ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5621

STATE OF NEW JERSEY

DATED: JUNE 19, 2025

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5621.

As reported, this bill would authorize the New Jersey Infrastructure Bank (NJIB) to expend up to $2.4 billion to provide loans to local governments and privately-owned water companies (project sponsors) for a portion of the costs of water infrastructure projects, for the purpose of implementing the State Fiscal Year 2026 New Jersey Environmental Infrastructure Financing Program (NJEIFP). A companion bill, Assembly Bill No. 5622 of this session, would appropriate certain federal and State moneys to the Department of Environmental Protection (DEP) for the purpose of partially funding the costs of the clean water and drinking water projects enumerated by the bill.

The bill would authorize the NJIB to provide loans to fund the following projects:

(1) in subsection a. of section 2 of the bill, a list of two projects to improve water discharge and treatment systems that had previously received a loan and require supplemental loans, representing $5.2 million in estimated total loan amounts;

(2) in subsection b. of section 2 of the bill, a list of four projects to improve drinking water systems that had previously received a loan and require supplemental loans, representing $19 million in estimated total loan amounts;

(3) in subsection c. of section 3 of the bill, a list of four projects in the Pinelands area that are receiving funding under the "Pinelands Infrastructure Trust Bond Act of 1985," P.L.1985, c.302 to improve water discharge and treatment systems, representing $15.3 million in estimated total loan amounts;

(4) in subsection a. of section 4 of the bill, the "Storm Sandy and State Fiscal Year 2026 Clean Water Project Eligibility List," a list of 151 projects to improve water discharge and treatment systems, representing $1.7 billion in estimated total loan amounts; and

(5) in subsection b. of section 4 of the bill, the "Storm Sandy and State Fiscal Year 2026 Drinking Water Project Eligibility List," a list of 59 projects to improve drinking water systems, representing $651.7 million in estimated total loan amounts.

The bill would also appropriate to the NJIB an amount up to $1.5 billion, as necessary, to make short-term or temporary loans to project

sponsors on the "Interim Environmental Financing Program Project Priority List," which is required to be submitted to the Legislature by the DEP Commissioner. The bill would also appropriate to the NJIB the amount needed to fund project sponsors on the "Environmental Disaster Relief Emergency Financing Program Project Priority List," which is also required to be submitted to the Legislature by the DEP Commissioner. In addition, the bill would appropriate available funds from the "Economic Development and Infrastructure Improvement Revolving Fund" created pursuant to the annual appropriations act for State Fiscal Year 2021, P.L.2020, c.97, to provide debt service reserves or guarantees to certain local government units for the purpose of making them eligible to receive a loan from the NJIB to finance the environmental infrastructure component of a redevelopment project.

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

The bill would establish certain requirements on loans to project sponsors made by the NJIB pursuant to the bill, as enumerated in section 6 of the bill. The bill would also authorize the NJIB to decrease or increase the loan amounts it provides, subject to certain conditions enumerated in sections 7 and 8 of the bill. Finally, the bill would authorize the NJIB to utilize certain moneys to fund its annual operating expenses.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.