

ASSEMBLY, No. 2776

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

SYNOPSIS

Establishes “Solar Roof Installation Warranty Program” in EDA and transfers \$2 million from societal benefits charge to initially fund program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/16/2020)

1 AN ACT establishing a "Solar Roof Installation Warranty Program"
 2 in the New Jersey Economic Development Authority, and
 3 amending and supplementing P.L.1974, c.80.

4
 5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 6 *of New Jersey:*

7
 8 1. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read
 9 as follows:

10 5. The authority shall have the following powers:

11 a. To adopt bylaws for the regulation of its affairs and the
 12 conduct of its business;

13 b. To adopt and have a seal and to alter the same at pleasure;

14 c. To sue and be sued;

15 d. To acquire in the name of the authority by purchase or
 16 otherwise, on such terms and conditions and such manner as it may
 17 deem proper, or by the exercise of the power of eminent domain in
 18 the manner provided by the "Eminent Domain Act of 1971,"
 19 P.L.1971, c.361 (C.20:3-1 et seq.), any lands or interests therein or
 20 other property which it may determine is reasonably necessary for
 21 any project; provided, however, that the authority in connection
 22 with any project shall not take by exercise of the power of eminent
 23 domain any real property except upon consent thereto given by
 24 resolution of the governing body of the municipality in which such
 25 real property is located; and provided further that the authority shall
 26 be limited in its exercise of the power of eminent domain in
 27 connection with any project in qualifying municipalities as defined
 28 under the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.), or to
 29 municipalities which had a population, according to the latest
 30 federal decennial census, in excess of 10,000;

31 e. To enter into contracts with a person upon such terms and
 32 conditions as the authority shall determine to be reasonable,
 33 including, but not limited to, reimbursement for the planning,
 34 designing, financing, construction, reconstruction, improvement,
 35 equipping, furnishing, operation and maintenance of the project and
 36 to pay or compromise any claims arising therefrom;

37 f. To establish and maintain reserve and insurance funds with
 38 respect to the financing of the project or the school facilities project
 39 and any project financed pursuant to the "Municipal Rehabilitation
 40 and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et
 41 al.);

42 g. To sell, convey or lease to any person all or any portion of a
 43 project for such consideration and upon such terms as the authority
 44 may determine to be reasonable;

**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.

1 h. To mortgage, pledge or assign or otherwise encumber all or
2 any portion of a project, or revenues, whenever it shall find such
3 action to be in furtherance of the purposes of this act, P.L.2000,
4 c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and
5 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.),
6 P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of
7 P.L.2009, c.90 (C.52:27D-489c et al.);

8 i. To grant options to purchase or renew a lease for any of its
9 projects on such terms as the authority may determine to be
10 reasonable;

11 j. To contract for and to accept any gifts or grants or loans of
12 funds or property or financial or other aid in any form from the
13 United States of America or any agency or instrumentality thereof,
14 or from the State or any agency, instrumentality or political
15 subdivision thereof, or from any other source and to comply,
16 subject to the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.),
17 section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000,
18 c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and
19 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.),
20 and P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and
21 conditions thereof;

22 k. In connection with any action undertaken by the authority in
23 the performance of its duties and any application for assistance or
24 commitments therefor and modifications thereof, to require and
25 collect such fees and charges as the authority shall determine to be
26 reasonable, including but not limited to fees and charges for the
27 authority's administrative, organizational, insurance, operating,
28 legal, and other expenses;

29 l. To adopt, amend and repeal regulations to carry out the
30 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of
31 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),
32 the "Municipal Rehabilitation and Economic Recovery Act,"
33 P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007,
34 c.137 (C.52:18A-235 et al.);

35 m. To acquire, purchase, manage and operate, hold and dispose
36 of real and personal property or interests therein, take assignments
37 of rentals and leases and make and enter into all contracts, leases,
38 agreements and arrangements necessary or incidental to the
39 performance of its duties;

40 n. To purchase, acquire and take assignments of notes,
41 mortgages and other forms of security and evidences of
42 indebtedness;

43 o. To purchase, acquire, attach, seize, accept or take title to any
44 project or school facilities project by conveyance or by foreclosure,
45 and sell, lease, manage or operate any project or school facilities
46 project for a use specified in this act, P.L.2000, c.72 (C.18A:7G-1
47 et al.), the "Municipal Rehabilitation and Economic Recovery Act,"
48 P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-

1 235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-
2 489c et al.);

3 p. To borrow money and to issue bonds of the authority and to
4 provide for the rights of the holders thereof, as provided in
5 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001,
6 c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the
7 "Municipal Rehabilitation and Economic Recovery Act," P.L.2002,
8 c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.),
9 and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

10 q. To extend credit or make loans to any person for the
11 planning, designing, acquiring, constructing, reconstructing,
12 improving, equipping and furnishing of a project or school facilities
13 project, which credits or loans may be secured by loan and security
14 agreements, mortgages, leases and any other instruments, upon such
15 terms and conditions as the authority shall deem reasonable,
16 including provision for the establishment and maintenance of
17 reserve and insurance funds, and to require the inclusion in any
18 mortgage, lease, contract, loan and security agreement or other
19 instrument, of such provisions for the construction, use, operation
20 and maintenance and financing of a project or school facilities
21 project as the authority may deem necessary or desirable;

22 r. To guarantee up to 90% of the amount of a loan to a person,
23 if the proceeds of the loan are to be applied to the purchase and
24 installation, in a building devoted to industrial or commercial
25 purposes, or in an office building, of an energy improvement
26 system;

27 s. To employ consulting engineers, architects, attorneys, real
28 estate counselors, appraisers, and such other consultants and
29 employees as may be required in the judgment of the redevelopment
30 utility to carry out the purposes of P.L.1974, c.80 (C.34:1B-1 et
31 seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000,
32 c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and
33 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.),
34 P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of
35 P.L.2009, c.90 (C.52:27D-489c et al.), and to fix and pay their
36 compensation from funds available to the redevelopment utility
37 therefor, all without regard to the provisions of Title 11A of the
38 New Jersey Statutes;

39 t. To do and perform any acts and things authorized by
40 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001,
41 c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the
42 "Municipal Rehabilitation and Economic Recovery Act," P.L.2002,
43 c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.),
44 and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.),
45 under, through or by means of its own officers, agents and
46 employees, or by contract with any person;

- 1 u. To procure insurance against any losses in connection with
2 its property, operations or assets in such amounts and from such
3 insurers as it deems desirable;
- 4 v. To do any and all things necessary or convenient to carry out
5 its purposes and exercise the powers given and granted in P.L.1974,
6 c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-
7 4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
8 Rehabilitation and Economic Recovery Act," P.L.2002,
9 c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.),
10 and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);
- 11 w. To construct, reconstruct, rehabilitate, improve, alter, equip,
12 maintain or repair or provide for the construction, reconstruction,
13 improvement, alteration, equipping or maintenance or repair of any
14 development property and lot, award and enter into construction
15 contracts, purchase orders and other contracts with respect thereto,
16 upon such terms and conditions as the authority shall determine to
17 be reasonable, including, but not limited to, reimbursement for the
18 planning, designing, financing, construction, reconstruction,
19 improvement, equipping, furnishing, operation and maintenance of
20 any such development property and the settlement of any claims
21 arising therefrom and the establishment and maintenance of reserve
22 funds with respect to the financing of such development property;
- 23 x. When authorized by the governing body of a municipality
24 exercising jurisdiction over an urban growth zone, to construct,
25 cause to be constructed or to provide financial assistance to projects
26 in an urban growth zone which shall be exempt from the terms and
27 requirements of the land use ordinances and regulations, including,
28 but not limited to, the master plan and zoning ordinances, of such
29 municipality;
- 30 y. To enter into business employment incentive agreements as
31 provided in the "Business Employment Incentive Program Act,"
32 P.L.1996, c.26 (C.34:1B-124 et al.);
- 33 z. To enter into agreements or contracts, execute instruments,
34 and do and perform all acts or things necessary, convenient or
35 desirable for the purposes of the redevelopment utility to carry out
36 any power expressly provided pursuant to P.L.1974, c.80 (C.34:1B-
37 1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007,
38 c.137 (C.52:18A-235 et al.), including, but not limited to, entering
39 into contracts with the State Treasurer, the Commissioner of
40 Education, districts, the New Jersey Schools Development
41 Authority, and any other entity which may be required in order to
42 carry out the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.),
43 P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of
44 P.L.2009, c.90 (C.52:27D-489c et al.);
- 45 aa. (Deleted by amendment, P.L.2007, c.137);
- 46 bb. To make and contract to make loans to local units to finance
47 the cost of school facilities projects and to acquire and contract to
48 acquire bonds, notes or other obligations issued or to be issued by

1 local units to evidence the loans, all in accordance with the
2 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007,
3 c.137 (C.52:18A-235 et al.);

4 cc. Subject to any agreement with holders of its bonds issued to
5 finance a project or school facilities project, obtain as security or to
6 provide liquidity for payment of all or any part of the principal of
7 and interest and premium on the bonds of the authority or for the
8 purchase upon tender or otherwise of the bonds, lines of credit,
9 letters of credit, reimbursement agreements, interest rate exchange
10 agreements, currency exchange agreements, interest rate floors or
11 caps, options, puts or calls to hedge payment, currency, rate, spread
12 or similar exposure or similar agreements, float agreements,
13 forward agreements, insurance contract, surety bond, commitment
14 to purchase or sell bonds, purchase or sale agreement, or
15 commitments or other contracts or agreements, and other security
16 agreements or instruments in any amounts and upon any terms as
17 the authority may determine and pay any fees and expenses required
18 in connection therewith;

19 dd. To charge to and collect from local units, the State and any
20 other person, any fees and charges in connection with the
21 authority's actions undertaken with respect to school facilities
22 projects, including, but not limited to, fees and charges for the
23 authority's administrative, organization, insurance, operating and
24 other expenses incident to the financing of school facilities projects;

25 ee. To make loans to refinance solid waste facility bonds
26 through the issuance of bonds or other obligations and the execution
27 of any agreements with counties or public authorities to effect the
28 refunding or rescheduling of solid waste facility bonds, or otherwise
29 provide for the payment of all or a portion of any series of solid
30 waste facility bonds. Any county or public authority refunding or
31 rescheduling its solid waste facility bonds pursuant to this
32 subsection shall provide for the payment of not less than fifty
33 percent of the aggregate debt service for the refunded or
34 rescheduled debt of the particular county or public authority for the
35 duration of the loan; except that, whenever the solid waste facility
36 bonds to be refinanced were issued by a public authority and the
37 county solid waste facility was utilized as a regional county solid
38 waste facility, as designated in the respective adopted district solid
39 waste management plans of the participating counties as approved
40 by the department prior to November 10, 1997, and the utilization
41 of the facility was established pursuant to tonnage obligations set
42 forth in their respective interdistrict agreements, the public
43 authority refunding or rescheduling its solid waste facility bonds
44 pursuant to this subsection shall provide for the payment of a
45 percentage of the aggregate debt service for the refunded or
46 rescheduled debt of the public authority not to exceed the
47 percentage of the specified tonnage obligation of the host county for
48 the duration of the loan. Whenever the solid waste facility bonds

1 are the obligation of a public authority, the relevant county shall
2 execute a deficiency agreement with the authority, which shall
3 provide that the county pledges to cover any shortfall and to pay
4 deficiencies in scheduled repayment obligations of the public
5 authority. All costs associated with the issuance of bonds pursuant
6 to this subsection may be paid by the authority from the proceeds of
7 these bonds. Any county or public authority is hereby authorized to
8 enter into any agreement with the authority necessary, desirable or
9 convenient to effectuate the provisions of this subsection.

10 The authority shall not issue bonds or other obligations to effect
11 the refunding or rescheduling of solid waste facility bonds after
12 December 31, 2002. The authority may refund its own bonds issued
13 for the purposes herein at any time;

14 ff. To pool loans for any local government units that are
15 refunding bonds and do and perform any and all acts or things
16 necessary, convenient or desirable for the purpose of the authority
17 to achieve more favorable interest rates and terms for those local
18 governmental units;

19 gg. To finance projects approved by the board, provide staff
20 support to the board, oversee and monitor progress on the part of
21 the board in carrying out the revitalization, economic development
22 and restoration projects authorized pursuant to the "Municipal
23 Rehabilitation and Economic Recovery Act," P.L.2002,
24 c.43 (C.52:27BBB-1 et al.) and otherwise fulfilling its
25 responsibilities pursuant thereto;

26 hh. To offer financial assistance to qualified film production
27 companies as provided in the "New Jersey Film Production
28 Assistance Act," P.L.2003, c.182 (C.34:1B-178 et al.); **[and]**

29 ii. To finance or develop private or public parking facilities or
30 structures, which may include the use of solar photovoltaic
31 equipment, in municipalities qualified to receive State aid pursuant
32 to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) and
33 municipalities that contain areas designated pursuant to P.L.1985,
34 c.398 (C.52:18A-196 et al.) as Planning Area 1 (Metropolitan),
35 Planning Area 2 (Suburban), or a town center, and to provide
36 appropriate assistance, including but not limited to, extensions of
37 credit, loans, and guarantees, to municipalities qualified to receive
38 State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-
39 178 et seq.) and municipalities that contain areas designated
40 pursuant to P.L.1985, c.398 (C.52:18A-196 et seq.) as Planning
41 Area 1 (Metropolitan), Planning Area 2 (Suburban), or a town
42 center, and their agencies and instrumentalities or to private entities
43 whose projects are located in those municipalities, in order to
44 facilitate the financing and development of parking facilities or
45 structures in such municipalities. The authority may serve as the
46 issuing agent of bonds to finance the undertaking of a project for
47 the purposes of this subsection; and

1 jj. To establish and maintain a "Solar Roof Installation
2 Warranty Program" and a "Solar Roof Installation Warranty Fund"
3 pursuant to sections 3 and 4 of P.L. , c. (C.) (pending
4 before the Legislature as this bill) for the purposes set forth therein.
5 (cf: P.L.2010, c.28, s.3)

6
7 2. (New section) Notwithstanding the provisions of section 12
8 of P.L.1999, c.23 (C.48:3-60) to the contrary, or any rule,
9 regulation, or order adopted pursuant thereto, in the fiscal year
10 commencing July 1 next following the date of enactment of
11 P.L. , c. (C.) (pending before the Legislature as this bill),
12 the Board of Public Utilities shall, from available balances
13 accumulated in accounts of the board from funds collected through
14 the societal benefits charge imposed pursuant to that section,
15 transfer \$2,000,000 into the "Solar Roof Installation Warranty
16 Fund," established pursuant to section 4 of P.L. ,
17 c. (C.) (pending before the Legislature as this bill), and shall
18 make an additional transfer of \$500,000 each fiscal year thereafter
19 until the fund has been credited with a cumulative total of
20 \$5,000,000. If in any fiscal year after being credited with a
21 cumulative total of \$5,000,000 the balance in the fund declines to
22 less than \$2,000,000, the board shall, one time only, transfer a
23 supplementary \$3,000,000 into the fund.

24
25 3. (New section) There is hereby established a "Solar Roof
26 Installation Warranty Program" within the authority, which shall be
27 administered pursuant to the provisions of section 4 of P.L. ,
28 c. (C.) (pending before the Legislature as this bill). The
29 purpose of the program is to provide a source of indemnification to
30 owners of commercial, industrial, and institutional buildings located
31 in the State damaged as a result of the installation of solar
32 photovoltaic equipment on their building roofs.

33
34 4. (New section) a. To implement the program, the authority
35 shall establish, administer, and maintain a "Solar Roof Installation
36 Warranty Fund" in a trust account, separate and apart from other
37 funds. The authority shall consult with the Department of Banking
38 and Insurance and the Board of Public Utilities prior to establishing
39 the fund. The fund shall be credited with the amount required to be
40 transferred thereto pursuant to section 2 of P.L. ,
41 c. (C.) (pending before the Legislature as this bill). The
42 purpose of the fund is: (1) to provide moneys sufficient to pay
43 claims by commercial, industrial, and institutional building owners
44 participating in the fund for damages to building roofs due to the
45 installation or design of solar photovoltaic equipment on building
46 roofs that are not covered by any other roof warranty or insurance;
47 and (2) to pay the costs of administering the solar roof installation
48 warranty program established in the authority pursuant to section 3

1 of P.L. , c. (C.) (pending before the Legislature as this bill),
2 including the costs of obtaining sufficient reinsurance to prudently
3 protect the fund against unanticipated risks and costs incurred by
4 the authority in the discharge of its duties.

5 b. Applications for participation in the warranty program shall
6 be submitted by commercial, industrial, and institutional building
7 owners at the time of installation of such solar photovoltaic
8 equipment on the roof of a building located in the State in a form
9 and manner determined by the authority. The applicant shall
10 demonstrate to the authority that the solar photovoltaic equipment
11 installer does not offer a comprehensive warranty of at least 20
12 years duration on the roofs upon which the equipment is installed
13 and that the installation of such equipment is not covered by any
14 other insurance policy. The application shall include a payment of
15 an application fee of \$1,000. The amounts paid to participating
16 building owners shall be established by the authority and may be
17 changed from time to time and shall be calculated to assure that the
18 fund balance is sufficient to cover anticipated claims, to provide a
19 reasonable reserve, and to cover the costs of administering the fund,
20 provided however, that the maximum amount to be paid from the
21 fund for a loss to a participant for any one building shall be
22 \$50,000. The application fee paid by commercial, industrial, and
23 institutional building owners shall be forwarded to the authority and
24 shall be accounted for and credited to the fund.

25 c. The authority shall hold, manage, and through the Division
26 of Investment in the Department of the Treasury, invest and reinvest
27 moneys in the fund and credit all income earned thereon to the fund
28 in the same manner as provided by law for the investment of
29 pension and retirement funds administered by the State. The
30 authority shall keep the State Treasurer advised of anticipated cash
31 demands for payment of claims against the fund. No funds shall be
32 spent, appropriated, or transferred from the fund other than for the
33 express purposes of paying claims or costs related to administering
34 the fund as specified in subsections a. and b. of this section. The
35 Joint Budget Oversight Committee, or its successor, shall have the
36 authority to investigate complaints of violative fund transfers under
37 this section, and shall order the authority to suspend paying claims
38 if it determines that the provisions of this subsection have been
39 violated.

40 d. Prior to making a claim against the fund for damages
41 covered by the warranty, a building owner shall notify the installer
42 of such defects and allow a reasonable time period for repair. If the
43 repairs are not made within a reasonable time or are not satisfactory
44 to the building owner, the building owner may file a claim against
45 the fund in the form and manner prescribed by the authority. The
46 authority shall investigate each claim to determine the validity
47 thereof, and upon a finding that the building owner is without fault
48 with respect to the damage for which the claim is made, the

1 authority shall determine the amount of the award that shall be
2 made thereon. If a claim is denied or the amount of the award is
3 contested, the authority shall hold a hearing if requested by the
4 building owner, in accordance with the provisions of the
5 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
6 seq.), applicable to contested cases. Provided there are sufficient
7 moneys in the fund to cover anticipated claims, the amount of the
8 award shall cover the reasonable costs necessary to indemnify the
9 building owner for the cost of repairing any damages to the roof
10 that are covered under the warranty program, but the total amount
11 of an award from the fund shall not exceed the maximum award
12 established in subsection b. of this section or the cost of those
13 repairs, whichever is less. Upon certification from the authority of
14 the amount of an award, the authority shall make payment to the
15 building owner from the fund.

16 e. If the authority determines that fund reserves and
17 reinsurance may be insufficient to cover anticipated claims, the
18 authority shall restore fund resources to sufficiency by means that
19 may include, in addition to any supplementary transfer made
20 pursuant to section 2 of P.L. , c. (C.) (pending before the
21 Legislature as this bill), increases in fees, expanded reinsurance,
22 and changes in standards and claims adjudication procedures.

23 f. The authority may provide for surcharges against those
24 building owners who are responsible for a significant number of
25 awards against the fund and may discontinue the participation in the
26 fund of any building owner who is responsible for an excessive
27 number of awards against the fund after a hearing in accordance
28 with the provisions of the "Administrative Procedure Act,"
29 P.L.1968, c. 410 (C.52:14B-1 et seq.), applicable to contested cases.
30 At no time shall the State be required to contribute any moneys to
31 the fund, nor shall the State or the authority have any liability to
32 any person having any right to or claim against the fund over and
33 above the amount therein except in those instances where it is
34 determined by the Joint Budget Oversight Committee that the
35 provisions of subsection c. of this section have been violated
36 concerning amounts spent, appropriated or transferred from the
37 fund.

38

39 5. This act shall take effect on the 60th day after the date of
40 enactment, but the New Jersey Economic Development Authority
41 may take such anticipatory administrative action in advance thereof
42 as shall be necessary for the implementation of this act.

43

44

45 STATEMENT

46

47 This bill establishes a "Solar Roof Installation Warranty
48 Program" (program) within the New Jersey Economic Development

1 Authority (EDA). The purpose of the program is to provide a
2 source of indemnification to commercial, industrial, and
3 institutional building owners who install solar photovoltaic
4 equipment on their building roofs, but are unable to obtain
5 sufficient warranty coverage against damage to those roofs resulting
6 from the installations.

7 To implement the program, the bill requires the EDA to establish
8 a "Solar Roof Installation Warranty Fund" (warranty fund) in a trust
9 account in consultation with the Department of Banking and
10 Insurance and the Board of Public Utilities (BPU). The purpose of
11 the warranty fund is to: 1) provide sufficient money to pay claims
12 by commercial, industrial, and institutional building owners, who
13 are participating in the warranty fund, for damages to building roofs
14 due to the installation or design of solar photovoltaic equipment that
15 are not covered by a warranty or insurance policy; and 2) pay the
16 costs of administering the solar roof installation warranty program,
17 including the costs of obtaining sufficient reinsurance to prudently
18 protect the warranty fund against unanticipated risks and costs
19 incurred by the EDA in the discharge of its duties.

20 The bill requires applications for participation in the program to
21 be submitted by building owners at the time of installation of solar
22 photovoltaic equipment on the roof of a building located in the
23 State, in a form and manner determined by the EDA. The applicant
24 must demonstrate that the solar photovoltaic equipment installer
25 does not offer a comprehensive 20-year warranty on the roofs upon
26 which the equipment is installed and that the installation of the
27 equipment is not covered by any other warranty or insurance policy.
28 The application fee is to be \$1,000. The maximum amount to be
29 paid from the warranty fund for a loss to a participant for any one
30 building is to be \$50,000. The application fee paid by building
31 owners is to be forwarded to the EDA to be accounted for and
32 credited to the warranty fund.

33 The bill provides that, prior to making a claim against the
34 warranty fund for damages covered by the warranty, a building
35 owner must notify the installer of the damage and allow a
36 reasonable time period for repair. If repairs are not made within a
37 reasonable time or are not satisfactory to the building owner, the
38 building owner may file a claim against the warranty fund in the
39 form and manner prescribed by the EDA. The bill requires the
40 EDA to investigate each claim to determine its validity, and upon a
41 finding that the building owner is without fault with respect to the
42 damage for which the claim is made, determine the amount of the
43 award. If a claim is denied or the amount of the award is contested,
44 the building owner may request a hearing. If an award is made
45 from the warranty fund, the total amount of an award is not to
46 exceed the maximum amount authorized in the bill or the cost of
47 repairs, whichever is less. The EDA may provide for surcharges
48 against building owners who are responsible for a significant

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1 number of awards against the warranty fund and may discontinue
2 the participation in the warranty fund of any building owner who is
3 responsible for an excessive number of awards against the warranty
4 fund, after a hearing.

5 The bill directs the BPU to transfer, in the fiscal year
6 commencing July 1 next following the date of enactment,
7 \$2,000,000 from available balances accumulated in accounts of the
8 BPU from funds collected through the societal benefits charge, for
9 deposit into the warranty fund. The bill requires the BPU to make
10 additional deposits of \$500,000 each fiscal year thereafter until the
11 warranty fund has been credited with a cumulative total of
12 \$5,000,000. The bill provides that, if in any fiscal year thereafter
13 the balance in the warranty fund falls below \$2,000,000, the BPU is
14 to make a one-time deposit of \$3,000,000 into the warranty fund.