

SENATE, No. 4603

STATE OF NEW JERSEY 222nd LEGISLATURE

INTRODUCED SEPTEMBER 28, 2026

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator RAJ MUKHERJI

District 32 (Hudson)

Senator JOHN F. MCKEON

District 27 (Essex and Passaic)

Co-Sponsored by:

Senators Gopal, Diegnan and Burgess

SYNOPSIS

“Clean Water and Safe Communities Bond Act,” authorizes bonds for \$5 billion; appropriates \$5,000.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/15/2026)

1 AN ACT authorizing the creation of a debt of the State of New
2 Jersey by the issuance of bonds of the State in the aggregate
3 principal amount of \$5 billion for the purpose of providing
4 financing for clean water and resilient infrastructure projects;
5 providing the ways and means to pay and discharge the principal
6 of and interest on the bonds; providing for the submission of this
7 act to the people at a general election; and making an
8 appropriation therefor.

9
10 **BE IT ENACTED** *by the Senate and General Assembly of the State*
11 *of New Jersey:*

12
13 1. This act shall be known and may be cited as the “Clean Water
14 and Safe Communities Bond Act.”

15
16 2. The Legislature finds and declares that:

17 a. Over the past decade, communities across New Jersey have
18 faced the impacts of increasingly extreme weather events with 14
19 federal disaster declarations for severe weather at the State-level
20 and with each county in the State experiencing at least five federal
21 disaster declarations for severe weather since 2011;

22 b. Considering the scale of the need for investment in resilient
23 infrastructure and the limitations of current federal funding, it is
24 critical that New Jersey explore new sources of funding for
25 mitigation and resilience projects;

26 c. Investment in resilient infrastructure can result in cumulative
27 benefits to residents and businesses by averting the threat of
28 damages and introducing co-benefits, including job opportunities
29 and healthier ecosystems in communities;

30 d. The co-benefits associated with investing in resilient
31 infrastructure may also help to advance workforce development in
32 the State by providing access to training programs, apprenticeships,
33 and targeted hiring practices; and

34 e. Infrastructure projects like flood risk and restoration projects,
35 water infrastructure projects, and resilience projects are necessary
36 to improve the State’s prevention of, mitigation of, and response to
37 severe weather disasters impacting the State.

38
39 3. As used in this act:

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

42 “Bonds” mean the bonds authorized to be issued, or issued,
43 under this act.

44 “Commission” means the New Jersey Commission on Capital
45 Budgeting and Planning.

46 “Commissioner” means the Commissioner of Environmental
47 Protection.

1 “Cost” means the expenses incurred in connection with: a
2 resilient infrastructure project; the execution of any agreements and
3 franchises deemed by the State Office of Emergency Management
4 to be necessary or useful and convenient in connection with any
5 resilient infrastructure project authorized by this act; the
6 procurement or provision of engineering, inspection, planning,
7 legal, financial, or other professional services, estimates, studies,
8 reports, or advice, including the services of a bond registrar or an
9 authenticating agent; feasibility studies; the issuance of bonds, or
10 any interest or discount thereon; the administrative, organizational,
11 operating, or other expenses incident to the financing and
12 completing of any project authorized by this act; the establishment
13 of a reserve fund or funds for working capital, operating,
14 maintenance, or replacement expenses and for the payment or
15 security of principal or interest on bonds, as the Director of the
16 Division of Budget and Accounting in the Department of the
17 Treasury may determine; and reimbursement to any fund of the
18 State of moneys which may have been transferred or advanced
19 therefrom to any fund created by this act, or of any moneys which
20 may have been expended therefrom for, or in connection with, any
21 project authorized by this act.

22 “Flood prevention and protection project” means any project
23 determined by the State Office of Emergency Management, in
24 consultation with the commissioner, to protect State residents,
25 property, or infrastructure from flood incidents, or to reduce or
26 prevent the impacts of a flood incident within the State, including
27 projects undertaken by or in partnership with municipalities,
28 nonprofit organizations, or other entities, and including, but not
29 limited to, wetland, marsh, and floodplain restoration, dam removal,
30 green infrastructure installation, stormwater management
31 improvements, structure elevation, floodproofing of buildings, and
32 drainage system upgrades.

33 “Government securities” means any bonds or other obligations
34 which as to principal and interest constitute direct obligations of, or
35 are unconditionally guaranteed by, the United States of America,
36 including obligations of any federal agency, to the extent those
37 obligations are unconditionally guaranteed by the United States of
38 America, and any certificates or any other evidences of an
39 ownership interest in those obligations of, or unconditionally
40 guaranteed by, the United States of America or in specified portions
41 which may consist of the principal of, or the interest on, those
42 obligations.

43 “Green buildings project” means any project determined by the
44 State Office of Emergency Management, in consultation with the
45 commissioner, to improve the efficiency and sustainability of
46 construction and development in the State, including, but not
47 limited to, building decarbonization, energy efficiency, and indoor
48 air quality improvements.

1 “Green communities project” means any project that the State
2 Office of Emergency Management, in consultation with the
3 commissioner, determines to improve the sustainability of, and
4 reduce the adverse effects of severe weather on, communities in the
5 State, including, but not limited to, improving heat resiliency in
6 communities.

7 “Grid modernization project” means any project determined by
8 the State Office of Emergency Management, in consultation with
9 the commissioner, to improve the State’s electric grid, including,
10 but not limited to, increasing distributed resource capacity,
11 improving system resilience and reliability, and improving the
12 hosting capability of the electric distribution system.

13 “Local government unit” means a county, a municipality, or any
14 board, commission, committee, authority, or agency thereof that is
15 subject to the provisions of the " Local Public Contracts Law,"
16 P.L.1971, c.198 (C.40A:11-1 et seq.), including a housing authority
17 or redevelopment agency created or continued under the "Local
18 Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et
19 seq.).

20 “Municipal resilience project” means any project undertaken by
21 a municipality, or in partnership with other public or private
22 entities, that is designed to enhance the ability of communities,
23 infrastructure, or natural systems to anticipate, withstand, respond
24 to, or recover from flood incidents or other severe weather-related
25 hazards, and that is consistent with, or supported by, an adopted or
26 approved resilience, adaptation, or hazard mitigation plan,
27 including, but not limited to, nature-based solutions, infrastructure
28 improvements, emergency preparedness measures, and land use or
29 floodplain management activities.

30 “Nature-based solution” means a strategy or approach that uses
31 natural processes, ecosystems, or engineered systems that mimic
32 natural processes to address environmental challenges, such as
33 water quality, flood risk, erosion, and habitat loss, while providing
34 co-benefits for nature and habitats. “Nature-based solution”
35 includes, but is not limited to, the creation of living shorelines,
36 marsh restoration and enhancement, habitat creation, carbon
37 sequestration, and bank stabilization.

38 “Post-flood recovery project” means any project determined by
39 the State Office of Emergency Management, in consultation with
40 the commissioner, to restore, rehabilitate, or enhance State-owned
41 property, or other lands, communities, or natural resources impacted
42 by a flood incident, including, but not limited to, projects
43 undertaken by, or in partnership with, municipalities, nonprofit
44 organizations, or other entities, and including, but not limited to,
45 natural resources, coastal restoration, and marsh restoration.

46 “Resilience project” means any project that enhances the State’s
47 ability to adapt to future severe weather impacts, including, but not
48 limited to: (1) grid modernization projects; (2) green building

1 projects; (3) green communities projects; (4) municipal resilience
2 projects; and (5) wildfire mitigation projects.

3 “Resilient infrastructure project” means any resilience project,
4 flood prevention and protection project, post-flood recovery project,
5 restoration project, or water infrastructure project.

6 “Restoration project” means any project determined by the State
7 Office of Emergency Management, in consultation with the
8 commissioner, to restore State property, lands, or natural resources
9 after a flood incident, including, but not limited to, coastal
10 rehabilitation and shoreline restoration.

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

14 “Water infrastructure project” means any project related to the
15 improvement of drinking water, wastewater, and stormwater
16 infrastructure in the State, which may include the use of nature-
17 based solutions or green infrastructure.

18

19 4. The Department of Law and Public Safety, in consultation
20 with the commissioner, shall adopt, pursuant to the “Administrative
21 Procedure Act,” P.L.1968 c.410 (C.52:14B-1 et seq.), rules and
22 regulations necessary to implement the provisions of this act. The
23 Attorney General shall review and consider the findings and
24 recommendations of the commission in the administration of the
25 provisions of this act.

26

27 5. a. Bonds of the State of New Jersey are authorized to be
28 issued in the aggregate principal amount of \$5 billion for the
29 purpose of financing the cost of resilient infrastructure projects, as
30 set forth in subsection b. of this section.

31 b. Of the aggregate principal amount of bonds authorized
32 pursuant to subsection a. of this section:

33 (1) \$1.7 billion shall be used to finance the costs of flood
34 prevention and protection projects and post-flood recovery projects
35 undertaken by the State Office of Emergency Management, in
36 consultation with the commissioner, and to provide grants to local
37 government units and nonprofit organizations to finance the costs of
38 flood prevention and protection projects and post-flood recovery
39 projects;

40 (a) Procedures for the review of, approval of, and eligibility
41 criteria for, a grant for a flood prevention and protection projects
42 and post-flood recovery projects shall be established by the State
43 Office of Emergency Management and the commissioner, working
44 in collaboration with one another.

45 (b) Of the monies authorized pursuant to this paragraph, not less
46 than \$300 million shall be available for post-flood recovery projects
47 with not less than 20 percent going towards nature-based solutions,
48 not less than \$300 million shall be available for restoration projects

1 with not less than 20 percent going towards nature-based solutions,
2 and not less than \$400 million shall be available for voluntary
3 property buyouts in flood-prone areas of the State. The remainder
4 of the monies authorized pursuant to this paragraph shall be
5 available for municipal resilience projects that are supported by an
6 adopted, approved, or otherwise finalized resilience, adaptation, or
7 hazard mitigation plan.

8 (2) \$1 billion shall be used to finance the costs of water
9 infrastructure projects undertaken by the Department of
10 Environmental Protection and to provide grants to local government
11 units and nonprofit organizations to finance the costs of water
12 infrastructure projects; and

13 (a) Procedures for the review of, approval of, and eligibility
14 criteria for, a grant for a water infrastructure project shall be
15 established by the commissioner. The procedures shall be
16 substantively similar to the procedures utilized under the New
17 Jersey Environmental Infrastructure Trust Financing Program.

18 (b) Of the monies authorized pursuant to this paragraph, not less
19 than \$300 million shall be available for drinking water
20 infrastructure projects, not less than \$400 million shall be available
21 for stormwater infrastructure projects with not less than 20 percent
22 going towards nature-based solutions, and not less than \$300
23 million shall be available for wastewater infrastructure projects.
24 The remainder of the monies authorized pursuant to this paragraph
25 shall be available for water infrastructure projects.

26 (3) \$2.3 billion shall be used to finance the costs of resilience
27 projects undertaken by the State Office of Emergency Management,
28 in consultation with the commissioner, and to provide grants to
29 local government units and nonprofit organizations to finance the
30 costs of resilience projects.

31 (a) Procedures for the review of, approval of, and eligibility
32 criteria for, a grant for a resilience project shall be established by
33 the State Office of Emergency Management, in consultation with
34 the commissioner.

35 (b) Of the monies authorized pursuant to this paragraph, not less
36 than \$500 million shall be available for grid modernization projects,
37 not less than \$600 million shall be available for green buildings
38 projects, and not less than \$450 million shall be available for green
39 communities projects. The remainder of the monies authorized
40 pursuant to this paragraph shall be available for resilience projects.

41 (c) The State Office of Emergency Management may collaborate
42 with the Board of Public Utilities or delegate grant selection
43 processes to the Board of Public Utilities concerning energy-related
44 resilience projects.

45 c. The State Office of Emergency Management, in consultation
46 with the commissioner and the bank, shall for each fiscal year
47 develop a priority system for the ranking of resilient infrastructure
48 projects to be financed pursuant to this act and a Resilient

1 Infrastructure Project Eligibility List, which lists the projects to be
2 recommended for funding in the upcoming fiscal year. Any
3 resilient infrastructure project, or sponsor thereof, not identified in
4 the project priority list pursuant to this subsection, shall not be
5 eligible for a grant from the Resilient Infrastructure Fund. The State
6 Office of Emergency Management, in consultation with the
7 commissioner, may revise or supplement the project priority list no
8 more than once during the fiscal year and shall submit the revised
9 list to the Legislature when the revisions are made.

10 d. On or before May 15 of each year, the bank shall submit the
11 Resilient Infrastructure Project Eligibility List to the Legislature
12 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) to be
13 introduced in each House in the form of legislative appropriations
14 bills, which shall be referred to the Senate Environment and Energy
15 Committee and the Assembly Environment and Solid Waste
16 Committee, or their successors, for their respective consideration.
17 The Senate Environment and Energy Committee and the Assembly
18 Environment and Solid Waste Committee shall, either individually
19 or jointly, consider the legislation containing the Resilient
20 Infrastructure Project Eligibility List, and shall report the
21 legislation, together with any modifications, out of committee for
22 consideration by each House of the Legislature. On or before July 1
23 of each year, the Legislature shall approve an appropriations act
24 containing the Resilient Infrastructure Project Eligibility List,
25 which act shall include the authorization of an aggregate amount of
26 funds of the bank to be expended for grants for the resilient
27 infrastructure projects, including the individual amounts therefor,
28 on the list.

29 e. The requirements of subsections c. and d. of this section shall
30 expire when all funds collected through the issuance of Resilient
31 Infrastructure Bonds pursuant to this act have been expended.

32 f. Each project constructed pursuant to the provisions of this act
33 shall be constructed utilizing a project labor agreement and shall
34 pay prevailing wages, in accordance with the "New Jersey
35 Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.), for
36 any construction services in State.

37 g. Up to 10 percent of a grant awarded pursuant to this section
38 may be used for planning and design activities.

39

40 6. The bonds authorized under this act shall be serial bonds,
41 term bonds, or a combination thereof, and shall be known as
42 "Resilient Infrastructure Bonds." They shall be issued from time to
43 time as the issuing officials herein named shall determine and may
44 be issued in coupon form, fully-registered form or book-entry form.
45 The bonds may be subject to redemption prior to maturity and shall
46 mature and be paid not later than 35 years from the respective dates
47 of their issuance.

1 7. The Governor, the State Treasurer and the Director of the
2 Division of Budget and Accounting in the Department of the
3 Treasury, or any two of these officials, herein referred to as “the
4 issuing officials,” are authorized to carry out the provisions of this
5 act relating to the issuance of bonds, and shall determine all matters
6 in connection therewith, subject to the provisions of this act. If an
7 issuing official is absent from the State or incapable of acting for
8 any reason, the powers and duties of that issuing official shall be
9 exercised and performed by the person authorized by law to act in
10 an official capacity in the place of that issuing official.

11
12 8. Bonds issued in accordance with the provisions of this act
13 shall be a direct obligation of the State of New Jersey, and the faith
14 and credit of the State are pledged for the payment of the interest
15 and redemption premium thereon, if any, when due, and for the
16 payment of the principal thereof at maturity or earlier redemption
17 date. The principal of and interest on the bonds shall be exempt
18 from taxation by the State or by any county, municipality or other
19 taxing district of the State.

20
21 9. The bonds shall be signed in the name of the State by means
22 of the manual or facsimile signature of the Governor under the
23 Great Seal of the State, which seal may be by facsimile or by way
24 of any other form of reproduction on the bonds, and attested by the
25 manual or facsimile signature of the Secretary of State, or an
26 Assistant Secretary of State, and shall be countersigned by the
27 facsimile signature of the Director of the Division of Budget and
28 Accounting in the Department of the Treasury and may be manually
29 authenticated by an authenticating agent or bond registrar, as the
30 issuing official shall determine. Interest coupons, if any, attached
31 to the bonds shall be signed by the facsimile signature of the
32 Director of the Division of Budget and Accounting in the
33 Department of the Treasury. The bonds may be issued
34 notwithstanding that an official signing them or whose manual or
35 facsimile signature appears on the bonds or coupons has ceased to
36 hold office at the time of issuance, or at the time of the delivery of
37 the bonds to the purchaser thereof.

38
39 10. a. The bonds shall recite that they are issued for the
40 purposes set forth in section 5 of this act, that they are issued
41 pursuant to this act, that this act was submitted to the people of the
42 State at the general election next occurring at least 70 days after
43 enactment as specified in section 23 of this act, and that this act was
44 approved by a majority of the legally qualified voters of the State
45 voting thereon at the election. This recital shall be conclusive
46 evidence of the authority of the State to issue the bonds and their
47 validity. Any bonds containing this recital shall, in any suit, action
48 or proceeding involving their validity, be conclusively deemed to be

1 fully authorized by this act and to have been issued, sold, executed
2 and delivered in conformity herewith and with all other provisions
3 of laws applicable hereto, and shall be incontestable for any cause.

4 b. The bonds shall be issued in those denominations and in the
5 form or forms, whether coupon, fully-registered or book-entry, and
6 with or without provisions for interchangeability thereof, as may be
7 determined by the issuing officials.

8
9 11. When the bonds are issued from time to time, the bonds of
10 each issue shall constitute a separate series to be designated by the
11 issuing officials. Each series of bonds shall bear such rate or rates
12 of interest as may be determined by the issuing officials, which
13 interest shall be payable semiannually; except that the first and last
14 interest periods may be longer or shorter, in order that intervening
15 semiannual payments may be at convenient dates.

16
17 12. The bonds shall be issued and sold at the price or prices and
18 under the terms, conditions and regulations as the issuing officials
19 may prescribe, after notice of the sale, published at least once in at
20 least three newspapers published in this State, and at least once in a
21 publication carrying municipal bond notices and devoted primarily
22 to financial news, published in this State or in the city of New York,
23 the first notice to appear at least five days prior to the day of
24 bidding. The notice of sale may contain a provision to the effect
25 that any bid in pursuance thereof may be rejected. In the event of
26 rejection or failure to receive any acceptable bid, the issuing
27 officials, at any time within 60 days from the date of the advertised
28 sale, may sell the bonds at a private sale at such price or prices
29 under the terms and conditions as the issuing officials may
30 prescribe. The issuing officials may sell all or part of the bonds of
31 any series as issued to any State fund or to the federal government
32 or any agency thereof, at a private sale, without advertisement.

33
34 13. Until permanent bonds are prepared, the issuing officials
35 may issue temporary bonds in the form and with those privileges as
36 to their registration and exchange for permanent bonds as may be
37 determined by the issuing officials.

38
39 14. The proceeds from the sale of bonds used to provide grants
40 to local government units and nonprofit organization, and for use by
41 the State, to finance the costs of resilient infrastructure projects as
42 set forth in section 5 shall be paid to the State Treasurer, shall be
43 held by the State Treasurer in a separate fund, and shall be
44 deposited in such depositories as may be selected by the State
45 Treasurer to the credit of the fund, which fund shall be known as
46 the "Resilient Infrastructure Fund."

1 15. a. The moneys in the “Resilient Infrastructure Fund” are
2 specifically dedicated and shall be applied to the cost of grants to
3 local government units and nonprofit organizations, and for use by
4 the State, to finance the costs of resilient infrastructure projects as
5 set forth in section 5 of this act. However, no moneys in the fund
6 shall be expended for those purposes, except as otherwise
7 authorized by this act, without the specific appropriation thereof by
8 the Legislature, but bonds may be issued as herein provided,
9 notwithstanding that the Legislature shall not have then adopted an
10 act making a specific appropriation of any of the moneys. Any act
11 appropriating moneys from the “Resilient Infrastructure Fund” shall
12 identify the project to be funded by the moneys.

13 b. At any time prior to the issuance and sale of bonds under this
14 act, the State Treasurer is authorized to transfer from any available
15 moneys in any fund of the treasury of the State to the credit of the
16 “Resilient Infrastructure Fund” those sums as the State Treasurer
17 may deem necessary. The sums so transferred shall be returned to
18 the same fund of the treasury of the State by the State Treasurer
19 from the proceeds of the sale of the first issue of bonds.

20 c. Pending their application to the purposes provided in this act,
21 the moneys in the “Resilient Infrastructure Fund” may be invested
22 and reinvested as are other trust funds in the custody of the State
23 Treasurer, in the manner provided by law. Net earnings received
24 from the investment, reinvestment, or deposit of moneys in the
25 “Resilient Infrastructure Fund” shall be deposited into the
26 “Resilient Infrastructure Fund” and become part of that fund.

27
28 16. If any coupon bond, coupon or registered bond is lost,
29 mutilated or destroyed, a new bond or coupon shall be executed and
30 delivered of like tenor, in substitution for the lost, mutilated or
31 destroyed bond or coupon, upon the owner furnishing to the issuing
32 officials evidence satisfactory to them of the loss, mutilation or
33 destruction of the bond or coupon, the ownership thereof, and
34 security, indemnity and reimbursement for expenses connected
35 therewith, as the issuing officials may require.

36
37 17. The accrued interest, if any, received upon the sale of the
38 bonds shall be applied to the discharge of a like amount of interest
39 upon the bonds when due. Any expense incurred by the issuing
40 officials for advertising, engraving, printing, clerical,
41 authenticating, registering, legal or other services necessary to carry
42 out the duties imposed upon them by the provisions of this act shall
43 be paid from the proceeds of the sale of the bonds by the State
44 Treasurer, upon the warrant of the Director of the Division of
45 Budget and Accounting in the Department of the Treasury, in the
46 same manner as other obligations of the State are paid.

1 18. Bonds of each series issued hereunder shall mature,
2 including any sinking fund redemptions, not later than the 35th year
3 from the date of issue of that series, and in amounts as shall be
4 determined by the issuing officials. The issuing officials may
5 reserve to the State by appropriate provision in the bonds of any
6 series the power to redeem any of the bonds prior to maturity at the
7 price or prices and upon the terms and conditions as may be
8 provided in the bonds.

9
10 19. Any bond or bonds issued hereunder which are subject to
11 refinancing pursuant to the "Refunding Bond Act of 1985,"
12 P.L.1985, c.74 as amended by P.L.1992, c.182 (C.49:2B-1 et seq.),
13 shall no longer be deemed to be outstanding, shall no longer
14 constitute a direct obligation of the State of New Jersey, and the
15 faith and credit of the State shall no longer be pledged to the
16 payment of the principal of, redemption premium, if any, and
17 interest on the bonds, and the bonds shall be secured solely by and
18 payable solely from moneys and government securities deposited in
19 trust with one or more trustees or escrow agents, which trustees and
20 escrow agents shall be trust companies or national or state banks
21 having powers of a trust company, located either within or without
22 the State, as provided herein, whenever there shall be deposited in
23 trust with the trustees or escrow agents, as provided herein, either
24 moneys or government securities, including government securities
25 issued or held in book-entry form on the books of the Department of
26 Treasury of the United States, the principal of and interest on which
27 when due will provide money which, together with the moneys, if
28 any, deposited with the trustees or escrow agents at the same time,
29 shall be sufficient to pay when due the principal of, redemption
30 premium, if any, and interest due and to become due on the bonds
31 on or prior to the redemption date or maturity date thereof, as the
32 case may be; provided the government securities shall not be
33 subject to redemption prior to their maturity other than at the option
34 of the holder thereof. The State of New Jersey hereby covenants
35 with the holders of any bonds for which government securities or
36 moneys shall have been deposited in trust with the trustees or
37 escrow agents as provided in this section that, except as otherwise
38 provided in this section, neither the government securities nor
39 moneys so deposited with the trustees or escrow agents shall be
40 withdrawn or used by the State for any purpose other than, and shall
41 be held in trust for, the payment of the principal of, redemption
42 premium, if any, and interest to become due on the bonds; provided
43 that any cash received from the principal or interest payments on
44 the government securities deposited with the trustees or escrow
45 agents, to the extent the cash will not be required at any time for
46 that purpose, shall be paid over to the State, as received by the
47 trustees or escrow agents, free and clear of any trust, lien, pledge or
48 assignment securing the bonds; and to the extent the cash will be

1 required for that purpose at a later date, shall, to the extent
2 practicable and legally permissible, be reinvested in government
3 securities maturing at times and in amounts sufficient to pay when
4 due the principal of, redemption premium, if any, and interest to
5 become due on the bonds on and prior to the redemption date or
6 maturity date thereof, as the case may be, and interest earned from
7 the reinvestments shall be paid over to the State, as received by the
8 trustees or escrow agents, free and clear of any trust, lien or pledge
9 securing the bonds. Notwithstanding anything to the contrary
10 contained herein: a. the trustees or escrow agents shall, if so
11 directed by the issuing officials, apply moneys on deposit with the
12 trustees or escrow agents pursuant to the provisions of this section,
13 and redeem or sell government securities so deposited with the
14 trustees or escrow agents, and apply the proceeds thereof to (1) the
15 purchase of the bonds which were refinanced by the deposit with
16 the trustees or escrow agents of the moneys and government
17 securities and immediately thereafter cancel all bonds so purchased,
18 or (2) the purchase of different government securities; provided
19 however, that the moneys and government securities on deposit
20 with the trustees or escrow agents after the purchase and
21 cancellation of the bonds or the purchase of different government
22 securities shall be sufficient to pay when due the principal of,
23 redemption premium, if any, and interest on all other bonds in
24 respect of which the moneys and government securities were
25 deposited with the trustees or escrow agents on or prior to the
26 redemption date or maturity date thereof, as the case may be; and b.
27 in the event that on any date, as a result of any purchases and
28 cancellations of bonds or any purchases of different government
29 securities, as provided in this sentence, the total amount of moneys
30 and government securities remaining on deposit with the trustees or
31 escrow agents is in excess of the total amount which would have
32 been required to be deposited with the trustees or escrow agents on
33 that date in respect of the remaining bonds for which the deposit
34 was made in order to pay when due the principal of, redemption
35 premium, if any, and interest on the remaining bonds, the trustees or
36 escrow agents shall, if so directed by the issuing officials, pay the
37 amount of the excess to the State, free and clear of any trust, lien,
38 pledge or assignment securing the refunding bonds.

39
40 20. Refunding bonds issued pursuant to P.L.1985, c.74 as
41 amended by P.L.1992, c.182 (C.49:2B-1 et seq.) may be
42 consolidated with bonds issued pursuant to section 5 of this act or
43 with bonds issued pursuant to any other act for purposes of sale.

44
45 21. To provide funds to meet the interest and principal payment
46 requirements for the bonds and refunding bonds issued under this
47 act and outstanding, there is appropriated in the order following:

1 a. Revenue derived from the collection of taxes under the “Sales
2 and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.), or so much
3 thereof as may be required; and

4 b. If, at any time, funds necessary to meet the interest,
5 redemption premium, if any, and principal payments on outstanding
6 bonds issued under this act are insufficient or not available, there
7 shall be assessed, levied and collected annually in each of the
8 municipalities of the counties of this State, a tax on the real and
9 personal property upon which municipal taxes are or shall be
10 assessed, levied and collected, sufficient to meet the interest on all
11 outstanding bonds issued hereunder and on the bonds proposed to
12 be issued under this act in the calendar year in which the tax is to be
13 raised and for the payment of bonds falling due in the year
14 following the year for which the tax is levied. The tax shall be
15 assessed, levied and collected in the same manner and at the same
16 time as are other taxes upon real and personal property. The
17 governing body of each municipality shall cause to be paid to the
18 county treasurer of the county in which the municipality is located,
19 on or before December 15 in each year, the amount of tax herein
20 directed to be assessed and levied, and the county treasurer shall
21 pay the amount of the tax to the State Treasurer on or before
22 December 20 in each year.

23 If on or before December 31 in any year, the issuing officials, by
24 resolution, determine that there are moneys in the General Fund
25 beyond the needs of the State, sufficient to pay the principal of
26 bonds falling due and all interest and redemption premium, if any,
27 payable in the ensuing calendar year, the issuing officials shall file
28 the resolution in the office of the State Treasurer, whereupon the
29 State Treasurer shall transfer the moneys to a separate fund to be
30 designated by the State Treasurer, and shall pay the principal,
31 redemption premium, if any, and interest out of that fund as the
32 same shall become due and payable, and the other sources of
33 payment of the principal, redemption premium, if any, and interest
34 provided for in this section shall not then be available, and the
35 receipts for the year from the tax specified in subsection a. of this
36 section shall be considered and treated as part of the General Fund,
37 available for general purposes.

38
39 22. Should the State Treasurer, by December 31 of any year,
40 deem it necessary, because of the insufficiency of funds collected
41 from the sources of revenues as provided in this act, to meet the
42 interest and principal payments for the year after the ensuing year,
43 then the State Treasurer shall certify to the Director of the Division
44 of Budget and Accounting in the Department of the Treasury the
45 amount necessary to be raised by taxation for those purposes, the
46 same to be assessed, levied and collected for and in the ensuing
47 calendar year. The director shall, on or before March 1 following,
48 calculate the amount in dollars to be assessed, levied and collected

1 in each county as herein set forth. This calculation shall be based
2 upon the corrected assessed valuation of each county for the year
3 preceding the year in which the tax is to be assessed, but the tax
4 shall be assessed, levied and collected upon the assessed valuation
5 of the year in which the tax is assessed and levied. The director
6 shall certify the amount to the county board of taxation and the
7 treasurer of each county. The county board of taxation shall include
8 the proper amount in the current tax levy of the several taxing
9 districts of the county in proportion to the ratables as ascertained for
10 the current year.

11

12 23. For the purpose of complying with the provisions of the
13 State Constitution, this act shall be submitted to the people at the
14 general election next occurring at least 70 days after enactment. To
15 inform the people of the contents of this act, it shall be the duty of
16 the Secretary of State, after this section takes effect, and at least 60
17 days prior to the election, to cause this act to be published at least
18 once in one or more newspapers of each county, if any newspapers
19 be published therein and to notify the clerk of each county of this
20 State of the passage of this act; and the clerks respectively, in
21 accordance with the instructions of the Secretary of State, shall
22 have printed on each of the ballots the following:

23 If you approve of the act entitled below, make a cross (x), plus
24 (+), or check (✓) mark in the square opposite the word "Yes."

25 If you disapprove of the act entitled below, make a cross (x),
26 plus (+), or check (✓) mark in the square opposite the word "No."

27 If voting machines are used, a vote of "Yes" or "No" shall be
28 equivalent to these markings respectively.

29

	CLEAN WATER AND SAFE COMMUNITIES BOND ACT Do you approve the "Clean Water and Safe Communities Bond Act"? This bond act authorizes the State to issue bonds in the amount of \$5 billion. The money from the sale of the bonds would be used to finance, or provide grants to local governments and nonprofit organizations to finance, the costs of resilient infrastructure projects. These projects would include flood prevention and protection projects, post-flood recovery projects, water infrastructure projects, and resilience projects.
YES	

30

NO	INTERPRETIVE STATEMENT This act would allow the State to borrow a total principal amount of \$5 billion. This money would be used by the State, local governments, and nonprofit organizations to finance the costs of resilient infrastructure projects. \$1.7 billion would be used for flood prevention and protection projects and post-flood recovery projects. \$1 billion would be used for water infrastructure projects. \$2.3 billion would be used for resilience projects.
----	--

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37

The fact and date of the approval or passage of this act, as the case may be, may be inserted in the appropriate place after the title in the ballot. No other requirements of law of any kind or character as to notice or procedure, except as herein provided, need be adhered to.

The votes so cast for and against the approval of this act, by ballot or voting machine, shall be counted and the result thereof returned by the election officer, and a canvass of the election had in the same manner as is provided for by law in the case of the election of a Governor, and the approval or disapproval of this act so determined shall be declared in the same manner as the result of an election for a Governor, and if there is a majority of all the votes cast for and against it at the election in favor of the approval of this act, then all the provisions of this act not made effective theretofore shall take effect forthwith.

24. There is appropriated the sum of \$5,000 to the Department of State for expenses in connection with the publication of notice pursuant to section 23 of this act.

25. The Attorney General shall submit to the State Treasurer and the commission with the Department of Law and Public Safety’s annual budget request, and the commissioner shall submit to the State Treasurer and the commission with the Department of Environmental Protection’s annual budget request, a plan for the expenditure of funds from the “Resilient Infrastructure Fund” for the upcoming fiscal year. This plans shall include the following information: a performance evaluation of the expenditures made from the funds to date; a description of programs planned during the upcoming fiscal year; a copy of the regulations in force governing the operation of programs that are financed, in part or in whole, by funds from the “Resilient Infrastructure Fund”; and an estimate of expenditures for the upcoming fiscal year.

26. Immediately following the submission to the Legislature of the Governor's annual budget message, the Attorney General and

1 the commissioner shall submit to the Legislature pursuant to section
2 2 of P.L.1991, c.164 (C.52:14-19.1), and to the Joint Budget
3 Oversight Committee, or its successor, copies of the plan called for
4 under section 25 of this act, together with such changes therein as
5 may have been required by the Governor's budget message.

6
7 27. All appropriations from the "Resilient Infrastructure Fund"
8 shall be by specific allocation for each project, and any transfer of
9 any funds so appropriated shall require the approval of the Joint
10 Budget Oversight Committee, or its successor.

11
12 28. This section and sections 23 and 24 of this act shall take
13 effect immediately and the remainder of this act shall take effect as
14 and when provided in section 23 of this act.

15 16 17 STATEMENT

18
19 This bill, entitled the "Clean Water and Safe Communities Bond
20 Act," authorizes the issuance of \$5 billion in State general
21 obligation bonds to be used for the purpose of financing the cost of
22 resilient infrastructure projects in the State.

23 The \$5 billion in bonds will be allocated in the following
24 manner:

25 (1) \$1.7 billion is required to be used to finance the costs of
26 flood prevention and protection projects and post-flood recovery
27 projects undertaken by the State Office of Emergency Management,
28 in consultation with the Commissioner of Environmental Protection
29 (commissioner) and to provide grants to local government units and
30 nonprofit organizations to finance the costs of flood prevention and
31 protection projects and post-flood recovery projects;

32 (2) \$1 billion is required to be used to finance the costs of water
33 infrastructure projects undertaken by the Department of
34 Environmental Protection and to provide grants to local government
35 units and nonprofit organizations to finance the costs of water
36 infrastructure projects; and

37 (3) \$2.3 billion is required to be used to finance the costs of
38 resilience projects undertaken by the State Office of Emergency
39 Management, in consultation with the commissioner, and to provide
40 grants to local government units and nonprofit organizations to
41 finance the costs of resilience projects.

42 Procedures for the review, approval of, and eligibility criteria
43 for, grants are to be established by the State Office of Emergency
44 Management, in consultation with the commissioner.

45 Of the monies authorized to finance the costs of flood prevention
46 and protection projects and post-flood recovery projects undertaken
47 by the State Office of Emergency Management, in consultation with
48 the commissioner, and to provide grants to local government units

1 and nonprofit organizations to finance the costs of flood prevention
2 and protection projects and post-flood recovery projects, not less
3 than \$300 million is to be made available for post-flood recovery
4 projects with not less than 20 percent going towards nature-based
5 solutions, not less than \$300 million is to be made available for
6 restoration projects with not less than 20 percent going towards
7 nature-based solutions, and not less than \$400 million is to be made
8 available for voluntary property buyouts in flood-prone areas of the
9 State. Of the monies authorized to finance the costs of water
10 infrastructure projects undertaken by the Department of
11 Environmental Protection and to provide grants to local government
12 units and nonprofit organizations to finance the costs of water
13 infrastructure projects, not less than \$300 million is to be made
14 available for drinking water infrastructure projects, not less than
15 \$400 million is to be made available for stormwater infrastructure
16 projects, and not less than \$300 million is to be made available for
17 wastewater infrastructure projects. Of the monies authorized to
18 finance the costs of resilience projects undertaken by the State
19 Office of Emergency Management, in consultation with the
20 commissioner, and to provide grants to local government units and
21 nonprofit organizations to finance the resilience projects, not less
22 than \$500 million is to be made available for grid modernization
23 projects, not less than \$600 million is to be made available for
24 green buildings projects, and not less than \$450 million is to be
25 made available for green communities projects. The State Office of
26 Emergency Management may collaborate with the Board of Public
27 Utilities (board) or delegate grant selection processes to the board
28 concerning energy-related resilience projects.

29 The bill provides that the bond act is to be submitted to the
30 people for approval at the general election to be held at least 70
31 days after enactment and appropriates \$5,000 to the Department of
32 State for expenses in connection with the publication of the public
33 question.