation with the State Office of Emergency Management, finds reasonable and necessary.

d. The bank may provide grants or other financial assistance to nonprofit organizations for natural hazard or resiliency projects.

e. The bank shall, taking into consideration and in accordance with the requirements of the STORM Act, establish, in consultation with the State Office of Emergency Management, application procedures and eligibility criteria for State entities, local government units, and nonprofit organizations to receive loans or other financial assistance from the fund. The eligibility criteria shall require that an applicant demonstrate:

(1) the need for the loan or other financial assistance to address hazard mitigation; and

(2) the ability to repay the loan or other financial assistance, if required, at a later date.

f. Long-term loans provided from the fund shall be for a fixed loan period, and shall comply with all applicable requirements of the STORM Act and any rules, regulations, or guidelines adopted by the Federal Emergency Management Agency governing funding provided pursuant to the STORM Act. The bank shall establish terms for providing assistance from the fund, including short-term loans for planning, design, and construction, below market interest rates, deferred payment schedules, and other provisions that will enable these funds to be used effectively.

9. (New section) The bank and the Department of Law and Public Safety shall adopt, pursuant to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), any rules and regulations deemed appropriate and necessary for the implementation of sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill). These rules and regulations shall include, but not be limited to: procedures for the submission of applications; standards for the evaluation of applications; provisions implementing priority systems for projects; reporting requirements of the recipient of any loan concerning the progress and the expenditure of funds; and limitations, restrictions, or requirements concerning the use of monies in the fund as may be necessary pursuant to the provisions of the STORM Act and any rules or regulations adopted pursuant thereto.

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

3. As used in sections 1 through 27 of P.L.1985, c.334 (C.58:11B-1 through C.58:11B-27), sections 23 through 27 of P.L.1997, c.224 (C.58:11B-10.1, C.58:11B-20.1, C.58:11B-21.1, C.58:11B-22.1, and C.58:11B-22.2), and sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4):

“Aviation project” means a project to develop or improve county or municipal airport facilities, or airport facilities owned or operated by a regional transportation authority that is not a bi-state authority, and related infrastructure or capital equipment, including, but not limited to, any design, planning, acquisition, construction, reconstruction, relocation, installation, removal, repair, or rehabilitation project that facilitates, increases the efficiency of, or improves the capacity for inter-modal trade for commercial and industrial facilities that are part of airport facilities. “Aviation project” includes, but is not limited to, any project to develop or improve terminal facilities designed for public use and for the transportation of persons or property, such as airports, runways, berms, basins, storage places, sheds, warehouses, and related infrastructure;

“Bonds” means bonds issued by the trust pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

“Combined sewer overflow” means the discharge of untreated or partially treated stormwater runoff and wastewater from a combined sewer system into a body of water;

“Combined sewer system” means a sewer system designed to carry sanitary wastewater at all times, which is also designed to collect and transport stormwater runoff from streets and other sources, thereby serving a combined purpose;

“Commissioner” means the Commissioner of the Department of Environmental Protection;

“Cost” means the cost of all labor, materials, machinery and equipment, lands, property, rights and easements, financing charges, interest on bonds, notes or other obligations, plans and specifications, surveys or estimates of costs and revenues, engineering and legal services, and all other expenses necessary or incident to all or part of an environmental infrastructure project;

“Department” means the Department of Environmental Protection;

“Environmental infrastructure project” means the acquisition, construction, improvement, repair or reconstruction of all or part of any structure, facility or equipment, or real or personal property necessary for or ancillary to any: (1) wastewater treatment system project, including any stormwater management or combined sewer overflow abatement projects; or (2) water supply project, as authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water resources project, as authorized pursuant to P.L.2003, c.162;

“Federal infrastructure bank program” means the United States Department of Transportation State Infrastructure Bank Program provided for in section 350 of Pub.L.104-59 and Pub.L.102-240 as amended or superseded;

“Local government unit” means (1) a State authority, county, municipality, municipal, county or regional sewerage or utility authority, municipal sewerage district, joint meeting, improvement authority, or any other political subdivision of the State authorized to construct, operate, and maintain wastewater treatment systems; (2) a State authority, district water supply commission, county, municipality, municipal, county or regional utilities authority, municipal water district, joint meeting, or any other political subdivision of the State authorized pursuant to law to operate or maintain a public water supply system or to construct, rehabilitate, operate, or maintain water supply facilities or otherwise provide water for human consumption; (3) a county, municipality, municipal, county or regional transportation authority, or any other political subdivision of the State authorized to construct, operate, or maintain public highways or transportation projects; (4) a county, municipality, or other political subdivision or instrumentality of the State, or a municipal, county, or State authority that is not a bi-state authority, authorized to construct, operate, or maintain ports or marine projects; **[**or**]** (5) a county, municipality, municipal or regional transportation authority, or other political subdivision or instrumentality of the State authorized to construct, operate, or maintain airports or aviation projects; or (6) a local government unit as defined in section 2 of P.L. , c. (C. ) (pending before the Legislature as this bill) authorized to receive funds pursuant to the “Safeguarding Tomorrow Through Ongoing Risk Mitigation (STORM) Act,” Pub.L. 116-284 (42 U.S.C. s. 5135), as amended or supplemented, and P.L. , c. (C. ) (pending before the Legislature as this bill);

“Marine project” means a project to develop or improve public port or terminal facilities, and related infrastructure or capital equipment, including, but not limited to, any design, planning, acquisition, construction, reconstruction, relocation, installation, removal, repair, or rehabilitation project that facilitates, increases the efficiency of, or improves the capacity for inter-modal trade and cargo movement for commercial or industrial facilities that are part of port or terminal facilities. “Marine project” includes, but is not limited to, dredging, soil hardening, and paving of the port facilities, and ferry terminal facilities designed for public use and the transportation of persons or property such as water craft, docks, wharves, piers, slips, storage places, sheds, warehouses, and related infrastructure. “Marine project” shall not include any project that relates to or supports recreational or commercial boating activities;

“New Jersey Environmental Infrastructure Financing Program” means the financing program to fund environmental infrastructure projects;

“New Jersey Transportation Infrastructure Financing Program” means the financing program to fund transportation projects, aviation projects, and marine projects;

“Notes” means notes issued by the trust pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4);

“Onsite wastewater treatment and disposal system” means an on-site system designed to treat and dispose of domestic sewage;

“Other assistance” means forms of financial assistance, in addition to loans, authorized by the New Jersey Infrastructure Bank from the State Transportation Infrastructure Bank Fund, the wastewater treatment system general loan fund, **[**or**]** the water supply facilities general loan fund, or the Resilient New Jersey Revolving Loan Fund established pursuant to section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill), including, but not limited to, use of funds to: provide credit enhancements; serve as a capital reserve for bond or other debt instrument financing; subsidize interest rates; ensure the issuance of letters of credit and credit instruments; finance purchase and lease agreements with respect to transit projects; and provide bond or other debt financing instrument security;

“Planning, design, and construction loan” means a short-term or temporary loan for eligible costs incurred in project planning, engineering design, or construction issued before or during the planning stage of a project;

“Project” means the acquisition, construction, improvement, repair or reconstruction of all or part of any structure, facility, or equipment, or real or personal property necessary for or ancillary to any: (1) wastewater treatment system project, including any stormwater management or combined sewer overflow abatement projects; (2) water supply project, as authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water resources project, as authorized pursuant to P.L.2003, c.162; or (3) transportation project, aviation project, or marine project authorized pursuant to sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4);

“Public highway” means public roads, streets, expressways, freeways, parkways, motorways and boulevards, including bridges, tunnels, overpasses, underpasses, interchanges, express bus roadways, bus pullouts and turnarounds, park-ride facilities, traffic circles, grade separations, traffic control devices, the elimination or improvement of crossings of railroads and highways, whether at-grade or not at-grade, bicycle and pedestrian pathways and pedestrian and bicycle bridges, and any property, rights of way, easements and interests therein needed for the construction, improvement, and maintenance of highways;

“Public water utility” means any investor-owned water company or small water company;

“Small water company” means any company, purveyor or entity, other than a governmental agency, that provides water for human consumption and which regularly serves less than 1,000 customer connections, including nonprofit, noncommunity water systems owned or operated by a nonprofit group or organization;

“Stormwater management system” means any equipment, plants, structures, machinery, apparatus, management practices, or land, or any combination thereof, acquired, used, constructed, implemented or operated to prevent nonpoint source pollution, abate improper cross-connections and interconnections between stormwater and sewer systems, minimize stormwater runoff, reduce soil erosion, or induce groundwater recharge, or any combination thereof;

“Transportation project” means a capital project for public highways, approach roadways and other necessary land-side improvements, ramps, signal systems, roadbeds, transit lanes or rights of way, pedestrian walkways and bridges connecting to passenger stations and servicing facilities, bridges, and grade crossings;

“Trust” means the New Jersey Infrastructure Bank created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4);

“Wastewater” means residential, commercial, industrial, or agricultural liquid waste, sewage, septage, stormwater runoff, or any combination thereof, or other liquid residue discharged or collected into a sewer system or stormwater management system, or any combination thereof;

“Wastewater treatment system” means any equipment, plants, structures, machinery, apparatus, or land, or any combination thereof, acquired, used, constructed or operated by, or on behalf of, a local government unit for the storage, collection, reduction, recycling, reclamation, disposal, separation, or other treatment of wastewater or sewage sludge, or for the collection or treatment, or both, of stormwater runoff and wastewater, or for the final disposal of residues resulting from the treatment of wastewater, including, but not limited to, pumping and ventilating stations, treatment plants and works, connections, outfall sewers, interceptors, trunk lines, stormwater management systems, and other personal property and appurtenances necessary for their use or operation; “wastewater treatment system” shall include a stormwater management system or a combined sewer system;

“Wastewater treatment system project” means any work relating to the acquisition, construction, improvement, repair or reconstruction of all or part of any structure, facility or equipment, or real or personal property necessary for or ancillary to any wastewater treatment system that meets the requirements set forth in sections 20, 21, and 22 of P.L.1985, c.334 (C.58:11B-20, C.58:11B-21, and C.58:11B-22); or any work relating to any of the stormwater management or combined sewer overflow abatement projects 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; or any work relating to the purposes set forth in section 6 of P.L.2003, c.162; or any work relating to any other project eligible for financing under the “Federal Water Pollution Control Act Amendments of 1972” (33 U.S.C. s.1251 et seq.), or any amendatory or supplementary acts thereto;

“Water resources project” means any work related to transferring water between public water systems during a state of water emergency, to avert a drought emergency in all or any part of the State, to plan, design or construct interconnections of existing water supplies, or to extend water supplies to areas with contaminated ground water supplies;

“Water supply facilities” means and refers to the real property and the plants, structures, interconnections between existing water supply facilities, machinery and equipment and other property, real, personal and mixed, acquired, constructed or operated, or to be acquired, constructed or operated, in whole or in part, by or on behalf of a public water utility, or by or on behalf of the State or a local government unit, for the purpose of augmenting the natural water resources of the State and making available an increased supply of water for all uses, or of conserving existing water resources, and any and all appurtenances necessary, useful or convenient for the collecting, impounding, storing, improving, treating, filtering, conserving or transmitting of water, and for the preservation and protection of these resources and facilities, whether in public or private ownership, and providing for the conservation and development of future water supply resources, and facilitating incidental recreational uses thereof;

“Water supply project” means any work relating to the acquisition, construction, improvement, repair or reconstruction of all or part of any structure, facility or equipment, or real or personal property necessary for or ancillary to water supply facilities that meets the requirements set forth in sections 24, 25, and 26 of P.L.1997, c.224 (C.58:11B-20.1, C.58:11B-21.1, and C.58:11B-22.1); or any work relating to the purposes set forth in section 4 of P.L.1981, c.261; or any work relating to the purposes set forth in section 6 of P.L.2003, c.162; or any work relating to any other project eligible for funding pursuant to the federal “Safe Drinking Water Act Amendments of 1996,” Pub.L.104-182, and any amendatory and supplementary acts thereto.

(cf: P.L.2021, c.74, s.1)

11. Section 5 of P.L.1985, c.334 (C.58:11B-5) is amended to read as follows:

5. Except as otherwise limited by the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), the trust may:

a. Make and alter bylaws for its organization and internal management and, subject to agreements with holders of its bonds, notes or other obligations, make rules and regulations with respect to its operations, properties and facilities;

b. Adopt an official seal and alter it;

c. Sue and be sued;

d. Make and enter into all contracts, leases and agreements necessary or incidental to the performance of its duties and the exercise of its powers under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), and subject to any agreement with the holders of the trust's bonds, notes or other obligations, consent to any modification, amendment or revision of any contract, lease or agreement to which the trust is a party;

e. Enter into agreements or other transactions with and accept, subject to the provisions of section 23 of P.L.1985, c.334 (C.58:11B-23), grants, appropriations and the cooperation of the State, or any State agency, in furtherance of the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), and do anything necessary in order to avail itself of that aid and cooperation;

f. Receive and accept aid or contributions from any source of money, property, labor or other things of value, to be held, used and applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), subject to the conditions upon which that aid and those contributions may be made, including, but not limited to, gifts or grants from any department or agency of the State, or any State agency, for any purpose consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), subject to the provisions of section 23 of P.L.1985, c.334 (C.58:11B-23);

g. Acquire, own, hold, construct, improve, rehabilitate, renovate, operate, maintain, sell, assign, exchange, lease, mortgage or otherwise dispose of real and personal property, or any interest therein, in the exercise of its powers and the performance of its duties under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4);

h. Appoint and employ an executive director and any other officers or employees as it may require for the performance of its duties, without regard to the provisions of Title 11A of the New Jersey Statutes;

i. Borrow money and issue bonds, notes and other obligations, and secure the same, and provide for the rights of the holders thereof as provided in the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4);

j. Subject to any agreement with holders of its bonds, notes or other obligations, invest moneys of the trust not required for immediate use, including proceeds from the sale of any bonds, notes or other obligations, in any obligations, securities and other investments in accordance with the rules and regulations of the State Investment Council or as may otherwise be approved by the Director of the Division of Investment in the Department of the Treasury upon a finding that such investments are consistent with the corporate purposes of the trust;

k. Procure insurance to secure the payment of its bonds, notes or other obligations or the payment of any guarantees or loans made by it in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), or against any loss in connection with its property and other assets and operations, in any amounts and from any insurers as it deems desirable;

l. Engage the services of attorneys, accountants, engineers, and financial experts and any other advisors, consultants, experts and agents as may be necessary in its judgment and fix their compensation;

m. (1) Make and contract to make loans and provide other assistance to local government units, or to a local government unit on behalf of another local government unit, to finance the cost of wastewater treatment system projects or water supply projects and acquire and contract to acquire notes, bonds or other obligations issued or to be issued by any local government units to evidence the loans, all in accordance with 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.);

(2) Make and contract to make loans and provide other assistance to public water utilities, or to any other person or local government unit on behalf of a public water utility, to finance the cost of water supply projects in accordance with 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.);

(3) Make and contract to make loans and provide other assistance to private persons other than local government units, or to any other person or local government unit on behalf of a private person, to finance the cost of onsite wastewater treatment and disposal systems or stormwater management systems in accordance with 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.);

(4) Make and contract to make loans and provide other assistance to one or more local government units or consortia thereof to finance the cost of transportation projects, aviation projects, and marine projects in accordance with applicable provisions of the federal infrastructure bank program and pursuant to sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4);

n. Subject to any agreement with holders of its bonds, notes or other obligations, purchase bonds, notes and other obligations of the trust and (1) hold the same for resale for any duration, including until maturity thereof, including in connection with any cross-investment initiative of the trust, or (2) provide for the cancellation thereof, all in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4);

o. (1) Charge to and collect from local government units, private persons **[**or**]** , public water utilities or, nonprofit organizations any fees and charges in connection with the trust's loans, guarantees or other services, including, but not limited to, fees and charges sufficient to reimburse the trust for all reasonable costs necessarily incurred by it in connection with its financings and the establishment and maintenance of reserve or other funds, as the trust may determine to be reasonable. The fees and charges shall be in accordance with a uniform schedule published by the trust for the purpose of providing actual cost reimbursement for the services rendered;

(2) Any fees and charges collected by the trust pursuant to this subsection may be deposited and maintained in a special fund separate from any other funds held by the trust pursuant to section 10 of P.L.1985, c.334 (C.58:11B-10) or section 23 of P.L.1997, c.224 (C.58:11B-10.1), and shall be available for any corporate purposes of the trust;

p. Subject to any agreement with holders of its bonds, notes or other obligations, obtain as security or to provide liquidity for payment of all or any part of the principal of and interest and premium on the bonds, notes and other obligations of the trust or for the purchase upon tender or otherwise of the bonds, notes or other obligations, lines of credit, letters of credit and other security agreements or instruments in any amounts and upon any terms as the trust may determine, and pay any fees and expenses required in connection therewith;

q. Provide to local government units any financial and credit advice as these local government units may request;

r. Make payments to the State from any moneys of the trust available therefor as may be required pursuant to any agreement with the State or act appropriating moneys to the trust; and

s. Take any action necessary or convenient to the exercise of the foregoing powers or reasonably implied therefrom.

(cf: P.L.2021, c.74, s.2)

12. Section 6 of P.L.1985, c.334 (C.58:11B-6) is amended to read as follows:

6. a. Except as may be otherwise expressly provided in the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), the trust may from time to time 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 for any of its corporate purposes, including the payment, funding, or refunding of the principal of, or interest or redemption premiums on, any bonds, notes, or other obligations issued by it, whether the bonds, notes, or other obligations or the interest or redemption premiums thereon to be funded or refunded have or have not become due, the establishment or increase of reserves or other funds to secure or to pay the bonds, notes, or other obligations or interest thereon and all other costs or expenses of the trust incident to and necessary to carry out its corporate purposes and powers.

b. Whether or not the bonds, notes or other obligations of the trust are of a form and character as to be negotiable instruments under the terms of Title 12A of the New Jersey Statutes, the bonds, notes and other obligations are made negotiable instruments within the meaning of and for the purposes of Title 12A of the New Jersey Statutes, subject only to the provisions of the bonds, notes and other obligations for registration.

c. Bonds, notes or other obligations of the trust shall be authorized by a resolution or resolutions of the trust and may be issued in one or more series and shall bear any date or dates, mature at any time or times, bear interest at any rate or rates of interest per annum, be in any denomination or denominations, be in any form, either coupon, registered or book entry, carry any conversion or registration privileges, have any rank or priority, be executed in any manner, be payable in any coin or currency of the United States which at the time of payment is legal tender for the payment of public and private debts, at any place or places within or without the State, and be subject to any terms of redemption by the trust or the holders thereof, with or without premium, as the resolution or resolutions may provide. A resolution of the trust authorizing the issuance of bonds, notes or other obligations may provide that the bonds, notes or other obligations be secured by a trust indenture between the trust and a trustee, vesting in the trustee any property, rights, powers and duties in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) as the trust may determine.

d. Bonds, notes or other obligations of the trust may be sold at any price or prices and in any manner as the trust may determine. Notwithstanding any provisions of the “Local Bond Law,” N.J.S.40A:2-1 et seq., to the contrary, each bond, note , or other obligation of the trust, and each bond, note, or other obligation of a local government unit, public water utility, or other person, issued to the trust to evidence the loan issued to the trust, or, if applicable, issued to the State, acting by and through the Department of Environmental Protection, to evidence a loan issued thereby, pursuant to subsection a. of section 9 of P.L.1985, c.334 (C.58:11B-9), shall mature and be paid not later than 30 years for environmental infrastructure projects, 45 years for combined sewer overflow projects, **[**and**]** 31 years for transportation projects, aviation projects, and marine projects, and 30 years for hazard mitigation and assistance projects pursuant to sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill), from the effective date thereof, or the certified useful life of the project or projects to be financed by the bonds, notes, or other obligations, whichever is less, or a shorter period of time as may be applicable to any companion loan made concurrently with the loan made by the trust and issued pursuant to federal law or regulation.

Notwithstanding the provisions of the “Local Bond Law,” N.J.S.40A:2-1 et seq., or this subsection, to the contrary, each bond, note, or other obligation **[**funded**]** of the trust, and each bond, note, or other obligation of a local government unit, public water utility, or other person, issued to the trust to evidence the loan issued to the trust, or, if applicable, issued to the State, acting by and through the Department of Environmental Protection, to evidence a loan issued thereby, pursuant to subsection a. of section 9 of P.L.1985, c.334 (C.58:11B-9), and issued in connection with funding provided pursuant to the “Water Infrastructure Finance and Innovation Act of 2014” (WIFIA), 33 U.S.C. s.3901 et seq., as amended and supplemented, **[**or**]** the “Transportation Infrastructure Finance and Innovation Act of 1998” (TIFIA), 23 U.S.C. s.601 et seq., as amended and supplemented, or the “Safeguarding Tomorrow Through Ongoing Risk Mitigation (STORM) Act,” Pub.L. 116-284 (42 U.S.C. s. 5135), as amended or supplemented, shall mature and be paid not later than the maximum time period allowed by those federal acts.

All bonds of the trust shall be sold at public or private sale at the price or prices and in the manner as the trust shall determine, either on a negotiated or on a competitive basis. If competitively sold, bonds shall be sold after notice of sale, a summary of which shall be **[**published at least once in at least three newspapers published in the State of New Jersey and at least once in a publication carrying municipal bond notices and devoted primarily to financial news published in New Jersey or the city of New York,**]** made public on three nationally recognized financial websites, accessible from the trust website, and available on the State of New Jersey Internet website, https://buynjbonds.gov, or its successor or a similar State of New Jersey Internet website designed to provide information to the State concerning the sale of bonds, with the first summary notice to be at least five days prior to the day of bidding. The notice of sale may contain a provision to the effect that any or all bids made in pursuance thereof may be rejected. In the event of such rejection or of failure to receive any acceptable bid, the trust, at any time within 60 days from the date of such advertised sale, may sell such bonds at private sale upon terms not less favorable to the State than the terms offered by any rejected bid. The trust may sell all or part of the bonds of any series as issued to any State fund or to the federal government or any agency thereof, at private sale, without advertisement.

e. Bonds, notes or other obligations of the trust may be issued under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) without obtaining the consent of any department, division, board, bureau or agency of the State, and without any other proceedings or the happening of any other conditions or things, other than those consents, proceedings, conditions or things which are specifically required by P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4).

f. Bonds, notes or other obligations of the trust issued under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) shall not be a debt or liability of the State or of any political subdivision thereof other than the trust and shall not create or constitute any indebtedness, liability or obligation of the State or any political subdivision, but all these bonds, notes and other obligations, unless funded or refunded by bonds, notes or other obligations, shall be payable solely from revenues or funds pledged or available for their payment as authorized in P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4). Each bond, note and obligation shall contain on its face a statement to the effect that the trust is obligated to pay the principal thereof or the interest thereon only from its revenues, receipts or funds pledged or available for their payment as authorized in P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), and that neither the State, nor any political subdivision thereof, is obligated to pay the principal or interest and that neither the faith and credit nor the taxing power of the State, or any political subdivision thereof, is pledged to the payment of the principal of or the interest on the bonds, notes or other obligations.

g. The aggregate principal amount of bonds, notes or other obligations, including subordinated indebtedness of the trust, shall not exceed (1) $5,000,000,000 with respect to bonds, notes, or other obligations issued to finance the Disaster Relief Emergency Financing Program established pursuant to section 1 of P.L.2013, c.93 (C.58:11B-9.5), and (2) **[**$3,800,000,000**]** $5,000,000,000 with respect to bonds, notes, or other obligations issued for all other purposes of the trust. In computing the foregoing limitations there shall be excluded all the bonds, notes or other obligations, including subordinated indebtedness of the trust, which shall be issued for refunding purposes, whenever the refunding shall be determined to result in a savings.

(1) Upon the decision by the trust to issue refunding bonds, except for current refunding, and prior to the sale of those bonds, the trust shall transmit to the Joint Budget Oversight Committee, or its successor, a report that a decision has been made, reciting the basis on which the decision was made, including an estimate of the debt service savings to be achieved and the calculations upon which the trust relied when making the decision to issue refunding bonds. The report shall also disclose the intent of the trust to issue and sell the refunding bonds at public or private sale and the reasons therefor.

(2) The Joint Budget Oversight Committee or its successor shall have the authority to approve or disapprove the sales of refunding bonds as included in each report submitted in accordance with paragraph (1) of this subsection. The committee shall notify the trust in writing of the approval or disapproval within 30 days of receipt of the report. Should the committee not act within 30 days of receipt of the report, the trust may proceed with the sale of the refunding bonds, provided that the sale of refunding bonds shall realize not less than three percent net present value debt service savings.

(3) No refunding bonds shall be issued unless the report has been submitted to and approved by the Joint Budget Oversight Committee or its successor as set forth in paragraphs (1) and (2) of this subsection.

(4) Within 30 days after the sale of the refunding bonds, the trust shall notify the committee of the result of that sale, including the prices and terms, conditions and regulations concerning the refunding bonds, the actual amount of debt service savings to be realized as a result of the sale of refunding bonds, and the intended use of the proceeds from the sale of those bonds.

(5) The committee shall review all information and reports submitted in accordance with this subsection and may, on its own initiative, make observations to the trust, or to the Legislature, or both, as it deems appropriate.

h. Each issue of bonds, notes, or other obligations of the trust may, if it is determined by the trust, be general obligations thereof payable out of any revenues, receipts or funds of the trust, or special obligations thereof payable out of particular revenues, receipts or funds, subject only to any agreements with the holders of bonds, notes or other obligations, and may be secured by one or more of the following:

(1) Pledge of revenues and other receipts to be derived from the payment of the interest on and principal of notes, bonds or other obligations issued to the trust by one or more local government units, public water utilities, or other persons, and any other payment made to the trust pursuant to agreements with any local government units, public water utilities, or other persons, or a pledge or assignment of any notes, bonds, or other obligations of any local government unit public water utilities, or other persons and the rights and interest of the trust therein;

(2) Pledge of rentals, receipts and other revenues to be derived from leases or other contractual arrangements with any person or entity, public or private, including one or more local government units, public water utilities, or other persons, or a pledge or assignment of those leases or other contractual arrangements and the rights and interest of the trust therein;

(3) Pledge of all moneys, funds, accounts, securities and other funds, including the proceeds of the bonds, notes or other obligations;

(4) Pledge of the receipts to be derived from the payments of State aid, payable to the trust pursuant to section 12 of P.L.1985, c.334 (C.58:11B-12);

(5) A mortgage on all or any part of the property, real or personal, of the trust then owned or thereafter to be acquired, or a pledge or assignment of mortgages made to the trust by any person or entity, public or private, including one or more local government units, public water utilities, or other persons, and the rights and interest of the trust therein.

i. The trust shall not issue any bonds, notes or other obligations, or otherwise incur any additional indebtedness, on or after June 30, 2033.

j. (Deleted by amendment, P.L.1996, c.88).

(cf: P.L.2021, c.74, s.3)

13. Section 7 of P.L.1985, c.334 (C.58:11B-7) is amended to read as follows:

7. In any resolution of the trust authorizing or relating to the issuance of any of its bonds, notes or other obligations, the trust, in order to secure the payment of the bonds, notes or other obligations and in addition to its other powers, may by provisions therein which shall constitute covenants by the trust and contracts with the holders of the bonds, notes or other obligations:

a. Secure the bonds, notes or other obligations as provided in section 6 of P.L.1985, c.334 (C.58:11B-6);

b. Covenant against pledging all or part of its revenues or receipts;

c. Covenant with respect to limitations on any right to sell, mortgage, lease or otherwise dispose of any notes, bonds or other obligations of local government units or other persons, or any part thereof, or any property of any kind;

d. Covenant as to any bonds, notes or other obligations to be issued by the trust, and the limitations thereon, and the terms and conditions thereof, and as to the custody, application, investment and disposition of the proceeds thereof;

e. Covenant as to the issuance of additional bonds, notes or other obligations of the trust or as to limitations on the issuance of additional bonds, notes or other obligations and on the incurring of other debts by it;

f. Covenant as to the payment of the principal of or interest on bonds, notes or other obligations of the trust, as to the sources and methods of payment, as to the rank or priority of the bonds, notes or other obligations with respect to any lien or security or as to the acceleration of the maturity of the bonds, notes or other obligations;

g. Provide for the replacement of lost, stolen, destroyed or mutilated bonds, notes or other obligations of the trust;

h. Covenant against extending the time for the payment of bonds, notes or other obligations of the trust or interest thereon;

i. Covenant as to the redemption of bonds, notes and other obligations by the trust or the holders thereof and privileges of exchange thereof for other bonds, notes or other obligations of the trust;

j. Covenant to create or authorize the creation of special funds or accounts to be held in trust or otherwise for the benefit of holders of bonds, notes and other obligations of the trust, or reserves for other purposes and as to the use, investment, and disposition of moneys held in those funds, accounts or reserves;

k. Provide for the rights and liabilities, powers and duties arising upon the breach of any covenant, condition or obligation and prescribe the events of default and terms and conditions upon which any or all of the bonds, notes or other obligations of the trust shall become or may be declared due and payable before maturity and the terms and conditions upon which the declaration and its consequences may be waived;

l. Vest in a trustee or trustees within or without the State any property, rights, powers and duties in trust as the trust may determine, which may include any or all of the rights, powers and duties of any trustee appointed by the holders of any bonds, notes or other obligations of the trust pursuant to section 18 of P.L.1985, c.334 (C.58:11B-18), including rights with respect to the sale or other disposition of notes, bonds or other obligations of local government units , public water utilities, or other persons, pledged pursuant to a resolution or trust indenture for the benefit of the holders of bonds, notes or other obligations of the trust and the right by suit or action to foreclose any mortgage pledged pursuant to the resolution or trust indenture for the benefit of the holders of the bonds, notes or other obligations, and to limit or abrogate the right of the holders of any bonds, notes or other obligations of the trust to appoint a trustee under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), and to limit the rights, duties and powers of the trustee;

m. Pay the costs or expenses incident to the enforcement of the bonds, notes or other obligations of the trust or of the provisions of the resolution authorizing the issuance of those bonds, notes or other obligations or of any covenant or agreement of the trust with the holders of the bonds, notes or other obligations;

n. Limit the rights of the holders of any bonds, notes or other obligations of the trust to enforce any pledge or covenant securing the bonds, notes or other obligations; and

o. Make covenants other than or in addition to the covenants authorized by P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) of like or different character, and make covenants to do or refrain from doing any acts and things as may be necessary, or convenient and desirable, in order to better secure the bonds, notes or other obligations of the trust, or which, in the absolute discretion of the trust, would make the bonds, notes or other obligations more marketable, notwithstanding that the covenants, acts or things may not be enumerated herein.

(cf: P.L.2016, c.56, s.16)

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

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.

(4) The trust may make and contract to make loans and provide other assistance to a local government unit or consortia thereof to finance the cost of transportation projects, aviation projects, and marine projects pursuant to sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), and provided that the federally-funded transportation subaccount is operated in accordance with the provisions of the federal infrastructure bank program.

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 and, if applicable, the State, acting by and through the Department of Environmental Protection, 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) notwithstanding any provisions of the “Local Authorities Fiscal Control Law,” P.L.1983, c.313 (C.40A:5A-1 et seq.) to the contrary, shall be approved by the Director of 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 or the State, as the case may be, 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 or the State, as the case may be, 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 or the State, as the case may be, 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, public water utility, or other person, to finance , as applicable, the cost of any wastewater treatment system project, water supply project, transportation project, aviation project, or marine project, or redevelopment project that includes, as a portion thereof, any wastewater treatment system project, water supply project, **[**or**]** transportation project, aviation project, marine project, or hazard mitigation and resiliency project as defined in section 2 of P.L. , c. (C. ) (pending before the Legislature as this bill) , which the local government unit, public water utility, or other person 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, and shall be in furtherance of the corporate purposes of the trust, for the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4). 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 June 30, **[**2033**]** 2053.

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 including, without limitation, any funds drawn by the trust from a revolving line of credit or other similar financial vehicle that may be procured by the trust, either through a competitive or negotiated process, pursuant to section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit into the Interim Environmental Financing Program Fund or the trust may issue its bonds, notes or other obligations, including commercial paper issued through a competitive or negotiated process, in any principal amounts, in either case, 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 Department of Environmental Protection project priority list 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 Department of Environmental Protection project priority list 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 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including, without limitation, any administrative or legislative approvals.

The trust shall create and establish a special fund to be known as the “Interim Environmental Financing Program Fund” for the short-term or temporary loan financing or refinancing program to be known as the “Interim Environmental Financing Program.” The monies in the fund shall be used for short-term or temporary loans for clean water and drinking water projects pursuant to the New Jersey Environmental Infrastructure Financing Program.

Except as provided in section 1 of P.L.2013, c.93 (C.58:11B-9.5), 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. Any such short-term or temporary loan made pursuant to the Interim Environmental Financing Program shall mature no later than the last day of the third succeeding fiscal year following the closing date on which the short-term or temporary loan was made by the trust to the project sponsor; except a planning, design, and construction loan shall mature no later than the last day of the fifth succeeding fiscal year following the closing date of the planning, design, and construction loan or the last day of the third succeeding fiscal year following the date of construction certification following the closing date of the planning, design, and construction loan, whichever is sooner, provided that, in either case, project planning or engineering design activities shall not exceed two years from the closing date of the planning, design, and construction loan; and except a short-term or temporary loan made pursuant to this subsection for environmental planning and engineering design costs associated with long-term control plans for combined sewer overflow projects shall mature no later than the last day of the 10th succeeding fiscal year following the closing date on which the short-term or temporary loan was made by the trust to the project sponsor; and except a short-term or temporary loan made pursuant to this subsection which has been submitted as part of an application for funding pursuant to the “Water Infrastructure Finance and Innovation Act of 2014” (WIFIA), 33 U.S.C. s.3901 et seq., as amended and supplemented, shall mature not later than the funding draw period allowed by this federal act. Any short-term or temporary loan or planning, design and construction loan made by the trust pursuant to this subsection may mature in a shorter period of time as may be necessary to align with construction completion. With respect to any short-term or temporary loan or planning, design, and construction loan made by the trust pursuant to this subsection, the trust may authorize one short-term supplemental loan for residual project expenses thereof upon receipt by the trust from the Department of Environmental Protection of a certification that states that the time required by the project sponsor to complete construction of the project exceeds the maximum maturity date of the project sponsor's outstanding short-term or temporary loan or planning, design, and construction loan. Any such short-term supplemental loan shall not exceed in duration the last day of the third succeeding fiscal year following the loan closing of the supplemental loan. The trust may make short-term or temporary loans pursuant to the Interim Environmental Financing Program to any one or more of the project sponsors, for the respective projects thereof, identified in the interim financing project priority list to be known as the “Interim Environmental Financing Program Project Priority List” in the form provided to the Legislature by the Commissioner of Environmental Protection.

The Interim Environmental Financing Program Project Priority List, including any revision thereof or supplement thereto, 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 as provided in section 20 of P.L.1985, c.334 (C.58:11B-20) and section 24 of P.L.1997, c.224 (C.58:11B-20.1). The Secretary and the Clerk shall cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. The trust may revise or supplement the Interim Environmental Financing Program Project Priority List no more than four times during the fiscal year and shall submit the revised list to the Legislature when the revisions are made. Any environmental infrastructure project or the project sponsor thereof not identified in the Interim Environmental Financing Program Project Priority List shall not be eligible for a short-term or temporary loan from the Interim Environmental Financing Program Fund. The trust may issue short-term or temporary loans pursuant to this subsection only if a project is listed on an Interim Environmental Financing Program Project Priority List that has been submitted to the Legislature. No funds may be disbursed pursuant to this section for environmental infrastructure project activities prior to a determination and certification, in writing, from the Department of Environmental Protection, that the project activities satisfy the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.).

e. Notwithstanding any provisions of the “Local Bond Law” (N.J.S.40A:2-1 et seq.), the “sewerage authorities law,” P.L.1946, c.138 (C.40:14A-1 et seq.), or the “municipal and county utilities authorities law,” P.L.1957, c.183 (C.40:14B-1 et seq.) to the contrary, short-term or temporary loans made by the trust pursuant to section 9 of P.L.1985, c.334 (C.58:11B-9) or section 1 of P.L.2013, c.93 (C.58:11B-9.5), and the obligations issued by project sponsors to evidence such loans, may, at the discretion of the trust and upon application by the project sponsor, bear interest at a variable rate determined pursuant to a methodology as may be established by the trust from time to time.

Further, notwithstanding any provisions of the “Local Bond Law” (N.J.S.40A:2-1 et seq.), the “sewerage authorities law,” P.L.1946, c.138 (C.40:14A-1 et seq.), or the “municipal and county utilities authorities law,” P.L.1957, c.183 (C.40:14B-1 et seq.) to the contrary, any short-term or temporary loans made by the trust pursuant to section 9 of P.L.1985, c.334 (C.58:11B-9) or section 1 of P.L.2013, c.93 (C.58:11B-9.5), and any notes or other obligations issued by project sponsors to evidence such short-term or temporary loans, as such loans, notes, or other obligations may be refinanced or extended, as provided in subsections d. and g. of this section and section 1 of P.L.2013, c.93 (C.58:11B-9.5), except for loans for environmental planning and engineering design costs associated with long-term control plans for combined sewer overflow projects as provided in subsection d. of this section, shall mature no later than the maturity date as established pursuant to subsections d. and g. of this section and section 1 of P.L.2013, c.93 (C.58:11B-9.5), without payment by project sponsors of any portion of the principal thereof prior to maturity.

f. Any balances remaining in the Emergency Loan Fund established pursuant to section 4 of P.L.2007, c.138 (C.58:11B-9.1), the Planning and Design Fund established pursuant to section 1 of P.L.2009, c.59 (C.58:11B-9.2), the Onsite Wastewater Disposal Loan Fund established pursuant to section 5 of P.L.2009, c.103 (C.58:11B-9.3), the Supplemental Loan Fund established pursuant to section 2 of P.L.2011, c.94 (C.58:11B-9.4), and the Equipment Loan Fund established pursuant to section 1 of P.L.2014, c.28 (C.58:11B-9.6) after the date of enactment of P.L.2016, c.30 shall be transferred to the Interim Environmental Financing Program Fund, and any loan repayments to the trust of principal and interest or premium on loans made from those funds shall be credited to the Interim Environmental Financing Program Fund.

g. The trust shall create and establish a special fund to be known as the “Interim Transportation Financing Program Fund” for the short-term or temporary loan financing or refinancing program to be known as the “Interim Transportation Financing Program.”

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 including, without limitation, any funds drawn by the trust from a revolving line of credit or other similar financial vehicle that may be procured by the trust, either through a competitive or negotiated process, pursuant to section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit into the Interim Transportation Financing Program Fund or the trust may issue its bonds, notes or other obligations in any principal amounts, in either case, 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 or private persons for any transportation project, aviation project, or marine project included on the Department of Transportation Interim Transportation Financing Program Project Priority List for the ensuing fiscal year and eligible for approval pursuant to sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), without regard to any other provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), including, without limitation, any administrative or legislative approvals.

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. Any such short-term or temporary loan made pursuant to the Interim Transportation Financing Program shall mature no later than the last day of the third succeeding fiscal year following the closing date on which the short-term or temporary loan was made by the trust to the project sponsor; except a planning, design, and construction loan shall mature no later than the last day of the fifth succeeding fiscal year following the closing date of the planning, design, and construction loan or the last day of the third succeeding fiscal year following the date of construction certification following the closing date of the planning, design, and construction loan, and except a short-term or temporary loan made pursuant to this subsection which has been submitted as part of an application for funding pursuant to the “Transportation Infrastructure Finance and Innovation Act of 1998” (TIFIA), 23 U.S.C. s.601 et seq., as amended and supplemented, shall mature not later than the funding draw period allowed by this federal act. Any short-term or temporary loan or planning, design and construction loan made by the trust pursuant to this subsection may mature in a shorter period of time as may be necessary to align with construction completion, whichever is sooner, provided that, in either case, project planning or engineering design activities shall not exceed two years from the closing date of the planning, design, and construction loan. With respect to any short-term or temporary loan or planning, design, and construction loan made by the trust pursuant to this subsection, the trust may authorize one short-term supplemental loan for residual expenses thereof upon receipt by the trust from the Department of Transportation of a certification that states that the time required by the project sponsor to complete construction of the project exceeds the maximum maturity date of the short-term or temporary loan or planning, design, and construction loan. Any such short-term supplemental loan shall not exceed in duration the last day of the third succeeding fiscal year following the loan closing of the short-term supplemental loan. The trust may make short-term or temporary loans pursuant to the Interim Transportation Financing Program to any one or more of the project sponsors, for the respective projects thereof, only if a project is identified in the Department of Transportation Interim Transportation Financing Program Project Priority List to be known as the “Interim Transportation Financing Program Project Priority List” in the form provided to the Legislature by the Commissioner of Transportation.

The Interim Transportation Financing Program Project Priority List, including any revision thereof or supplement thereto, shall be submitted to the Secretary of the Senate and the Clerk of the General Assembly on or before July 1 of each year. The Interim Transportation 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. The Secretary and the Clerk shall cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. Any transportation infrastructure project or the project sponsor thereof not identified in the Interim Transportation Financing Program Project Priority List shall not be eligible for a short-term or temporary loan from the Interim Transportation Financing Program Fund. The trust may revise or supplement the Interim Transportation Financing Program Project Priority List no more than four times during the fiscal year, and shall submit the revised list to the Legislature when the revisions are made.

No funds may be disbursed pursuant to this subsection for transportation project, aviation project, or marine project activities prior to certification in writing, from the trust, that the project activities satisfy the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4). Construction activities for a transportation project shall also require written notification of award concurrence from the Department of Transportation prior to fund disbursement.

(cf: P.L.2021, c.160, s.60)

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

11. a. The trust shall establish reserve and guarantee funds into which shall be deposited the proceeds from any State bond issue authorized for deposit in the trust or other funds appropriated by law to the trust for deposit in the reserve or guarantee funds. The reserve fund shall be used by the trust to secure debt issued by the trust. The guarantee fund shall be used by the trust to secure debt issued by a local government unit, public water utility, or other person.

b. The trust may establish any reserves, funds or accounts as it may determine necessary or desirable to further the accomplishment of the purposes of the trust or to comply with the provisions of any agreement made by or authorized in any resolution of the trust.

(cf: P.L.1985, c.336, s.2)

16. Section 12 of P.L.1985, c.334 (C.58:11B-12) is amended to read as follows:

12. a. To assure the continued operation and solvency of the trust, the trust may require that if a local government unit fails or is unable to pay to the trust in full when due any obligations of the local government unit to the trust, an amount sufficient to satisfy the deficiency shall be paid by the State Treasurer to the trust from State aid payable to the local government unit. As used in this section, obligations of the local government unit include the principal of or interest on bonds, notes or other obligations of a local government unit issued to or guaranteed by the trust, including the subrogation of the trust to the right of the holders of those obligations, any fees or charges payable to the trust, and any amounts payable by a local government unit under any service contract or other contractual arrangement the payments under which are pledged to secure any bonds or notes issued to the trust by another local government unit. State aid includes business personal property tax replacement revenues, State urban aid and State revenue sharing, as these terms are defined in section 2 of P.L.1976, c.38 (C.40A:3-3), or other similar forms of State aid payable to the local government unit and to the extent permitted by federal law, federal moneys appropriated or apportioned to the local government unit by the State, and for loans made in support of transportation projects, State aid shall also include county and municipal transportation aid issued pursuant to section 25 of P.L.1984, c.73 (C.27:1B-25).

(1) If the trust requires, and there has been a failure or inability by a local government unit to pay its obligations to the trust remaining uncured for a period of 30 days, the chairman of the trust shall certify to the State Treasurer, with written notice to the fiscal officer of the local government unit and to the Legislature, the amount remaining unpaid, and the State Treasurer shall pay that amount to the trust, or if the right to receive those payments has been pledged or assigned to a trustee for benefit of the holders of bonds, notes or other obligations of the trust, to that trustee, out of the State aid payable to the local government unit, until the amount so certified is paid.

(2) The amount paid over to the trust shall be deducted from the corresponding appropriation or apportionment of State aid payable to the local government unit and shall not obligate the State to make, nor entitle the local government unit to receive, any additional appropriation or apportionment. The obligation of the State Treasurer to make payments to the trust or trustee and the right of the trust or trustee to receive those payments shall be subject and subordinate to the rights of holders of qualified bonds issued or to be issued pursuant to P.L.1976, c.38 (C.40A:3-1 et seq.).

(3) In those instances where the local government units are municipal or county sewerage, utility or improvement authorities created pursuant to P.L.1946, c.138 (C.40:14A-1 et seq.) or P.L.1957, c.183 (C.40:14B-1 et seq.), the trust may require the municipalities or counties which receive service or other benefits from the districts or authorities to enter into service contracts or other contractual arrangements under which they would be required to make payments which would satisfy any deficiencies in the revenues of the districts or authorities to repay the loans made by the trust, which contracts would be pledged to secure the payment of the loans of the trust.

b. Whenever a local government unit, public water utility, or other person covenants or pledges to or secures the payment of its obligations to the trust by, in whole or in part, certain revenues of the local government unit, public water utility, or other person derived by the local government unit from the imposition of rates, fees and charges, and **[**the local government unit, and**]** if payments by another local government unit, public water utility, or other person under a service contract or other contractual arrangement are pledged to the payment of the obligations, the other local government unit, public water utility, or other person, fails or is unable to pay in full when due any of the obligations and the State aid revenues, if applicable, for any reason have not been made available for the payment of the obligations or have not been made available in sufficient amounts to pay the obligations in full, the trust is authorized during the period of such failure to cause the local government unit, public water utility, or other person, in accordance with the covenants or pledges established in any loan or other agreement relating thereto, to establish and collect rates, fees and charges in the amounts required to pay the obligations in accordance with the covenants or pledges established in the loan or other agreement relating thereto.

c. In the event that a local government unit or public water utility, consortia thereof or private entity receiving a loan from the trust fails or is unable to pay to the trust in full when due any obligations of the local government unit or public water utility, consortia thereof, or private entity to the trust, the trust shall have the authority to exercise any and all recourses available to it under the law in an effort to recover any amounts owed to the trust.

(cf: P.L.2016, c.56, s.23)

17. Section 14 of P.L.1985, c.334 (C.58:11B-14) is amended to read as follows:

14. The State does pledge to and covenant and agree with the holders of any bonds, notes or other obligations of the trust issued pursuant to authorization of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) that the State shall not limit or alter the rights or powers vested in the trust to perform and fulfill the terms of any agreement made with the holders of the bonds, notes or other obligations or to fix, establish, charge and collect any rents, fees, rates, payments or other charges as may be convenient or necessary to produce sufficient revenues to meet all expenses of the trust and to fulfill the terms of any agreement made with the holders of bonds, notes or other obligations, including the obligations to pay the principal of and interest and premium on those bonds, notes or other obligations, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the holders, and shall not limit or alter the rights and powers of any local government unit, public water utility, or other person to pay and perform its obligations owed to the trust in connection with loans received from the trust, until the bonds, notes and other obligations of the trust, together with interest thereon, are fully met and discharged or provided for.

(cf: P.L.2016, c.56, s.25)

18. Section 18 of P.L.1985, c.334 (C.58:11B-18) is amended to read as follows:

18. a. If the trust defaults in the payment of principal of, or interest on, any issue of its bonds, notes or other obligations after these are due, whether at maturity or upon call for redemption, and the default continues for a period of 30 days or if the trust defaults in any agreement made with the holders of any issue of bonds, notes or other obligations, the holders of 25 percent in aggregate principal amount of the bonds, notes or other obligations of the issue then outstanding, by instrument or instruments filed in the office of the clerk of any county in which the trust operates and has an office and proved or acknowledged in the same manner as required for a deed to be recorded, may direct a trustee to represent the holders of the bonds, notes or other obligations of the issuers for the purposes herein provided.

b. Upon default, the trustee may, and upon written request of the holders of 25 percent in principal amount of the bonds, notes or other obligations of the trust of a particular issue then outstanding shall, in the trustee's own name:

(1) By suit, action or proceeding enforce all rights of the holders of bonds, notes or other obligations of the issue, to require the trust to carry out any other agreements with the holders of the bonds, notes or other obligations of the issue and to perform its duties under P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4);

(2) Bring suit upon the bonds, notes or other obligations of the issue;

(3) By action or suit, require the trust to account as if it were the trustee of an express trust for the holders of the bonds, notes or other obligations of the issue;

(4) By action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the bonds, notes or other obligations of the issue;

(5) Sell or otherwise dispose of bonds and notes of local government units, public water utilities, or other persons pledged pursuant to resolution or trust indenture for benefit of holders of bonds, notes, or other obligations of the issue on any terms as resolution or trust indenture may provide;

(6) By action or suit, foreclose any mortgage pledged pursuant to the resolution or trust indenture for the benefit of the holders of the bonds, notes or other obligations of the issue;

(7) Declare all bonds, notes or other obligations of the issue due and payable, and if all defaults are made good, then with the consent of the holders of 50 percent of the principal amount of the bonds, notes or other obligations of the issue then outstanding, to annul the declaration and its consequences.

c. The trustee shall, in addition to the foregoing, have those powers necessary or appropriate for the exercise of any function specifically set forth herein or incident to the general representation of holders of bonds, notes or other obligations of the trust in the enforcement and protection of their rights.

d. The Superior Court shall have jurisdiction over any suit, action or proceeding by the trustees on behalf of the holders of bonds, notes or other obligations of the trust. The venue of any suit, action or proceeding shall be in the county in which the principal office of the trust is located.

e. Before declaring the principal of bonds, notes or other obligations of the trust due and payable as a result of a trust default on any of its bonds, notes or other obligations, the trustee shall first give 30 days' notice in writing to the trust and to the Governor, State Treasurer, President of the Senate and Speaker of the General Assembly.

(cf: P.L.2016, c.56, s.28)

19. Section 6 of P.L.2009, c.59 (C.58:11B-19.1) is amended to read as follows:

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 or access emergency or relief federal funds that are appropriated to the State subsequent to a federal or State declaration of emergency to make loans or grants in the implementation of the New Jersey Environmental Infrastructure Financing Program **[**or**]**, the New Jersey Transportation Infrastructure Financing Program, or the Resilient New Jersey Financing Program established pursuant to sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill), to local government units, public water utilities or private persons for any wastewater treatment system projects included on the clean water 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), water supply projects included on the drinking water 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), **[**or**]** transportation projects included on the transportation project priority list for the ensuing fiscal year and eligible for approval pursuant to section 36 of P.L.2016, c.56 (C.58:11B-20.2), or hazard mitigation and resiliency projects included on the Resilient New Jersey Financing Program Project Eligibility List for the ensuing fiscal year and eligible for approval pursuant to sections 1 through 9 of P.L. , c. (C. ) (pending before the Legislature as this bill), as applicable, or to make non-project related loans and provide other assistance, including CAP payments and other financial assistance on behalf of or as a conduit for local government units, in accordance with the ranking criteria determined by the federal or State government.

For the purposes of this section, “CAP Payment” means a payment made by a project sponsor pursuant to a State or federal relief program for utility customers or a consumer assistance program.

(cf: P.L.2021, c.74, s.9)

20. Section 23 of P.L.1985, c.334 (C.58:11B-23) is amended to read as follows:

23. a. No funds from State sources or State bond issues used to capitalize the trust shall be available for use by the trust unless appropriated by law to the trust.

b. No funds shall be expended by the trust for its annual operating expenses unless appropriated by law to the trust. Unless required to be otherwise applied pursuant to law, funds generated by the operation of the trust, including, but not limited to: proceeds from the sale of the trust's bonds, notes or other obligations; revenues derived from investments by the trust; loan repayments from local government units, public water utilities, or other persons; and fees and charges levied by the trust, may thereafter be applied in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) for any corporate purpose of the trust without appropriation; except that the funds shall only be used to make loans or guarantees approved by the Legislature in accordance with the provisions of sections 20, 21, and 22 of P.L.1985, c.334 (C.58:11B-20, C.58:11B-21 and C.58:11B-22), sections 24, 25, and 26 of P.L.1997, c.224 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1), or sections 35 through 37 of P.L.2016, c.56 (C.58:11B-10.5, C.58:11B-20.2, and C.58:11B-22.3).

c. The trust shall not apply for federal funds, including funds which are authorized pursuant to the “Federal Water Pollution Control Act Amendments of 1972,” Pub.L. 92-500 (33 U.S.C. s.1251 et seq.), and any amendatory or supplementary acts thereto, except the trust is expressly authorized to apply, in consultation with the Department of Environmental Protection, for funds under the “Water Infrastructure Finance and Innovation Act,” (WIFIA) 33 U.S.C. s.3901 et seq. as amended or superseded, and, in consultation with the State Office of Emergency Management in the Department of Law and Public Safety for funds under the “Safeguarding Tomorrow Through Ongoing Risk Mitigation (STORM) Act,” Pub.L. 116-284 (42 U.S.C. s. 5135) as amended or superseded, and with notice to the Department of Transportation, for funds under the Transportation Infrastructure Finance and Innovation Act (TIFIA) 23 U.S.C. 601 through 23 U.S.C. 609 as amended or superseded, and provisions of the Moving Ahead for Progress in the 21st Century Act (MAP-21) Pub. L. 112-141, the Fixing America's Surface Transportation Act (FAST Act) Pub. L. 114-94, the Transportation Equity Act for the 21st Century (TEA-21) Pub. L. 105-178, the Safe, Accountable, Flexible and Efficient Transportation Equity Act: a Legacy for User (“SAFETEA-LU”) Pub. L. 109-59, and the Rail Safety Improvement Act of 2008 Pub. L. 110-432, or any subsequent law concerning federal surface transportation programs as applicable.

The trust, with the concurrence of the Commissioner of Environmental Protection, may receive, accept or utilize moneys received from local government units as repayments of principal and interest on loans made from the State Revolving Fund Accounts established pursuant to section 1 of P.L.1988, c.133.

Repayments of principal and interest on all federal funds for which the New Jersey Infrastructure Bank is expressly permitted to apply shall be the responsibility of the borrowers of New Jersey Infrastructure Bank loans issued utilizing those federal funds, and in no way shall it be the responsibility of the State of New Jersey or the Department of Transportation.

(cf: P.L.2019, c.516, s.6)

21. Section 26 of P.L.1985, c.334 (C.58:11B-26) is amended to read as follows:

26. a. The trust shall adopt rules and regulations requiring a local government unit which receives a loan or guarantee through the New Jersey Environmental Infrastructure Financing Program for a project to establish an affirmative action program for the hiring of minority workers in the performance of any construction contract for that project and to establish a program to provide opportunities for socially and economically disadvantaged contractors and vendors to supply materials and services for the contract, consistent with the provisions of the "Law Against Discrimination," P.L.1945, c.169 (C.10:5-1 et seq.). Not less than 10 percent of the amount of any contract for construction, materials or services for a project shall be awarded to small business concerns owned and controlled by socially and economically disadvantaged individuals as defined in the "Small Business Act," Pub.L.85-536 (15 U.S.C. s.631 et seq.), and any regulations promulgated pursuant thereto provided, however, that the projects funded, in whole or in part, with federal funds, the percentage of such contracts awarded to small business concerns owned and controlled by socially and economically disadvantaged individuals shall equal the goal for participation set forth in section 644(g)(1)(A)(iv) of the "Small Business Act," Pub.L.85-536 (15 U.S.C. s.644). For transportation financing program projects funded in whole with State funds, contracts for construction materials or services shall comply with the small business set aside regulations promulgated pursuant to section 15 of P.L.1983, c.482 (C.52:32-31).

b. The trust shall adopt rules and regulations requiring any entity, which receives a loan, grant, or guarantee for a project to pay not less than the prevailing wage rate to workers employed in the performance of any construction contract for that project, in accordance with the rate determined by the Commissioner of Labor and Workforce Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.).

(cf: P.L.2019, c.194, s.6)

22. This act shall take effect immediately.

STATEMENT

This bill would establish a Resilient New Jersey Revolving Loan Fund (fund) in the New Jersey Infrastructure Bank (NJIB) and amend the “New Jersey Infrastructure Trust Act,” P.L.1985, c.334 (C.58:11B-1 et seq.), to make various changes to the NJIB’s enabling law.

The bill directs the State Office of Emergency Management (OEM), in conjunction with the NJIB, to apply to the Federal Emergency Management Agency (FEMA) under the provisions of the “Safeguarding Tomorrow through Ongoing Risk Management Act” or “STORM Act,” Pub.L.116-284, when funding is available, to enter into an agreement to capitalize the fund established by the bill. In addition, the bill authorizes the NJIB to issue bonds for the financing of hazard mitigation and resiliency projects.

The “New Jersey Infrastructure Trust Act,” P.L.1985, c.334 (C.58:11B-1 et seq.), authorizes the NJIB to issue bonds to provide funding for environmental infrastructure and transportation infrastructure projects. This bill expands the authority of the NJIB to include the financing of hazard mitigation and resiliency projects undertaken by State entities, local governments, and nonprofit organizations, in accordance with the provisions of the STORM Act and this bill.

The bill directs the OEM to develop a priority system for hazard mitigation and resiliency projects and establish the ranking criteria and funding policies for the hazardmitigation and resiliency projects to be financed through the Resilient New Jersey Financing Program established by the bill. The bill requires this “hazard mitigation and resiliency project priority list” for the ensuring fiscal year to be submitted to the Legislature on or before January 15th of each year. In addition, the bill requires the OEM, in conjunction with the NJIB, to submit a “Resilient New Jersey Financing Program Project Eligibility List” identifying projects to receive funding from the NJIB pursuant to the bill. The bill directs the NJIB to submit this list to the Legislature by May 15th of each year to be considered by the Legislature in the form of appropriation bills. The bill provides that the NJIB, on or before October 15 of each year, may submit an additional project eligibility list, to be considered by the Legislature in the form of appropriation bills. The bill provides that the NJIB shall not expend any moneys for a hazard mitigation or resiliency project unless that expenditure is authorized pursuant to an appropriation act of the current or three immediately preceding fiscal years.

In addition, the bill directs the NJIB, on or before May 15th of each year, to submit to the Legislature a financial plan designed to implement the financing of hazard mitigation and resiliency projects on the Resilient New Jersey Financing Program Project Eligibility List. The bill provides that, on or before June 30 of each year, the Legislature may reject the financial plan through the adoption by both houses of a concurrent resolution, and if the Legislature takes no action on or before June 30, the financial plan would be deemed approved.

The “STORM Act” authorizes FEMA to enter into agreements with certain state agencies to provide capitalization grants for hazard-mitigation revolving loan funds. The funds are to be used to provide low interest loans to fund mitigation projects, including mitigation projects on buildings that reduce damage risk, reduce insurance rates, and bring buildings into FEMA minimum National Flood Insurance Program (NFIP) requirements. The STORM Act requires the revolving funds to be administered by the agency responsible for emergency management in the state; however, it provides that the FEMA Administrator may allow the financial administration of the fund to be combined with the financial administration of another revolving fund under certain conditions, including that (1) the capitalization grant, entity share, repayments of loans, and interest earned on amounts in the fund are accounted for separately from other amounts, and (2) the authority to establish assistance priorities and carry out oversight activities remains in the control of the entity agency responsible for emergency management in the State.

Thus, under this bill, the Resilient New Jersey Revolving Loan Fund would be established in the NJIB, with the State Office of Emergency Management applying to FEMA in conjunction with the NJIB. In addition, the State Office of Emergency Management, in conjunction with the NJIB, is charged with developing the priority system and establishing the ranking criteria and funding policies for the hazard mitigation and resiliency projects to be financed through the Resilient New Jersey Financing Program created by this bill.

The federal Resilience Revolving Loan program for disaster mitigation was established by the STORM Act, and FEMA received a $500 million appropriation from the federal Infrastructure Improvement and Jobs Act, Pub.L.117-58. FEMA is currently developing the program’s administrative rules, with program deployment expected in 2023. In order for states to be apply to apply to access the loan funds, they need to create a resilience revolving loan fund and apply to FEMA. This bill provides the framework for New Jersey to be able to access this funding and help fund natural hazard mitigation projects.

Mitigating hazard risk is critical to preserving property values and property tax revenues. Mitigating flood risk by structural elevation and structural dry flood proofing are proven methods of hazard risk reduction. Flood mitigation projects preserve property values and create good jobs in all of the professional trades and design professions. The financing of mitigation projects has always been the major limiting element of hazard mitigation. Federal, state, and local funding of grants for mitigation have been proven to work but have always fallen far short of need and demand for the funds. According to the Natural Institute of Building Sciences, every dollar spent on natural disaster mitigation saves at least $6. It is therefore in the best interest of the State to support resilience and mitigation projects to reduce the cost of natural disasters and protect lives and property.

With regard to the bill’s provisions that amend the “New Jersey Infrastructure Trust Act,” P.L.1985, c.334 (C.58:11B-1 et seq.), to make various changes to the NJIB’s enabling law, the bill:

(1) incorporates language concerning the new program to be established under the bill for hazard mitigation and resiliency projects;

(2) adds language to allow for the resale of bonds to allow the NJIB to buy and sells its bonds for cross-investment purposes;

(3) clarifies language concerning maturity of long-term loans

(4) revises how the NJIB is to provide public notice concerning the sale of bonds to remove the requirement for newspaper publication and replace it with electronic notice;

(5) increases from $8.8 billion to $10 billion the aggregate principal of bonds, notes, or other obligations of the NJIB;

(6) extends from 2033 to 2053 the date by which the NJIB may no longer make loans or incur indebtedness;

(7) clarifies that the NJIB is authorized to provide loans and other financial assistance to public water systems and other persons, rather than to local government units only; and

(8) makes other technical and clarifying changes.