

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3472

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 26, 2024

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3472.

As amended, this bill would make various changes to several laws that provide the statutory authority of the New Jersey Infrastructure Bank (NJIB) to provide loans for environmental, transportation, hazard mitigation, and disaster relief projects.

Specifically, the bill would:

(1) explicitly provide that notes and bonds issued to the NJIB under the Community Hazard Assistance Mitigation Program (CHAMP) are required to be authorized and issued as provided by law for the issuance of notes and bonds by the applicable local government unit, approved by the Director of the Division of Local Government Services in the Department of Community Affairs, may be sold at private sale to the NJIB or the State at any price, and are subject to redemption prior to maturity at any time and at any price as the NJIB and the local government unit may agree;

(2) exempt short-term and temporary loans from the requirement that the loan be approved by the State Treasurer under the Water Bank program and the CHAMP program;

(3) amend section 6 of P.L.1985, c.334 (C.58:11B-6) to clarify that the statutory date after which the NJIB may not incur any additional indebtedness is June 30, 2053, rather than June 30, 2033;

(4) authorize the NJIB 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, to finance the cost of onsite wastewater treatment and disposal systems;

(5) restructure certain short-term loans under the Water Bank, Transportation Bank, and Disaster Relief programs so that the duration of the loans is five years, with no separate loan durations for the design phase or the construction phase of the project;

(6) authorize short-term or temporary loans made under the CHAMP program to bear interest at a variable rate;

(7) provide that short-term or temporary loans made to local governments under the CHAMP program would have a maturity date as provided in section 9 of P.L.1985, c.334 (C.58:11B-9), 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;

(8) clarify that the NJIB may establish terms regarding temporary loans under the CHAMP program;

(9) clarify the definition of "transportation project" in section 3 of P.L.1985, c.334 (C.58:11B-3); and

(10) clarify the definition of "hazard mitigation and resilience project" in section 2 of P.L.2023, c.63 (C.58:11B-20.4).

COMMITTEE AMENDMENTS:

The committee amendments would add "related transmission and distribution lines" to the definition of "transportation project" in the existing law.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.