

# **ASSEMBLY, No. 3457**

## **STATE OF NEW JERSEY**

### **210th LEGISLATURE**

INTRODUCED MAY 5, 2003

**Sponsored by:**

**Assemblyman GUY R. GREGG**

**District 24 (Sussex, Hunterdon and Morris)**

**Assemblywoman ALISON LITTELL MCHOSE**

**District 24 (Sussex, Hunterdon and Morris)**

**Co-Sponsored by:**

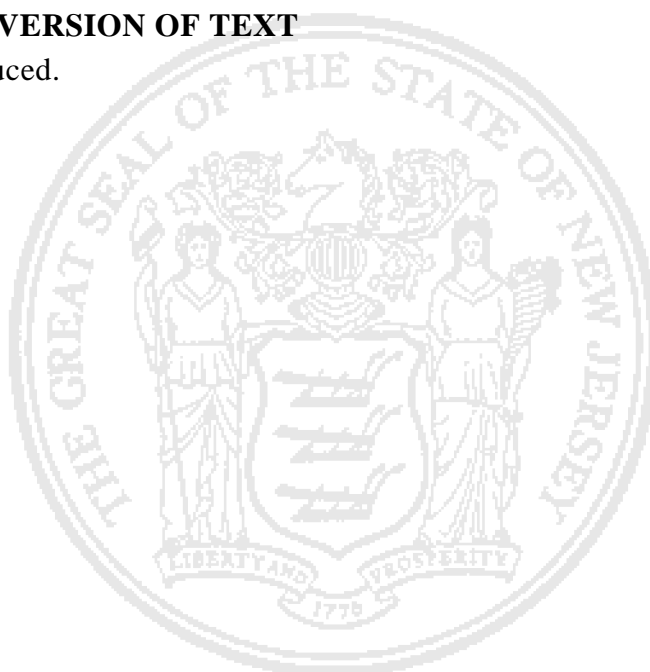
**Assemblymen Carroll, Merkt, Pennacchio and Assemblywoman Farragher**

**SYNOPSIS**

The "Dam, Lake, Stream, and Wastewater Treatment Project Bond Act of 2003," authorizes bonds for \$200,000,000 and appropriates \$5,000.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT authorizing the creation of a debt of the State of New Jersey  
2 by the issuance of bonds of the State in the aggregate principal  
3 amount of \$200,000,000 for the purposes of dam restoration and  
4 repair projects, lake dredging and restoration projects, stream  
5 cleaning and desnagging projects, and wastewater treatment system  
6 projects; providing the ways and means to pay and discharge the  
7 principal of and interest on the bonds; providing for the submission  
8 of this act to the people at a general election; and making an  
9 appropriation therefor.

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

13  
14 1. This act shall be known and may be cited as the "Dam, Lake,  
15 Stream, and Wastewater Treatment Project Bond Act of 2003."

16  
17 2. The Legislature finds and declares that the condition of many  
18 dams, lakes, and streams throughout the State has been deteriorating  
19 at an alarming rate due to a chronic lack of maintenance, and that the  
20 deterioration was exacerbated by unusually heavy amounts of rainfall  
21 during the summer of 2000, particularly the storms occurring on  
22 August 12, 2000 and August 13, 2000 that created a state of  
23 emergency in several counties.

24 The Legislature further finds and declares that these conditions  
25 have led to collapsed dams, polluted lakes, stream flooding and  
26 property damage to homes, businesses, lake communities and public  
27 utilities; and that federal, State and local financial resources have not  
28 met adequately the costs of remediating the sites and facilities affected  
29 by these conditions.

30 The Legislature therefore determines that it is in the public interest  
31 to provide additional funding for State programs that are responsible  
32 for remediating, and for providing assistance to other public or private  
33 entities to remediate, the conditions described herein.

34 The Legislature further finds and declares that protecting the  
35 ground and surface water of the State from pollution is vital to the  
36 health and general welfare of the citizens of New Jersey; that the  
37 upgrading, improvement, and construction of modern and efficient  
38 wastewater treatment systems is essential to protecting and improving  
39 water quality; and that in addition to protecting and improving water  
40 quality by upgrading facilities operating below the standards set forth  
41 in their permits, adequate wastewater treatment systems are essential  
42 in areas in this State where septic systems have malfunctioned or  
43 become obsolete, or in areas where it is necessary to connect  
44 customers of an obsolete or malfunctioning wastewater treatment  
45 system to an existing system.

46 The Legislature therefore determines that it is in the public interest

1 to provide additional funding for State programs that are responsible  
2 for financing the cost of new or upgraded wastewater treatment  
3 systems.

4

5 3. As used in this act:

6 "Bonds" mean the bonds authorized to be issued, or issued, under  
7 this act;

8 "Combined sewer system" means a sewer system designed to carry  
9 sanitary wastewater at all times, which is also designed to collect and  
10 transport stormwater runoff from streets and other sources, thereby  
11 serving a combined purpose;

12 "Combined sewer overflow" means the discharge of untreated or  
13 partially treated stormwater runoff and wastewater from a combined  
14 sewer system into a body of water;

15 "Commission" means the New Jersey Commission on Capital  
16 Budgeting and Planning;

17 "Commissioner" means the Commissioner of Environmental  
18 Protection;

19 "Cost" means the expenses incurred in connection with: the funding  
20 of dam restoration and repair projects, lake dredging and restoration  
21 projects, stream cleaning and desnagging projects, or wastewater  
22 treatment system projects; the interest or discount on bonds; the  
23 issuance of bonds; the procurement or provision of engineering,  
24 inspection, relocation, legal, financial, planning, geological,  
25 hydrological and other professional services, estimates and advice,  
26 including the services of a bond registrar or an authenticating agent;  
27 the issuance of bonds, or any interest or discount thereon; the  
28 administrative, organizational, operating, or other expenses incident  
29 to the financing and completing of any project authorized by this act;  
30 the establishment of a reserve fund or funds for working capital,  
31 operating, maintenance, or replacement expenses and for the payment  
32 or security of principal or interest on bonds, as the Director of the  
33 Division of Budget and Accounting in the Department of the Treasury  
34 may determine; the cost of all labor, materials, machinery and  
35 equipment, lands, property, rights and easements, financing charges,  
36 interest on bonds, notes or other obligations, plans and specifications,  
37 surveys or estimates of costs and revenues, engineering and legal  
38 services, and all other expenses necessary or incident to all or part of  
39 any project authorized by this act; and reimbursement to any fund of  
40 the State of moneys which may have been transferred or advanced  
41 therefrom to any fund created by this act, or of any moneys which may  
42 have been expended therefrom for, or in connection with, any project  
43 authorized by this act;

44 "Dam restoration and repair project" means the repair, restoration,  
45 construction, reconstruction, or demolition of dams, bulkheads,  
46 retention or detention basins, or other structures that impound water

1 for water supply purposes, flood control, or recreation;

2 "Department" means the New Jersey Department of Environmental  
3 Protection or any agency or department successor to its power and  
4 responsibilities;

5 "Government securities" means any bonds or other obligations  
6 which as to principal and interest constitute direct obligations of, or  
7 are unconditionally guaranteed by, the United States of America,  
8 including obligations of any federal agency, to the extent those  
9 obligations are unconditionally guaranteed by the United States of  
10 America, and any certificates or any other evidences of an ownership  
11 interest in those obligations of, or unconditionally guaranteed by, the  
12 United States of America or in specified portions which may consist  
13 of the principal of, or the interest on, those obligations;

14 "Lake dredging and restoration project" means the removal of sand,  
15 silt, mud, sediment, rocks, stumps, vegetation, algae blooms, or other  
16 materials from lakes, or the abatement and control of pollution of lakes  
17 caused by stormwater runoff, soil erosion, or other types of nonpoint  
18 source or point source pollution, to improve, for the purposes of flood  
19 control, the use or function of any lake, natural area, fishing, boating,  
20 or swimming area or facility, dam, or flood control facility or structure  
21 associated with a lake;

22 "Local government unit" means: (1) with respect to dam  
23 restoration and repair projects, lake dredging and restoration projects,  
24 or stream cleaning and desnagging projects, a county or a municipality,  
25 or any agency, authority, board, commission, or other instrumentality  
26 thereof, any two or more counties or municipalities operating jointly  
27 through a joint meeting or interlocal services agreement permitted by  
28 law, or any agency, authority, board, commission, or other  
29 instrumentality thereof, and any other local or regional entity created  
30 by the Legislature as a political subdivision of the State, or any  
31 agency, authority, board, commission, or other instrumentality thereof;  
32 or (2) with respect to wastewater treatment system projects, a State  
33 authority, county, municipality, municipal, county or regional  
34 sewerage or utility authority, municipal sewerage district, joint  
35 meeting, improvement authority, or any other political subdivision of  
36 the State authorized to construct, operate and maintain wastewater  
37 treatment systems;

38 "Stormwater management system" means any equipment, plants,  
39 structures, machinery, apparatus, management practices, or land, or  
40 any combination thereof, acquired, used, constructed, implemented or  
41 operated to prevent nonpoint source pollution, abate improper  
42 cross-connections and interconnections between stormwater and sewer  
43 systems, minimize stormwater runoff, reduce soil erosion, or induce  
44 groundwater recharge, or any combination thereof;

45 "Stream cleaning and desnagging project" means the removal of  
46 accumulated sediments, debris, garbage, or vegetation from a stream

1 with a natural stream bed, or the removal of any accumulated material  
2 from a stream previously channelized with concrete or similar artificial  
3 material, to improve, for the purposes of flood control, the use or  
4 function of any stream;

5 "Trust" means the New Jersey Environmental Infrastructure Trust  
6 created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4);

7 "Wastewater" means residential, commercial, industrial, or  
8 agricultural liquid waste, sewage, septage, stormwater runoff, or any  
9 combination thereof, or other liquid residue discharged or collected  
10 into a sewer system or stormwater management system, or any  
11 combination thereof;

12 "Wastewater treatment system" means any equipment, plants,  
13 structures, machinery, apparatus, or land, or any combination thereof,  
14 acquired, used, constructed or operated by, or on behalf of, a local  
15 government unit for the storage, collection, reduction, recycling,  
16 reclamation, disposal, separation, or other treatment of wastewater or  
17 sewage sludge, or for the collection or treatment, or both, of  
18 stormwater runoff and wastewater, or for the final disposal of residues  
19 resulting from the treatment of wastewater, including, but not limited  
20 to, pumping and ventilating stations, treatment plants and works,  
21 connections, outfall sewers, interceptors, trunk lines, stormwater  
22 management systems, and other personal property and appurtenances  
23 necessary for their use or operation; "wastewater treatment system"  
24 shall include a stormwater management system or a combined sewer  
25 system; and

26 "Wastewater treatment system project" means any work relating to  
27 the acquisition, construction, improvement, repair or reconstruction  
28 of all or part of any structure, facility or equipment, or real or personal  
29 property necessary for or ancillary to any wastewater treatment system  
30 that meets the requirements set forth in sections 20, 21 and 22 of  
31 P.L.1985, c.334 (C.58:11B-20, 58:11B-21 and 58:11B-22); or any  
32 work relating to any of the stormwater management or combined  
33 sewer overflow abatement projects identified in the stormwater  
34 management and combined sewer overflow abatement project priority  
35 list adopted by the commissioner pursuant to section 28 of P.L.1989,  
36 c.181; or any work relating to any other project eligible for financing  
37 under the Federal Water Pollution Control Act Amendments of 1972  
38 (33 U.S.C. s.1251 et seq.), or any amendatory or supplementary acts  
39 thereto.

40  
41 4. The commissioner shall adopt, pursuant to the "Administrative  
42 Procedure Act," P.L.1968 c.410 (C.52:14B-1 et seq.), rules and  
43 regulations necessary to implement the provisions of this act. The  
44 commissioner shall review and consider the findings and  
45 recommendations of the commission in the administration of the  
46 provisions of this act.

1       5. a. Bonds of the State of New Jersey are authorized to be issued  
2 in the aggregate principal amount of \$150,000,000 for the purposes of  
3 financing the costs of dam restoration and repair projects, lake  
4 dredging and restoration projects, and stream cleaning and desnagging  
5 projects, all as hereinafter provided.

6       b. Of the total principal amount authorized pursuant to subsection  
7 a. of this section:

8       (1) \$15,000,000 is allocated to the department to finance the costs  
9 of State dam restoration and repair projects;

10       (2) \$105,000,000 is allocated to the department for the purpose of  
11 providing loans or other forms of assistance other than full or  
12 matching grants to owners of private dams, as co-applicants with local  
13 government units, to finance the costs of dam restoration and repair  
14 projects undertaken by, or on behalf of, the owners of private dams;  
15 and

16       (3) \$30,000,000 is allocated to the department for the purpose of  
17 providing loans or other forms of assistance other than full or  
18 matching grants to owners of private lakes or streams and private lake  
19 associations to finance the costs of lake dredging and restoration  
20 projects, or stream cleaning and desnagging projects, undertaken by,  
21 or on behalf of, the owners of private lakes or streams or private lake  
22 associations.

23       c. Any loan authorized under this section shall include up to 100%  
24 of the cost of a dam restoration and repair project, lake dredging and  
25 restoration project, or stream cleaning and desnagging project.

26       d. Loans made to owners of private dams, or to owners of private  
27 lakes or streams, or to private lake associations, with local government  
28 units as co-applicants, from the "2003 Dam, Lake and Stream Project  
29 Revolving Loan Fund" established pursuant to section 17 of this act  
30 shall bear interest of not more than 2 percent per year, shall be for a  
31 term of 20 years, and shall be made in accordance with criteria for  
32 existing programs established under previous State general obligation  
33 bond acts, legislative initiatives, or federal aid guidelines.

34       e. Any loan authorized under this section shall be provided under  
35 the terms and conditions set forth in a written loan agreement between  
36 the department and the person or entity receiving the loan.

37       f. (1) Loans awarded under this section to owners of private dams,  
38 or to private lake associations, shall require local government units to  
39 act as co-applicants. The cost of payment of the principal and interest  
40 on any loan made to the owner of a private dam, or to a private lake  
41 association, as a co-applicant with a local government unit, shall be  
42 assessed, in the same manner as provided for the assessment of local  
43 improvements generally under chapter 56 of Title 40 of the Revised  
44 Statutes, against the real estate benefited thereby in proportion to and  
45 not in excess of the benefits conferred, and such assessments shall bear  
46 interest and penalties from the same time and at the same rate as

1 assessments for local improvements in the municipality where they are  
2 imposed, and from the date of confirmation shall be a first and  
3 paramount lien upon the real estate assessed to the same extent, and  
4 be enforced and collected in the same manner, as assessments for local  
5 improvements.

6 (2) Notwithstanding the provisions of paragraph (1) of this  
7 subsection or of any other law to the contrary, no project for which  
8 loans to owners of private dams or lake associations are awarded  
9 under this section shall be considered a municipal capital improvement,  
10 nor shall the amount of any such loan be considered part of the  
11 municipal capital budget, and no such loan shall be subject to the  
12 review or approval of the Local Finance Board established under  
13 P.L.1974, c.35 (C.52:27D-18.1)

14 g. The department shall administer the program authorized  
15 pursuant to this section in accordance with criteria for existing  
16 programs established under previous State general obligation bond  
17 acts, legislative initiatives, or federal aid guidelines. The department  
18 shall notify every local government unit, private dam or lake owner,  
19 and private lake association of the availability of, and the criteria for  
20 qualifying and obtaining, loans or other forms of assistance under the  
21 program.

22 h. Payments of principal and interest on loans made from the "2003  
23 Dam, Lake and Stream Project Revolving Loan Fund" established  
24 under section 17 of this act shall be returned to that fund for use for  
25 any authorized purpose to which moneys in the fund may be used.

26  
27 6. a. Bonds of the State of New Jersey are authorized to be issued  
28 in the aggregate principal amount of \$50,000,000 for the purpose of  
29 financing the costs of wastewater treatment system projects.

30 b. Of the total amount of bonds authorized pursuant to subsection  
31 a. of this section:

32 (1) \$45,000,000 is allocated to the department for the purpose of  
33 providing loans to, or on behalf of, local government units to finance  
34 the costs of wastewater treatment system projects, as designated and  
35 authorized pursuant to the project priority list adopted by the  
36 commissioner pursuant to section 24 of P.L.1997, c.224 (C.58:11B-  
37 20.1) and section 31 of this act; and

38 (2) \$5,000,000 is allocated for payment to, and use by, the trust in  
39 establishing reserves and providing loan guarantees pursuant to  
40 sections 19 and 20 of this act.

41 c. Payments of principal and interest on loans made from the "2003  
42 Wastewater Treatment Fund" shall be returned to that fund for use for  
43 any authorized purpose to which moneys in the fund may be used.

44  
45 7. The bonds authorized under this act shall be serial bonds, term  
46 bonds, or a combination thereof, and shall be known as "2003 Dam,

1 Lake, Stream, and Wastewater Treatment Project Bonds." They shall  
2 be issued from time to time as the issuing officials herein named shall  
3 determine and may be issued in coupon form, fully-registered form or  
4 book-entry form. The bonds may be subject to redemption prior to  
5 maturity and shall mature and be paid not later than 35 years from the  
6 respective dates of their issuance.

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

18  
19 9. Bonds issued in accordance with the provisions of this act shall  
20 be a direct obligation of the State of New Jersey, and the faith and  
21 credit of the State are pledged for the payment of the interest and  
22 redemption premium thereon, if any, when due, and for the payment  
23 of the principal thereof at maturity or earlier redemption date. The  
24 principal of and interest on the bonds shall be exempt from taxation by  
25 the State or by any county, municipality or other taxing district of the  
26 State.

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

44  
45 11. a. The bonds shall recite that they are issued for the purposes  
46 set forth in sections 5 and 6 of this act, that they are issued pursuant

1 to this act, that this act was submitted to the people of the State at the  
2 general election held in the month of November, 2003, and that this  
3 act was approved by a majority of the legally qualified voters of the  
4 State voting thereon at the election. This recital shall be conclusive  
5 evidence of the authority of the State to issue the bonds and their  
6 validity. Any bonds containing this recital shall, in any suit, action or  
7 proceeding involving their validity, be conclusively deemed to be fully  
8 authorized by this act and to have been issued, sold, executed and  
9 delivered in conformity herewith and with all other provisions of laws  
10 applicable hereto, and shall be incontestable for any cause.

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

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

23  
24 13. The bonds shall be issued and sold at the price or prices and  
25 under the terms, conditions and regulations as the issuing officials may  
26 prescribe, after notice of the sale, published at least once in at least  
27 three newspapers published in this State, and at least once in a  
28 publication carrying municipal bond notices and devoted primarily to  
29 financial news, published in this State or in the city of New York, the  
30 first notice to appear at least five days prior to the day of bidding. The  
31 notice of sale may contain a provision to the effect that any bid in  
32 pursuance thereof may be rejected. In the event of rejection or failure  
33 to receive any acceptable bid, the issuing officials, at any time within  
34 60 days from the date of the advertised sale, may sell the bonds at a  
35 private sale at such price or prices under the terms and conditions as  
36 the issuing officials may prescribe. The issuing officials may sell all or  
37 part of the bonds of any series as issued to any State fund or to the  
38 federal government or any agency thereof, at a private sale, without  
39 advertisement.

40  
41 14. Until permanent bonds are prepared, the issuing officials may  
42 issue temporary bonds in the form and with those privileges as to their  
43 registration and exchange for permanent bonds as may be determined  
44 by the issuing officials.

45  
46 15. The proceeds from the sale of bonds used to provide

1 assistance other than full or matching grants to owners of private  
2 dams, lakes or streams, or private lake associations, for dam  
3 restoration and repair projects, lake dredging and restoration projects,  
4 or stream cleaning and desnagging projects, and for State dam  
5 restoration and repair projects, shall be paid to the State Treasurer and  
6 be held by the State Treasurer in a separate fund, and be deposited in  
7 such depositories as may be selected by the State Treasurer to the  
8 credit of the fund, which fund shall be known as the "2003 Dam, Lake  
9 and Stream Project Fund."

10  
11 16. a. The moneys in the "2003 Dam, Lake and Stream Project  
12 Fund" are specifically dedicated and shall be applied to the cost of  
13 assistance other than full or matching grants to owners of private  
14 dams, lakes or streams, or private lake associations, for dam  
15 restoration and repair projects, lake dredging and restoration projects,  
16 or stream cleaning and desnagging projects, and for State dam  
17 restoration and repair projects as set forth in section 5 of this act.  
18 However, no moneys in the fund shall be expended for those purposes,  
19 except as otherwise authorized by this act, without the specific  
20 appropriation thereof by the Legislature, but bonds may be issued as  
21 herein provided, notwithstanding that the Legislature shall not have  
22 then adopted an act making a specific appropriation of any of the  
23 moneys. Any act appropriating moneys from the "2003 Dam, Lake  
24 and Stream Project Fund" shall identify the project to be funded by the  
25 moneys.

26 b. At any time prior to the issuance and sale of bonds under this  
27 act, the State Treasurer is authorized to transfer from any available  
28 moneys in any fund of the treasury of the State to the credit of the  
29 "2003 Dam, Lake and Stream Project Fund" those sums as the State  
30 Treasurer may deem necessary. The sums so transferred shall be  
31 returned to the same fund of the treasury of the State by the State  
32 Treasurer from the proceeds of the sale of the first issue of bonds.

33 c. Pending their application to the purposes provided in this act,  
34 the moneys in the "2003 Dam, Lake and Stream Project Fund" may be  
35 invested and reinvested as are other trust funds in the custody of the  
36 State Treasurer, in the manner provided by law. Net earnings received  
37 from the investment or deposit of moneys in the "2003 Dam, Lake and  
38 Stream Project Fund" shall be paid into the General Fund.

39  
40 17. The proceeds from the sale of bonds used to provide loans to  
41 owners of private dams, lakes or streams, or private lake associations,  
42 for dam restoration and repair projects, lake dredging and restoration  
43 projects, or stream cleaning and desnagging projects, shall be paid to  
44 the State Treasurer and be held by the State Treasurer in a separate  
45 fund, and be deposited in such depositories as may be selected by the  
46 State Treasurer to the credit of the fund, which fund shall be known

1 as the "2003 Dam, Lake and Stream Project Revolving Loan Fund."  
2

3 18. a. The moneys in the "2003 Dam, Lake and Stream Project  
4 Revolving Loan Fund" are specifically dedicated and shall be applied  
5 to the cost of making low-interest loans to owners of private dams,  
6 lakes or streams, or private lake associations, for dam restoration and  
7 repair projects, lake dredging and restoration projects, or stream  
8 cleaning and desnagging projects, as set forth in section 5 of this act.  
9 However, no moneys in the fund shall be expended for those purposes,  
10 except as otherwise authorized by this act, without the specific  
11 appropriation thereof by the Legislature, but bonds may be issued as  
12 herein provided, notwithstanding that the Legislature shall not have  
13 then adopted an act making a specific appropriation of any of the  
14 moneys. Any act appropriating moneys from the "2003 Dam, Lake  
15 and Stream Project Revolving Loan Fund" shall identify the project to  
16 be funded by the moneys.

17 b. Loans issued from the "2003 Dam, Lake and Stream Project  
18 Revolving Loan Fund" shall be for a term as determined by the  
19 commissioner not to exceed 20 years and at an interest rate determined  
20 by the commissioner not to exceed 2 percent per year. The terms of  
21 any loan agreement shall be approved by the State Treasurer. Any  
22 loan made from the "2003 Dam, Lake and Stream Project Revolving  
23 Loan Fund" shall be awarded pursuant to section 5 of this act based  
24 upon the criteria and procedures established for existing programs  
25 under previous State general obligation bond acts, legislative  
26 initiatives, or federal aid guidelines as provided in section 5 of this act,  
27 except that no matching funds shall be required of loan applicants.

28 c. At any time prior to the issuance and sale of bonds under this  
29 act, the State Treasurer is authorized to transfer from any available  
30 moneys in any fund of the treasury of the State to the credit of the  
31 "2003 Dam, Lake and Stream Project Revolving Loan Fund" those  
32 sums as the State Treasurer may deem necessary. The sums so  
33 transferred shall be returned to the same fund of the treasury of the  
34 State by the State Treasurer from the proceeds of the sale of the first  
35 issue of bonds.

36 d. Pending their application to the purposes provided in this act,  
37 the moneys in the "2003 Dam, Lake and Stream Project Revolving  
38 Loan Fund" may be invested and reinvested as are other trust funds in  
39 the custody of the State Treasurer, in the manner provided by law. All  
40 repayments of loans made pursuant to this act, and interest thereon,  
41 shall be deposited in the "2003 Dam, Lake and Stream Project  
42 Revolving Loan Fund." Earnings received from moneys in the fund  
43 shall be credited to the fund.  
44

45 19. a. The proceeds from the sale of bonds allocated pursuant to  
46 paragraph (1) of subsection b. of section 6 of this act shall be paid to

1 the State Treasurer for deposit in a separate nonlapsing revolving  
2 fund, which shall be known as the "2003 Wastewater Treatment  
3 Fund," for use by the department as hereinafter provided.

4 b. The proceeds from the sale of bonds allocated pursuant to  
5 paragraph (2) of subsection b. of section 6 of this act shall be paid to  
6 the State Treasurer for deposit in a separate nonlapsing revolving  
7 fund, which shall be known as the "2003 Wastewater Treatment Trust  
8 Fund," for use by the trust as hereinafter provided.

9  
10 20. a. (1) The moneys in the "2003 Wastewater Treatment Fund"  
11 are specifically dedicated and shall be applied to the cost of the  
12 purposes set forth in paragraph (1) of subsection b. of section 6 of this  
13 act. However, no moneys in the fund shall be expended for those  
14 purposes, except as otherwise authorized by this act, without the  
15 specific appropriation thereof by the Legislature, but bonds may be  
16 issued as herein provided, notwithstanding that the Legislature shall  
17 not have then adopted an act making a specific appropriation of any of  
18 the moneys. Any act appropriating moneys from the "2003  
19 Wastewater Treatment Fund" shall identify the project to be funded by  
20 the moneys. Payments of principal and interest on loans made from  
21 the "2003 Wastewater Treatment Fund" shall be returned to that fund  
22 for use for any authorized purpose to which moneys in the fund may  
23 be used pursuant to subsection b. of section 6 of this act.

24 The department is authorized to use moneys in the "2003  
25 Wastewater Treatment Fund" to cover administrative expenses  
26 incurred in implementing the provisions of this act, subject to the  
27 annual appropriation thereof by the Legislature.

28 (2) Payments of principal and interest on loans returned to the  
29 "2003 Wastewater Treatment Fund" may be made available to the  
30 trust, with the concurrence of the department, for temporary use by  
31 the trust for any of the purposes set forth in paragraph (3) of this  
32 subsection, under terms and conditions established therefor by the  
33 commissioner and the trust and approved by the State Treasurer.

34 Any moneys made available to the trust pursuant to this paragraph  
35 shall be deposited in a separate nonlapsing revolving fund, which shall  
36 be known as the "2003 Wastewater Treatment Trust Fund," for use by  
37 the trust as hereinafter provided. The trust shall repay to the "2003  
38 Wastewater Treatment Fund" any moneys made available for  
39 temporary use. Repayment shall be in accordance with the terms and  
40 conditions approved therefor.

41 (3) The moneys in the "2003 Wastewater Treatment Trust Fund"  
42 are specifically dedicated and allocated to, and shall be applied to the  
43 cost of, the establishment by the trust of reserve and loan guarantee  
44 accounts within that fund. The reserve account is to be used to secure  
45 debt issued by the trust pursuant to P.L.1985, c.334 (C.58:11B-1 et  
46 seq.); and the guarantee account is to be used by the trust to secure

1 debt issued by a local government unit. The trust shall not directly or  
2 indirectly use any moneys paid to it pursuant to this paragraph for the  
3 purpose of issuing a loan guarantee in connection with the financing  
4 of a wastewater treatment system project, unless the project, and the  
5 amount and the terms or conditions of the loan guarantee, shall have  
6 been approved by the Legislature.

7 Moneys in the reserve and loan guarantee accounts may be made  
8 available to the department, with the concurrence of the trust, for  
9 temporary use by the department in implementing the provisions of  
10 this act, under terms and conditions established therefor by the  
11 commissioner and the trust and approved by the State Treasurer. The  
12 department shall repay to the "2003 Wastewater Treatment Trust  
13 Fund" any sums made available for temporary use. Repayment shall  
14 be in accordance with the terms and conditions approved therefor.

15 (4) Moneys in the "2003 Wastewater Treatment Fund" may be  
16 transferred to the trust for use as set forth in paragraph (3) of this  
17 subsection.

18 b. At any time prior to the issuance and sale of bonds under this  
19 act, the State Treasurer is authorized to transfer from any available  
20 moneys in any fund of the treasury of the State to the credit of the  
21 "2003 Wastewater Treatment Fund" or the "2003 Wastewater  
22 Treatment Trust Fund" those sums as the State Treasurer may deem  
23 necessary. The sums so transferred shall be returned to the same fund  
24 of the treasury of the State by the State Treasurer from the proceeds  
25 of the sale of the first issue of bonds.

26 c. Pending their application to the purposes provided in this act,  
27 the moneys in the "2003 Wastewater Treatment Fund" may be invested  
28 and reinvested as are other trust funds in the custody of the State  
29 Treasurer, in the manner provided by law, and moneys in the "2003  
30 Wastewater Treatment Trust Fund" may be invested and reinvested by  
31 the trust as are other trust funds in the custody of the trust.

32 Net earnings received from the investment or deposit of moneys in  
33 the "2003 Wastewater Treatment Fund" shall be paid into that fund,  
34 and net earnings received from the investment or deposit of moneys in  
35 the "2003 Wastewater Treatment Trust Fund" shall be paid to that  
36 fund for use by the trust to cover administrative expenses incurred in  
37 administering that fund. Any moneys not required for administrative  
38 expenses shall be used for any other authorized purpose to which  
39 moneys in the "2003 Wastewater Treatment Trust Fund" may be used.

40 d. The trust may charge and collect annually from local  
41 government units fees and charges in connection with any loans,  
42 guarantees or other services provided by the trust, in amounts  
43 sufficient to reimburse the trust for all reasonable costs necessarily  
44 incurred in connection therewith, and in connection with the  
45 establishment and maintenance of reserve or other funds, as the trust  
46 may determine to be reasonable.

1       21. If any coupon bond, coupon or registered bond is lost,  
2 mutilated or destroyed, a new bond or coupon shall be executed and  
3 delivered of like tenor, in substitution for the lost, mutilated or  
4 destroyed bond or coupon, upon the owner furnishing to the issuing  
5 officials evidence satisfactory to them of the loss, mutilation or  
6 destruction of the bond or coupon, the ownership thereof, and  
7 security, indemnity and reimbursement for expenses connected  
8 therewith, as the issuing officials may require.

9  
10       22. The accrued interest, if any, received upon the sale of the  
11 bonds shall be applied to the discharge of a like amount of interest  
12 upon the bonds when due. Any expense incurred by the issuing  
13 officials for advertising, engraving, printing, clerical, authenticating,  
14 registering, legal or other services necessary to carry out the duties  
15 imposed upon them by the provisions of this act shall be paid from the  
16 proceeds of the sale of the bonds by the State Treasurer, upon the  
17 warrant of the Director of the Division of Budget and Accounting in  
18 the Department of the Treasury, in the same manner as other  
19 obligations of the State are paid.

20  
21       23. Bonds of each series issued hereunder shall mature, including  
22 any sinking fund redemptions, not later than the 35th year from the  
23 date of issue of that series, and in amounts as shall be determined by  
24 the issuing officials. The issuing officials may reserve to the State by  
25 appropriate provision in the bonds of any series the power to redeem  
26 any of the bonds prior to maturity at the price or prices and upon the  
27 terms and conditions as may be provided in the bonds.

28  
29       24. Any bond or bonds issued hereunder which are subject to  
30 refinancing pursuant to the "Refunding Bond Act of 1985," P.L.1985,  
31 c.74 as amended by P.L.1992, c.182 (C.49:2B-1 et seq.), shall no  
32 longer be deemed to be outstanding, shall no longer constitute a direct  
33 obligation of the State of New Jersey, and the faith and credit of the  
34 State shall no longer be pledged to the payment of the principal of,  
35 redemption premium, if any, and interest on the bonds, and the bonds  
36 shall be secured solely by and payable solely from moneys and  
37 government securities deposited in trust with one or more trustees or  
38 escrow agents, which trustees and escrow agents shall be trust  
39 companies or national or state banks having powers of a trust  
40 company, located either within or without the State, as provided  
41 herein, whenever there shall be deposited in trust with the trustees or  
42 escrow agents, as provided herein, either moneys or government  
43 securities, including government securities issued or held in book-entry  
44 form on the books of the Department of Treasury of the United States,  
45 the principal of and interest on which when due will provide money  
46 which, together with the moneys, if any, deposited with the trustees or

1 escrow agents at the same time, shall be sufficient to pay when due the  
2 principal of, redemption premium, if any, and interest due and to  
3 become due on the bonds on or prior to the redemption date or  
4 maturity date thereof, as the case may be; provided the government  
5 securities shall not be subject to redemption prior to their maturity  
6 other than at the option of the holder thereof. The State of New  
7 Jersey hereby covenants with the holders of any bonds for which  
8 government securities or moneys shall have been deposited in trust  
9 with the trustees or escrow agents as provided in this section that,  
10 except as otherwise provided in this section, neither the government  
11 securities nor moneys so deposited with the trustees or escrow agents  
12 shall be withdrawn or used by the State for any purpose other than,  
13 and shall be held in trust for, the payment of the principal of,  
14 redemption premium, if any, and interest to become due on the bonds;  
15 provided that any cash received from the principal or interest payments  
16 on the government securities deposited with the trustees or escrow  
17 agents, to the extent the cash will not be required at any time for that  
18 purpose, shall be paid over to the State, as received by the trustees or  
19 escrow agents, free and clear of any trust, lien, pledge or assignment  
20 securing the bonds; and to the extent the cash will be required for that  
21 purpose at a later date, shall, to the extent practicable and legally  
22 permissible, be reinvested in government securities maturing at times  
23 and in amounts sufficient to pay when due the principal of, redemption  
24 premium, if any, and interest to become due on the bonds on and prior  
25 to the redemption date or maturity date thereof, as the case may be,  
26 and interest earned from the reinvestments shall be paid over to the  
27 State, as received by the trustees or escrow agents, free and clear of  
28 any trust, lien or pledge securing the bonds. Notwithstanding anything  
29 to the contrary contained herein: a. the trustees or escrow agents  
30 shall, if so directed by the issuing officials, apply moneys on deposit  
31 with the trustees or escrow agents pursuant to the provisions of this  
32 section, and redeem or sell government securities so deposited with  
33 the trustees or escrow agents, and apply the proceeds thereof to (1)  
34 the purchase of the bonds which were refinanced by the deposit with  
35 the trustees or escrow agents of the moneys and government securities  
36 and immediately thereafter cancel all bonds so purchased, or (2) the  
37 purchase of different government securities; provided however, that  
38 the moneys and government securities on deposit with the trustees or  
39 escrow agents after the purchase and cancellation of the bonds or the  
40 purchase of different government securities shall be sufficient to pay  
41 when due the principal of, redemption premium, if any, and interest on  
42 all other bonds in respect of which the moneys and government  
43 securities were deposited with the trustees or escrow agents on or  
44 prior to the redemption date or maturity date thereof, as the case may  
45 be; and b. in the event that on any date, as a result of any purchases  
46 and cancellations of bonds or any purchases of different government

1 securities, as provided in this sentence, the total amount of moneys  
2 and government securities remaining on deposit with the trustees or  
3 escrow agents is in excess of the total amount which would have been  
4 required to be deposited with the trustees or escrow agents on that  
5 date in respect of the remaining bonds for which the deposit was made  
6 in order to pay when due the principal of, redemption premium, if any,  
7 and interest on the remaining bonds, the trustees or escrow agents  
8 shall, if so directed by the issuing officials, pay the amount of the  
9 excess to the State, free and clear of any trust, lien, pledge or  
10 assignment securing the refunding bonds.

11

12 25. Refunding bonds issued pursuant to P.L.1985, c.74 as amended  
13 by P.L.1992, c.182 (C.49:2B-1 et seq.) may be consolidated with  
14 bonds issued pursuant to sections 5 and 6 of this act or with bonds  
15 issued pursuant to any other act for purposes of sale.

16

17 26. To provide funds to meet the interest and principal payment  
18 requirements for the bonds and refunding bonds issued under this act  
19 and outstanding, there is appropriated in the order following:

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

23 b. If, at any time, funds necessary to meet the interest, redemption  
24 premium, if any, and principal payments on outstanding bonds issued  
25 under this act are insufficient or not available, there shall be assessed,  
26 levied and collected annually in each of the municipalities of the  
27 counties of this State, a tax on the real and personal property upon  
28 which municipal taxes are or shall be assessed, levied and collected,  
29 sufficient to meet the interest on all outstanding bonds issued  
30 hereunder and on the bonds proposed to be issued under this act in the  
31 calendar year in which the tax is to be raised and for the payment of  
32 bonds falling due in the year following the year for which the tax is  
33 levied. The tax shall be assessed, levied and collected in the same  
34 manner and at the same time as are other taxes upon real and personal  
35 property. The governing body of each municipality shall cause to be  
36 paid to the county treasurer of the county in which the municipality is  
37 located, on or before December 15 in each year, the amount of tax  
38 herein directed to be assessed and levied, and the county treasurer  
39 shall pay the amount of the tax to the State Treasurer on or before  
40 December 20 in each year.

41 If on or before December 31 in any year, the issuing officials, by  
42 resolution, determine that there are moneys in the General Fund  
43 beyond the needs of the State, sufficient to pay the principal of bonds  
44 falling due and all interest and redemption premium, if any, payable in  
45 the ensuing calendar year, the issuing officials shall file the resolution  
46 in the office of the State Treasurer, whereupon the State Treasurer

1 shall transfer the moneys to a separate fund to be designated by the  
2 State Treasurer, and shall pay the principal, redemption premium, if  
3 any, and interest out of that fund as the same shall become due and  
4 payable, and the other sources of payment of the principal, redemption  
5 premium, if any, and interest provided for in this section shall not then  
6 be available, and the receipts for the year from the tax specified in  
7 subsection a. of this section shall be considered and treated as part of  
8 the General Fund, available for general purposes.

9  
10 27. Should the State Treasurer, by December 31 of any year, deem  
11 it necessary, because of the insufficiency of funds collected from the  
12 sources of revenues as provided in this act, to meet the interest and  
13 principal payments for the year after the ensuing year, then the State  
14 Treasurer shall certify to the Director of the Division of Budget and  
15 Accounting in the Department of the Treasury the amount necessary  
16 to be raised by taxation for those purposes, the same to be assessed,  
17 levied and collected for and in the ensuing calendar year. The director  
18 shall, on or before March 1 following, calculate the amount in dollars  
19 to be assessed, levied and collected in each county as herein set forth.  
20 This calculation shall be based upon the corrected assessed valuation  
21 of each county for the year preceding the year in which the tax is to be  
22 assessed, but the tax shall be assessed, levied and collected upon the  
23 assessed valuation of the year in which the tax is assessed and levied.  
24 The director shall certify the amount to the county board of taxation  
25 and the treasurer of each county. The county board of taxation shall  
26 include the proper amount in the current tax levy of the several taxing  
27 districts of the county in proportion to the ratables as ascertained for  
28 the current year.

29  
30 28. For the purpose of complying with the provisions of the State  
31 Constitution, this act shall be submitted to the people at the general  
32 election next occurring at least 70 days after enactment. To inform the  
33 people of the contents of this act, it shall be the duty of the Attorney  
34 General, after this section takes effect, and at least 60 days prior to the  
35 election, to cause this act to be published at least once in one or more  
36 newspapers of each county, if any newspapers be published therein and  
37 to notify the clerk of each county of this State of the passage of this  
38 act; and the clerks respectively, in accordance with the instructions of  
39 the Attorney General, shall have printed on each of the ballots the  
40 following:

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

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

1		DAM, LAKE, STREAM, AND
2		WASTEWATER TREATMENT BOND
3		ISSUE
4		Shall the "Dam, Lake, Stream, and
5		Wastewater Treatment Project Bond Act of
6		2003," which authorizes the State to issue
7		bonds in the amount of \$200,000,000 for the
8		purposes of providing financing for the
9		restoration and repair of dams, the dredging
10	YES	and restoration of lakes, the cleaning and
11		desnagging of streams to diminish flooding
12		and property damage therefrom, and
13		providing financing for wastewater treatment
14		system projects, and providing the ways and
15		means to pay the interest on the debt and also
16		to pay and discharge the principal thereof, be
17		approved?
18		INTERPRETIVE STATEMENT
19		Approval of this act would authorize the sale
20		of \$200,000,000 in State general obligation
21		bonds to be used for the purposes of
22		providing \$15,000,000 to restore and repair
23		State-owned dams, \$105,000,000 in
24		low-interest loans to owners of private dams
25		for dam restoration and repair projects, and
26	NO	\$30,000,000 in low-interest loans to owners
27		of private lakes and streams and private lake
28		associations, with local governments as co-
29		applicants, for lake dredging and restoration,
30		or stream cleaning and desnagging projects,
31		necessary to diminish severe flooding in the
32		State; and \$50,000,000 for wastewater
33		treatment system projects.

34

35 If voting machines are used, a vote of "Yes" or "No" shall be

36 equivalent to these markings respectively.

37 The fact and date of the approval or passage of this act, as the case

38 may be, may be inserted in the appropriate place after the title in the

39 ballot. No other requirements of law of any kind or character as to

40 notice or procedure, except as herein provided, need be adhered to.

41 The votes so cast for and against the approval of this act, by ballot

42 or voting machine, shall be counted and the result thereof returned by

43 the election officer, and a canvass of the election had in the same

44 manner as is provided for by law in the case of the election of a

45 Governor, and the approval or disapproval of this act so determined

1 shall be declared in the same manner as the result of an election for a  
2 Governor, and if there is a majority of all the votes cast for and against  
3 it at the election in favor of the approval of this act, then all the  
4 provisions of this act not made effective theretofore shall take effect  
5 forthwith.

6  
7 29. The commissioner shall submit to the State Treasurer and the  
8 commission with the department's annual budget request a plan for the  
9 expenditure of funds from the "2003 Dam, Lake and Stream Project  
10 Fund" and the "2003 Dam, Lake and Stream Revolving Loan Fund"  
11 for the upcoming fiscal year. This plan shall include the following  
12 information: a performance evaluation of the expenditures made from  
13 the funds to date; a description of programs planned during the  
14 upcoming fiscal year; a copy of the regulations in force governing the  
15 operation of programs that are financed, in part or in whole, by funds  
16 from the "2003 Dam, Lake and Stream Project Fund" and the "2003  
17 Dam, Lake and Stream Revolving Loan Fund;" and an estimate of  
18 expenditures for the upcoming fiscal year.

19  
20 30. Immediately following the submission to the Legislature of the  
21 Governor's annual budget message, the commissioner shall submit to  
22 the Senate Environment Committee and the Assembly Environment  
23 and Solid Waste Committee, or their designated successors, and to the  
24 Joint Budget Oversight Committee, or its successor, a copy of the plan  
25 called for under section 29 of this act, together with such changes  
26 therein as may have been required by the Governor's budget message.

27  
28 31. The commissioner shall, on or before January 15 of each year,  
29 develop and submit to the Legislature a priority system for wastewater  
30 treatment system projects and shall establish the ranking criteria and  
31 funding policies for the projects therefor. The commissioner shall set  
32 forth a wastewater treatment system project priority list for funding  
33 for each fiscal year and shall include the aggregate amount of funds to  
34 be authorized for these purposes. No moneys shall be expended for  
35 loans in a fiscal year for any wastewater treatment system project  
36 unless the expenditure is authorized pursuant to an appropriations act.

37 As part of the annual submission required by this section, the  
38 department and the trust shall each provide a financial accounting of  
39 all project expenditures made in the preceding year, and of all  
40 administrative expenses incurred by the trust from interest earnings  
41 from the "2003 Wastewater Treatment Trust Fund" in connection  
42 therewith.

43  
44 32. There is appropriated the sum of \$5,000 to the Department of  
45 Law and Public Safety for expenses in connection with the publication  
46 of notice pursuant to section 28 of this act.

33. All appropriations from the "2003 Dam, Lake and Stream Project Fund," the "2003 Dam, Lake and Stream Revolving Loan Fund," and the "2003 Wastewater Treatment Fund" shall be by specific project allocation and any transfer of any funds so appropriated shall require the approval of the Joint Budget Oversight Committee, or its successor. All appropriations from the "2003 Dam, Lake and Stream Project Fund" and the "2003 Dam, Lake and Stream Revolving Loan Fund" shall also be on a municipal area-by-area basis.

34. This section and sections 28 and 32 of this act shall take effect immediately and the remainder of this act shall take effect as and when provided in section 28.

## STATEMENT

The "Dam, Lake, Stream, and Wastewater Treatment Bond Act of 2003" authorizes the issuance of \$200 million in State general obligation bonds for the purposes of financing State dam restoration and repair projects; State low-interest loans to owners of private dams, lakes and streams and private lake associations to finance dam restoration and repair projects, lake dredging and restoration projects, and stream cleaning and desnagging projects; and loans to or on behalf of local governments to finance the costs of wastewater treatment system projects.

Of the total bond moneys authorized under the bill: (1) \$105 million is allocated to the Department of Environmental Protection for the purpose of providing loans or other forms of assistance other than full or matching grants for private dam restoration and repair projects; (2) \$30 million is allocated to the Department of Environmental Protection for the purpose of providing loans or other forms of assistance other than full or matching grants for lake dredging and restoration projects, and stream cleaning and desnagging projects; (3) \$15 million is allocated to the Department of Environmental Protection for restoration and repair of State-owned dams; (4) \$45 million is allocated to the Department of Environmental Protection for the purpose of providing loans to or on behalf of local governments to finance the cost of wastewater treatment system projects; and (5) \$5 million is allocated for payment to, and use by, the New Jersey Environmental Infrastructure Trust, a State financing authority established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), which is authorized to make loans to, and to guarantee debt incurred by, local governments for wastewater treatment system projects.

The bond act specifies that loans made by the Department of Environmental Protection for dam restoration and repair projects, lake dredging and restoration projects, and stream cleaning and desnagging

1 projects are to bear an interest rate of not more than 2%. The bond  
2 act also specifies that the loans are to be made to owners of private  
3 dams, lakes or streams or lake associations, in accordance with criteria  
4 for existing programs established under previous State general  
5 obligation bond acts. Finally, the bond act provides that loans  
6 awarded under the bond act to private entities shall require local  
7 governments to act as co-applicants.

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