

ASSEMBLY ENVIRONMENT AND SOLID WASTE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4834

STATE OF NEW JERSEY

DATED: NOVEMBER 21, 2022

The Assembly Environment and Solid Waste Committee reports favorably Assembly Bill No. 4834.

This bill would amend P.L.2022, c.99 to amend the lists of environmental infrastructure projects for which the Legislature has appropriated funds to the Department of Environmental Protection (DEP) for State fiscal year 2023 (FY2023).

In August 2022, P.L.2022, c.99 was enacted into law, which appropriated funds to the DEP for the purpose of financing approximately \$2.07 billion in Storm Sandy and other environmental infrastructure projects through the New Jersey Infrastructure Bank (NJIB) in FY2023. This bill would amend the lists of environmental infrastructure projects for which the DEP is appropriated funds pursuant to P.L.2022, c.99 to include new projects, remove projects, modify the priority of certain projects, and modify the loan amounts for certain projects, as enumerated in subsections a. and b. of section 3 of the bill. The bill would appropriate to the DEP up to \$2.19 billion, and any unexpended balances from previous authorizations, to provide loans to project sponsors for a total of 225 eligible environmental infrastructure projects for FY2023. This would include 151 projects on the "Storm Sandy and State Fiscal Year 2023 Clean Water Project Eligibility List" and 55 projects on the "Storm Sandy and State Fiscal Year 2023 Drinking Water Project Eligibility List."

The bill would also make various changes to P.L.2022, c.99 to reflect changes in the financial plan of the New Jersey Infrastructure Bank (NJIB), which administers the loans used to finance the environmental infrastructure projects listed in the bill. These changes include:

(1) consolidating certain appropriations for principal forgiveness loans for emerging contaminant projects;

(2) adding an appropriation of up to \$248 million from moneys appropriated to the DEP under the federal "American Rescue Plan Act," Pub.L. 117-2, for principal forgiveness loans for construction projects that reduce or eliminate discharges from certain combined sewer overflow outfalls;

(3) modifying the authorized interest rates for loans to certain projects on drinking water systems serving populations of up to 10,000 people;

(4) modifying the authorized interest rates for certain drinking water projects that do not address emerging contaminants or lead;

(5) providing that up to \$25 million plus any appropriated but unallocated funds designated in State fiscal year 2022 may be issued for principal forgiveness loans for drinking water systems that meet the department's affordability criteria pursuant to the State's lead service line replacement program, rather than for drinking water systems that serve 10,000 or fewer customers, as in current law;

(6) adding an appropriation of up to \$45 million from moneys appropriated to the DEP under the federal "American Rescue Plan Act" for drinking water projects that address climate change concerns and ensure long-term drinking water resilience in New Jersey, or for projects for the installation of treatment systems to address multiple maximum contaminant level violations at certain drinking water systems; and

(7) authorizing the DEP to increase the maximum amounts available for principal forgiveness for certain loans, to the extent additional funds are available.