SENATE, No. 4966

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED NOVEMBER 23, 2026

Sponsored by:
Senator PATRICK J. DIEGNAN, JR.
District 18 (Middlesex)

SYNOPSIS

Modifies list of transportation infrastructure projects eligible to receive loans from NJ Infrastructure Bank for FY2027.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning the expenditure of funds by the New Jersey Infrastructure Bank to finance a portion of the cost of certain transportation infrastructure projects and amending P.L.2026, c.41.

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

1. Section 1 of P.L.2026, c.41 is amended to read as follows:

1. As used in **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill):

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

"Capitalized interest" means an amount equal to the interest paid on bank transportation bonds that is funded with bank transportation bond proceeds and the earnings thereon.

"Debt service reserve fund expenses" means the debt service reserve fund costs associated with reserve capacity expenses.

"Issuance expenses" means any costs related to the issuance of bank transportation bonds and includes, but is not limited to, the costs of financial document printing, bond insurance premiums or other credit enhancement, underwriters' discount, verification of financial calculations, the services of bond rating agencies and trustees, and the employment of accountants, attorneys, financial advisors, loan servicing agents, registrars, and paying agents.

"Loan origination fee" means the fee charged by the bank to pay a portion of the costs incurred by the bank and the Department of Transportation in the implementation of the New Jersey Transportation Infrastructure Financing Program.

"Project sponsor" means a local government unit receiving a loan from the bank pursuant to **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill).

"Reserve capacity expenses" means those project costs for reserve capacity that are eligible for loans from the bank in accordance with the requirements of subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9) and any policy statements relating to the Transportation Infrastructure Financing Program to be set forth in the State Fiscal Year 2027 Transportation Infrastructure Financing Program Financial Plan.

(cf: P.L.2026, c.41, s.1)

2. Section 2 of P.L.2026, c.41 is amended to read as follows:

2. a. The New Jersey Infrastructure Bank is authorized to expend the aggregate sum of **[**$65,550,000**]** $60,200,000 or such

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

amounts as can be supported through balances in the State Transportation Infrastructure Bank Fund, established pursuant to section 34 of P.L.2016, c.56 (C.58:11B-10.4), and via direct appropriation through the State transportation capital program for the purpose of making loans to, or on behalf of, local government units to finance all or a portion of the cost of construction of transportation infrastructure projects listed in section 4 of **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill).

b. The bank is authorized to make a maximum of $1,000,000 in principal-forgiveness financing loans to project sponsors for planning and design costs. Up to $100,000 of a loan authorized by this subsection, per borrower, shall be forgiven for a project where a principal amount of at least $250,000 is financed by the Transportation Infrastructure Financing Program through completion of the project's construction.

c. The bank is authorized to increase the aggregate sums specified in subsection a. of this section for the bank's costs to acquire lending capital, including:

(1) the amounts of capitalized interest, interest accrued pursuant to a short-term or temporary loan made to a project sponsor pursuant to the Interim Transportation Financing Program, and the bond issuance expenses, as provided in subsection b. of section 7 of **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill);

(2) the amounts of reserve capacity expenses and debt service reserve fund requirements, as provided in subsection c. of section 7 of **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill);

(3) the amounts of the loan origination fee, as provided in subsection d. of section 7 of **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill); and

(4) the amounts of the debt service reserve or guarantees provided to local government units from the Economic Development and Infrastructure Improvement Revolving Fund, as provided in subsection e. of section 7 of **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill).

(cf: P.L.2026, c.41, s.2)

3. Section 3 of P.L.2026, c.41 is amended to read as follows:

3. The New Jersey Infrastructure Bank is authorized to make loans to, or on behalf of, the project sponsors for the transportation projects listed in subsection a. of section 4 of **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), up to the individual amounts indicated and in the priority stated, except that any such amount may be reduced by the bank

pursuant to subsection a. of section 7 of ⟦this act⟧ P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), or if a project fails to meet the requirements of section 6 of ⟦this act⟧ P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill). The bank is authorized to increase any such amount pursuant to subsection b. through subsection d. of section 7 of ⟦this act⟧ P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), or section 8 of ⟦this act⟧ P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill).
(cf: P.L.2026, c.41, s.3)

4. Section 4 of P.L.2026, c.41 is amended to read as follows:

4. a. The following transportation infrastructure projects shall be known and may be cited as the "State Fiscal Year 2027 Transportation Financing Program Project Eligibility List":

1

Applicant, Project No.	**Project Description**	**Estimated Total Allowable State Loan Amount**	**Estimated Total Allowable Loan Amount**
[Bayonne City, TB0901-001	E. 25th Street Pedestrian Bridge Replacement	$2,000,000	$4,000,000]
Bayonne City, TB0901-001R	E. 25th Street Pedestrian Bridge Replacement	$450,000	$900,000
Essex County, TB0700-004	Priority Repairs to County Bridges - Harrison, East Newark and Newark	$2,675,000	$5,350,000
Hoboken City, TB0905-001	Sinatra Drive Redesign Project	$4,225,000	$8,450,000
[Princeton, TB1110-001	Improvement of Witherspoon Street Phases 2 and 3	$4,225,000	$8,450,000]
Robbinsville Township, TB1112-002	Country Meadows, Brookshire Estate, and Meadowbrook Road	$1,700,000	$3,400,000
Bayonne City, TB0901-003	Improvements to Broadway and Avenue E	[$875,000] $1,100,000	[$1,750,000] $2,200,000
Hoboken City, STB0905-003	WIU Phase 2 - Complete Streets Improvements	$1,875,000	$3,750,000
Plumsted Township, TB1523-001	Plumsted Road and Drainage Projects 2021	[$700,000] $400,000	[$1,400,000] $800,000
[Little Ferry Borough, TB0230-002	2024 Road Improvement Program	$925,000	$1,850,000]
North Bergen Township, STB0908-001	Township-Wide Roadway Improvements	$3,900,000	$7,800,000
Willingboro Township, TB0338-001	2023 Segment Rating 4 Roadway Project	$1,850,000	$3,700,000
Hawthorne Borough, TB1604-001	2024-2026 Road Project	$3,275,000	$6,550,000
Mendham Township, TB1419-002	2024 Road Improvements	$1,150,000	$2,300,000
Marlboro Township, TB1328-003	2024 Road Improvement Program (060-4, 060-7)	$575,000	$1,150,000
Seaside Park Borough, STB1527-002	K Street Roadway Improvements	$650,000	$1,300,000
Seaside Park Borough, TB1527-001	Seaside Park Boardwalk Reconstruction	$6,275,000	$12,550,000
Total Projects: [15] 14		[$32,775,000] $30,100,000	[$65,550,000] $60,200,000

b. The bank is authorized to adjust the allowable loan amount and estimated total allowable loan amount for each project authorized in this section as appropriate, as long as the total amount of the loan issuance remains within available funds, and each loan is issued pursuant to the terms and conditions of the financing program from the year in which each construction contract for a project was certified if subject to an interim financing program loan or, in the absence of an interim financing program loan, the terms and conditions of the State Fiscal Year 2027 Transportation Infrastructure Financing Program.

c. The bank is authorized to increase the loan amount of projects authorized pursuant to this section in the future to compensate for a refunding of the issue, where adequate savings are achieved, for the loans issued pursuant to **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill).

(cf: P.L.2026, c.41, s.4)

5. Section 5 of P.L.2026, c.41 is amended to read as follows:

5. In accordance with and subject to the provisions of sections 5, 6, and 23 of P.L.1985, c.334 (C.58:11B-5, C.58:11B-6, and C.58:11B-23), and as set forth in the financial plan required pursuant to section 37 of P.L.2016, c.56 (C.58:11B-22.3), any proceeds from bonds issued by the bank to make loans for priority transportation infrastructure projects listed in section 4 of **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), that are not expended for that purpose may be applied for the payment of all or any part of the principal of, or interest and premium on, the bank transportation bonds whether due at stated maturity, the interest payment dates, or earlier upon redemption. A portion of the proceeds from bonds issued by the bank to make loans for priority transportation infrastructure projects pursuant to **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), may be applied for the payment of capitalized interest and for the payment of any issuance expenses; for the payment of reserve capacity expenses; for the payment of debt service reserve fund expenses; for the payment of the loan origination fees; and for the payment of increased costs, as defined and determined in accordance with the rules and regulations adopted by the bank, pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27), and the requirements of subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9), and any policy statements relating to the Transportation Infrastructure Financing Program to be set forth in the State Fiscal Year 2027 Transportation Infrastructure Financing Program Financial Plan.

(cf: P.L.2026, c.41, s.5)

6. Section 6 of P.L.2026, c.41 is amended to read as follows:

6. Any loan made by the New Jersey Infrastructure Bank pursuant to ⟦this act⟧ P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), shall be subject to the following requirements:

a. the chairperson, vice-chairperson, or secretary of the bank shall certify that the project complies with the applicable provisions of P.L.1984, c.73, P.L.1985, c.334, P.L.2016, c.56, and any amendatory and supplementary acts thereto, and any rules and regulations adopted pursuant thereto, as applicable, and satisfies the requirements of subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9), and any policy statements relating to the Transportation Infrastructure Financing Program set forth in the State Fiscal Year 2027 Transportation Infrastructure Financing Program Financial Plan. In making this certification, the chairperson, vice-chairperson, or secretary may conclusively rely on the project review conducted by the Department of Transportation without any independent review thereof by the bank;

b. the loan shall be conditioned upon the inclusion of the project on a project eligibility list approved pursuant to section 36 of P.L.2016, c.56 (C.58:11B-20.2);

c. the loan shall be repaid within a period not to exceed 31 years of the making of the loan or, for loans funded pursuant to the "Transportation Infrastructure Finance and Innovation Act" (TIFIA), 23 U.S.C. s.601 et seq., as amended and superseded, not later than the maximum time period allowed by the TIFIA;

d. the loan shall not exceed the allowable project cost of the transportation infrastructure project, exclusive of capitalized interest, administrative expenses associated with federal funding programs, if applicable, and issuance expenses, as provided in subsection b. of section 7 of ⟦this act⟧ P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), reserve capacity expenses and the debt service reserve fund expenses, as provided in subsection c. of section 7 of ⟦this act⟧ P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), the amounts of the loan origination fee as provided in subsection d. of section 7 of ⟦this act⟧ P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), refunding increases as provided in section 8 of ⟦this act⟧ P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), and increased costs as defined and determined in accordance with the rules and regulations adopted by the bank, pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27), and the requirements of subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9), and any policy statements relating to the Transportation Infrastructure Financing Program to be set forth in the State Fiscal Year 2027 Transportation Infrastructure Financing Program Financial Plan;

e. the loan shall bear interest, exclusive of any cost of issuance charges, late charges, or administrative fees payable to the bank, pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5), by the project sponsors receiving bank transportation loans, at or below the interest rate paid by the bank on the bonds issued to make or refund the loans authorized by **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), adjusted for underwriting discount and original issue discount or premium, in accordance with the terms and conditions set forth in the financial plan required pursuant to section 37 of P.L.2016, c.56 (C.58:11B-22.3); and

f. the loan shall be subject to all other terms and conditions, as the bank shall determine to be consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), and any rules and regulations adopted pursuant thereto, the requirements of subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9), and any policy statements relating to the Transportation Infrastructure Financing Program and the financial plan required by section 37 of P.L.2016, c.56 (C.58:11B-22.3). The eligibility lists and authorization for the making of loans pursuant to **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), shall expire on July 1, 2027, and any project sponsor who has not executed and delivered a loan agreement with the bank for a loan authorized in **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), shall no longer be entitled to that loan.

(cf: P.L.2026, c.41, s.6)

7. Section 7 of P.L.2026, c.41 is amended to read as follows:

7. a. The New Jersey Infrastructure Bank is authorized to reduce the individual amount of loan funds made available to, or on behalf of, project sponsors pursuant to section 4 of **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), based upon final building costs, as defined and determined in accordance with rules and regulations adopted by the bank pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27), and the requirements of subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9), and any policy statements relating to the Transportation Infrastructure Financing Program to be set forth in the State Fiscal Year 2027 Transportation Infrastructure Financing Program Financial Plan. The bank is authorized to use any such reduction in the loan amount made available to a project sponsor to cover that project sponsor’s increased costs due to differing site conditions or other allowable expenses, as defined and determined in accordance with the rules and regulations adopted by the bank, pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27), and the requirements of subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9), and any policy statements relating to the

Transportation Infrastructure Financing Program to be set forth in the State Fiscal Year 2027 Transportation Infrastructure Financing Program Financial Plan.

b. The bank is authorized to increase each loan amount authorized in section 4 of **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), by the amount of capitalized interest, interest accrued pursuant to a short-term or temporary loan made to a project sponsor pursuant to the Interim Transportation Financing Program, issuance expenses, and administrative expenses associated with federal funding programs allocable to each loan made by the bank pursuant to **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill).

c. The bank is authorized to increase each loan amount authorized in section 4 of **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), by the amount of reserve capacity expenses and the debt service reserve fund expenses associated with the costs identified in subsection c. of section 2 of **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill).

d. The bank is authorized to increase each loan amount authorized in section 4 of **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), by the loan origination fee.

e. The bank is authorized to utilize the funds appropriated to the bank for deposit into the Economic Development and Infrastructure Improvement Revolving Fund for the provision of debt service reserves and guarantees to local government units that finance a transportation project or redevelopment project, which debt service reserves and guarantees shall be used to satisfy any applicable creditworthiness requirements of the local government unit.

(cf: P.L.2026, c.41, s.7)

8. Section 8 of P.L.2026, c.41 is amended to read as follows:

8. The New Jersey Infrastructure Bank is authorized to utilize the proceeds from the refunding of bank transportation bonds to increase the individual amount of loan funds made available to project sponsors by the bank, pursuant to **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), as long as the amount of the increase is limited to the amount of savings achieved by the refunding of bank transportation bonds issued to make loans authorized by **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill). The expenditure of funds authorized pursuant to **[**this act**]** P.L.2026, c.41, as amended by P.L. , c. (pending before the Legislature as this bill), is subject to the provisions of P.L.1985,

c.334 (C.58:11B-1 et seq.), as amended and supplemented by P.L.2016, c.56, and the requirements of subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9), and any policy statements relating to the Transportation Infrastructure Financing Program to be set forth in the State Fiscal Year 2027 Transportation Infrastructure Financing Program Financial Plan, as appropriate.
(cf: P.L.2026, c.41, s.8)

9. This act shall take effect immediately.

STATEMENT

This bill makes changes to the authorization given to the New Jersey Infrastructure Bank (NJIB) to make loans for transportation infrastructure projects for Fiscal Year 2027 (FY2027).

P.L.2026, c.41 was enacted into law in July 2026, authorizing the NJIB to expend, for the purpose of making loans to, or on behalf of, local government units to finance all or portion of the construction costs of certain transportation infrastructure projects, up to $65,550,000 or such amounts as can be supported through the balances in the State Transportation Infrastructure Bank Fund (fund) and via direct appropriation through the State capital program.

This bill amends the list of transportation infrastructure projects for which the NJIB is authorized to make loans pursuant to P.L.2026, c.41 to include new projects, remove projects, modify the priority of certain projects, and modify the allowable loan amounts for certain projects. The bill authorizes the NJIB to expend up to $60,200,000 or such amounts as can be supported through the balances in the fund and via direct appropriation through the State capital program for FY2027.