

ASSEMBLY, No. 5196

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 4, 2021

Sponsored by:

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

Assemblyman JAMES J. KENNEDY

District 22 (Middlesex, Somerset and Union)

Assemblyman STERLEY S. STANLEY

District 18 (Middlesex)

SYNOPSIS

Establishes Climate Change Mitigation and Resilience Financing Program in NJ Infrastructure Bank; imposes per-kilowatt hour charge on electric energy consumption to finance climate change mitigation and resilience projects.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/5/2021)

A5196 KARABINCHAK, KENNEDY

2

1 AN ACT concerning the financing of climate change mitigation and
2 resilience projects, amending and supplementing P.L.1985,
3 c.334, and supplementing Title 48 of the Revised Statutes.

4

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

7

8 1. Section 2 of P.L.1985, c.334 (C.58:11B-2) is amended to
9 read as follows:

10 2. a. The Legislature finds that the steady deterioration of
11 older sewage and sewer systems and wastewater treatment plants
12 endangers the availability and quality of uncontaminated water
13 resources of the State, thereby posing a grave danger to the health,
14 safety and welfare of the residents of the concerned communities
15 and the State; that the construction, rehabilitation, operation, and
16 maintenance of modern and efficient sewer systems and wastewater
17 treatment plants are essential to protecting and improving the State's
18 water quality; that in addition to protecting and improving water
19 quality, adequate wastewater treatment systems are essential to
20 economic growth and development; that many of the wastewater
21 treatment systems in New Jersey must be replaced or upgraded if an
22 inexorable decline in water quality is to be avoided during the
23 coming decades; that the United States Congress in recognition of
24 the crucial role wastewater treatment systems and plants play in
25 maintaining and improving water quality, and with an
26 understanding that the cost of financing and constructing these
27 systems must be borne by local governments and authorities with
28 limited sources of revenues, established in the "Federal Water
29 Pollution Control Act Amendments of 1972," Pub.L.92-500 (33
30 U.S.C. s.1251 et al.) a program to provide local governments with
31 grants for constructing these systems; that during the last several
32 years the amount of federal grant money available to states and
33 local governments for assistance in constructing and improving
34 wastewater treatment systems has sharply diminished; that the
35 current level of federal grant funding is inadequate to meet the cost
36 of upgrading the State's wastewater treatment capacity to comply
37 with State water quality standards; that the collective needs of the
38 State and local governments for capital financing of wastewater
39 treatment systems far exceed the sums of money presently available
40 through revenue initiatives and State and federal aid programs; and
41 that it is fitting and proper for the State to encourage local
42 governments to undertake wastewater treatment projects through
43 the establishment of a State mechanism to provide loans at the
44 lowest reasonable interest rates and to guarantee or insure local
45 capital improvement bonds.

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 b. The Legislature finds that stormwater runoff and combined
2 sewer overflows are among the major sources of ocean pollution,
3 contributing to beach closings; that combined sewer systems
4 discharge untreated wastewater and stormwater into rivers, streams
5 and coastal waters during wet weather, resulting in water pollution;
6 that some combined sewer systems have deteriorated to the point
7 that overflows occur regularly, even during dry weather; that many
8 sewer systems are on inadequate repair and replacement programs,
9 which may cause disturbances at sewage treatment plants; that
10 many municipalities are under building moratoriums due to the
11 inadequacy of their sewage and stormwater collection systems,
12 which severely affect municipal budgets; and that large unmet
13 capital expenses exist for combined sewer system separation and
14 abatement projects.

15 The Legislature further finds that funding at the federal level for
16 wastewater treatment, stormwater management and combined sewer
17 system rehabilitation projects is insufficient; that State funds
18 available for these projects are inadequate to meet current needs;
19 that local revenues are insufficient to meet these expenses; and that
20 additional funding at the State level is necessary to meet this
21 financial obligation.

22 c. The Legislature finds that construction, rehabilitation,
23 operation and maintenance of modern and efficient water supply
24 facilities are essential to protecting and improving the State's water
25 quality; that the citizens of this State, in recognition of the crucial
26 role the construction of new and the upgrading of existing water
27 supply facilities play in maintaining and augmenting the natural
28 water resources of the State, and with an understanding that the cost
29 of financing and constructing these systems is beyond the limited
30 financial resource capabilities of local governments and authorities
31 and must be subsidized by the State and repaid through a system of
32 water supply user charges, approved the enactment of the "Water
33 Supply Bond Act of 1981" (P.L.1981, c.261); that the water supply
34 needs of the State are so great that the funds allocated for this
35 purpose from the "Water Supply Fund" established by that 1981
36 bond act should be augmented and maximized, to the extent
37 practicable, through the use of alternative methods of State
38 financing to offset the costs of water supply projects and for the
39 construction of new or the rehabilitation of antiquated or inadequate
40 existing water supply facilities; that the United States Congress in
41 recognition of the essential role that safe drinking water plays in
42 protecting the public health, and with an understanding that
43 financing, constructing and maintaining water systems that meet the
44 requirements of the "Safe Drinking Water Act," 42 U.S.C. s.300f et
45 seq. exceed the financial and technical capacity of the operators of
46 some water systems, has established in the "Safe Drinking Water
47 Act Amendments of 1996," P.L.104-182, a program to provide
48 public water systems with financial assistance to meet national

1 primary drinking water regulations or to otherwise further the
2 health protection objectives of the federal law and that the State
3 must, in order to make use of the federal funds, provide State funds
4 for the program; and therefore, State funding for the program is
5 necessary to meet this financial obligation.

6 d. The Legislature finds that the transportation infrastructure of
7 the State is among the most heavily used in the nation and has
8 deteriorated in recent years, with parts of the highway system
9 reaching the end of their useful lives.

10 e. The Legislature finds that capital projects for roadways and
11 bridges are essential to protecting and improving the State's
12 transportation system; that construction of new and the upgrading of
13 existing roadways and bridges play a critical role in the
14 transportation needs of the State, and with an understanding that the
15 cost of financing and constructing these systems is beyond the
16 limited financial resource capabilities of local governments and
17 authorities and must be subsidized by the State and Federal
18 government; that the United States Congress has established "State
19 Infrastructure Bank" programs to provide funding for transportation
20 systems (23 U.S.C. s.610) and that the State must, in order to make
21 use of the federal funds, provide State funds for the program; and
22 therefore, State funding for the program is necessary to meet this
23 financial obligation.

24 f. The Legislature finds that there is universal scientific
25 consensus that human activity is the primary cause of climate
26 change over the past century; that climate change is causing sea
27 levels to rise and more frequent droughts, hurricanes, and other
28 extreme weather events that threaten public health, safety, the
29 environment, and critical infrastructure in the State; that, in order to
30 mitigate the effects of climate change, New Jersey must drastically
31 reduce its fossil fuel consumption and greenhouse gas emissions,
32 which, in turn, requires the State to increase the pace and amount of
33 investment in clean energy, energy efficiency, and other climate
34 change mitigation projects; that the State must simultaneously take
35 measures to protect its residents, the environment, and critical
36 infrastructure from the adverse effects of climate change; that
37 providing low-interest financing for climate change mitigation and
38 resilience projects will improve the standard of living for New
39 Jersey residents by delivering clean energy more efficiently and at
40 lower cost, and creating long-term, high paying jobs; and that such
41 financing will also ease the economic effects of transitioning from a
42 carbon-based economy to a clean energy economy.

43 g. The Legislature therefore determines that it is in the public
44 interest to establish a State authority authorized to issue bonds,
45 notes and other obligations and to establish any reserve funds
46 necessary therefor, and to make loans to and guarantee debt
47 incurred by local government units for environmental and
48 transportation infrastructure projects , and to provide loans and

1 other financial assistance for climate change mitigation and
2 resilience projects.

3 (cf: P.L.2016, c.56, s.11)

4

5 2. Section 3 of P.L.1985, c.334 (C.58:11B-3) is amended to
6 read as follows:

7 3. As used in sections 1 through 27 of P.L.1985, c.334
8 (C.58:11B-1 through C.58:11B-27), sections 23 through 27 of
9 P.L.1997, c.224 (C.58:11B-10.1 et al.), **[and]** sections 22 and 34
10 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
11 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) , and
12 sections 6 and 9 through 14 of P.L. , c. , (C.) (pending
13 before the Legislature as this bill):

14 “Bonds” means bonds issued by the trust pursuant to P.L.1985,
15 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et
16 al.);

17 “Class I renewable energy” and “Class II renewable energy”
18 mean the same as those terms are defined in section 3 of P.L.1999,
19 c.23 (C.48:3-51).

20 “Climate change mitigation project” means a project whose
21 primary purpose is the construction, development, or production of
22 energy sources, infrastructure, land management techniques, or
23 technologies that eliminate, reduce, or sequester anthropogenic
24 greenhouse gas emissions in the State. “Climate change mitigation
25 project” shall include, but is not limited to, a Class I renewable
26 energy or Class II renewable energy source, community solar
27 project, energy efficiency improvement, energy storage, zero-
28 emission vehicle infrastructure, zero-emission public transportation
29 project, carbon capture and sequestration technology, reforestation
30 of degraded land, or wetlands preservation or restoration.

31 “Climate Change Mitigation and Resilience Financing Program”
32 means the financing program to fund climate change mitigation
33 projects and climate change resilience projects pursuant to P.L. ,
34 c. (C.)(pending before the Legislature as this bill).

35 “Climate change resilience project” means an infrastructure
36 project whose primary purpose is to protect human health and
37 safety, the environment, and public infrastructure from the adverse
38 effects of climate change, including drought, sea level rise, extreme
39 weather events, and harmful algal blooms. “Climate change
40 resilience project” shall include, but is not limited to, a sea barrier
41 or other flood protection project; a water storage system; the
42 removal, relocation, or redesign of public infrastructure; or a project
43 to mitigate harmful algal blooms. “Climate change resilience
44 project” shall not include a project whose sole focus is research,
45 data collection, or the acquisition of land.

46 “Combined sewer overflow” means the discharge of untreated or
47 partially treated stormwater runoff and wastewater from a combined
48 sewer system into a body of water;

1 “Combined sewer system” means a sewer system designed to
2 carry sanitary wastewater at all times, which is also designed to
3 collect and transport stormwater runoff from streets and other
4 sources, thereby serving a combined purpose;

5 “Commissioner” means the Commissioner of the Department of
6 Environmental Protection;

7 “Community solar project” means a solar energy project
8 undertaken pursuant to the “Community Solar Energy Pilot
9 Program” or its permanent successor program, established pursuant
10 to section 5 of P.L.2018, c.17 (C.48:3-87.11).

11 “Cost” means the cost of all labor, materials, machinery and
12 equipment, lands, property, rights and easements, financing
13 charges, interest on bonds, notes or other obligations, plans and
14 specifications, surveys or estimates of costs and revenues,
15 engineering and legal services, and all other expenses necessary or
16 incident to all or part of an environmental infrastructure project;

17 “Department” means the Department of Environmental
18 Protection;

19 “Energy efficiency improvement” means a modification or
20 improvement to a building or other property that is designed to
21 reduce energy consumption and energy costs. “Energy efficiency
22 improvement” includes, but is not limited to, any combination of:
23 insulation; storm windows or doors; caulking, weather-stripping, or
24 other window and door modifications or improvements that reduce
25 energy consumption; automated or computerized energy control
26 systems; energy efficient heating, ventilation or air conditioning
27 systems; energy efficient lighting systems; energy-recovery
28 systems; cogeneration or combined heat and power systems; and
29 other modifications or improvements as may be deemed appropriate
30 by the Board of Public Utilities.

31 “Environmental infrastructure project” means the acquisition,
32 construction, improvement, repair or reconstruction of all or part of
33 any structure, facility or equipment, or real or personal property
34 necessary for or ancillary to any: (1) wastewater treatment system
35 project, including any stormwater management or combined sewer
36 overflow abatement projects; or (2) water supply project, as
37 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or
38 P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water
39 resources project, as authorized pursuant to P.L.2003, c.162;

40 “Federal infrastructure bank program” means the United States
41 Department of Transportation State Infrastructure Bank Program
42 provided for in section 350 of Pub.L.104-59 and Pub.L.102-240 as
43 amended or superseded;

44 **【“Planning, design, and construction loan” means a short-term or**
45 **temporary loan for eligible costs incurred in project planning,**
46 **engineering design, or construction issued before or during the**
47 **planning stage of a project;】**

1 “Local government unit” means (1) a State authority, county,
2 municipality, municipal, county or regional sewerage or utility
3 authority, municipal sewerage district, joint meeting, improvement
4 authority, or any other political subdivision of the State authorized
5 to construct, operate, and maintain wastewater treatment systems;
6 (2) a State authority, district water supply commission, county,
7 municipality, municipal, county or regional utilities authority,
8 municipal water district, joint meeting, or any other political
9 subdivision of the State authorized pursuant to law to operate or
10 maintain a public water supply system or to construct, rehabilitate,
11 operate, or maintain water supply facilities or otherwise provide
12 water for human consumption; or (3) a county, municipality,
13 municipal, county or regional transportation authority, or any other
14 political subdivision of the State authorized to construct, operate,
15 and maintain public highways or transportation projects as defined
16 pursuant to this section;

17 “New Jersey Environmental Infrastructure Financing Program”
18 means the financing program to fund environmental infrastructure
19 projects;

20 “New Jersey Transportation Infrastructure Financing Program”
21 means the financing program to fund transportation infrastructure
22 projects;

23 “Notes” means notes issued by the trust pursuant to P.L.1985,
24 c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.),
25 or sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
26 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
27 C.58:11B-22.4) , and P.L. , c. (C.)(pending before the
28 Legislature as this bill);

29 “Onsite septic system ordinance or regulation” means an
30 ordinance adopted by a municipality or county or regulation
31 adopted by a regional planning agency establishing the
32 requirements for construction, maintenance and repair of onsite
33 wastewater treatment and disposal systems;

34 “Onsite wastewater treatment and disposal system” means an on-
35 site system designed to treat and dispose of domestic sewage;

36 “Other assistance” means forms of financial assistance, in
37 addition to loans, authorized by the New Jersey Infrastructure Bank
38 from the State Transportation Infrastructure Bank Fund, including,
39 but not limited to, use of funds to: provide credit enhancements;
40 serve as a capital reserve for bond or other debt instrument
41 financing; subsidize interest rates; ensure the issuance of letters of
42 credit and credit instruments; finance purchase and lease
43 agreements with respect to transit projects; and provide bond or
44 other debt financing instrument security;

45 “Planning, design, and construction loan” means a short-term or
46 temporary loan for eligible costs incurred in project planning,
47 engineering design, or construction issued before or during the
48 planning stage of a project;

1 “Private entity” means any private individual, corporation,
2 company, partnership, firm, association, owner, operator, non-profit
3 organization, or community-based group;

4 “Project” means the acquisition, construction, improvement,
5 repair or reconstruction of all or part of any structure, facility, or
6 equipment, or real or personal property necessary for or ancillary to
7 any: (1) wastewater treatment system project, including any
8 stormwater management or combined sewer overflow abatement
9 projects; (2) water supply project, as authorized pursuant to
10 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-
11 10.1 et al.), including any water resources project, as authorized
12 pursuant to P.L.2003, c.162; **【or】** (3) transportation project
13 authorized pursuant to sections 22 and 34 through 38 of P.L.2016,
14 c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2,
15 C.58:11B-22.3, and C.58:11B-22.4) ; or (4) climate change
16 mitigation project or climate change resilience project authorized
17 pursuant to P.L. , c. (C.) (pending before the Legislature as
18 this bill);

19 “Public highway” means public roads, streets, expressways,
20 freeways, parkways, motorways and boulevards, including bridges,
21 tunnels, overpasses, underpasses, interchanges, express bus
22 roadways, bus pullouts and turnarounds, park-ride facilities, traffic
23 circles, grade separations, traffic control devices, the elimination or
24 improvement of crossings of railroads and highways, whether at-
25 grade or not at-grade, bicycle and pedestrian pathways and
26 pedestrian and bicycle bridges, and any property, rights of way,
27 easements and interests therein needed for the construction,
28 improvement, and maintenance of highways;

29 “Public water utility” means any investor-owned water company
30 or small water company;

31 “Small water company” means any company, purveyor or entity,
32 other than a governmental agency, that provides water for human
33 consumption and which regularly serves less than 1,000 customer
34 connections, including nonprofit, noncommunity water systems
35 owned or operated by a nonprofit group or organization;

36 “State entity” means a department, agency, or office of State
37 government, including a State university or college, or an authority
38 created by the State.

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

46 “Transportation project” means capital projects for public
47 highways, approach roadways and other necessary land-side
48 improvements, ramps, signal systems, roadbeds, transit lanes or

1 rights of way, pedestrian walkways and bridges connecting to
2 passenger stations and servicing facilities, bridges, and grade
3 crossings;

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

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

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

25 “Wastewater treatment system project” means any work relating
26 to the acquisition, construction, improvement, repair or
27 reconstruction of all or part of any structure, facility or equipment,
28 or real or personal property necessary for or ancillary to any
29 wastewater treatment system that meets the requirements set forth
30 in sections 20, 21, and 22 of P.L.1985, c.334 (C.58:11B-20,
31 C.58:11B-21, and C.58:11B-22); or any work relating to any of the
32 stormwater management or combined sewer overflow abatement
33 projects identified in the stormwater management and combined
34 sewer overflow abatement project priority list adopted by the
35 commissioner pursuant to section 28 of P.L.1989, c.181; or any
36 work relating to the purposes set forth in section 6 of P.L.2003,
37 c.162; or any work relating to any other project eligible for
38 financing under the “Federal Water Pollution Control Act
39 Amendments of 1972” (33 U.S.C. s.1251 et seq.), or any
40 amendatory or supplementary acts thereto;

41 “Water resources project” means any work related to transferring
42 water between public water systems during a state of water
43 emergency, to avert a drought emergency in all or any part of the
44 State, to plan, design or construct interconnections of existing water
45 supplies, or to extend water supplies to areas with contaminated
46 ground water supplies;

47 “Water supply facilities” means and refers to the real property
48 and the plants, structures, interconnections between existing water

1 supply facilities, machinery and equipment and other property, real,
2 personal and mixed, acquired, constructed or operated, or to be
3 acquired, constructed or operated, in whole or in part, by or on
4 behalf of a public water utility, or by or on behalf of the State or a
5 local government unit, for the purpose of augmenting the natural
6 water resources of the State and making available an increased
7 supply of water for all uses, or of conserving existing water
8 resources, and any and all appurtenances necessary, useful or
9 convenient for the collecting, impounding, storing, improving,
10 treating, filtering, conserving or transmitting of water, and for the
11 preservation and protection of these resources and facilities,
12 whether in public or private ownership, and providing for the
13 conservation and development of future water supply resources, and
14 facilitating incidental recreational uses thereof;

15 “Water supply project” means any work relating to the
16 acquisition, construction, improvement, repair or reconstruction of
17 all or part of any structure, facility or equipment, or real or personal
18 property necessary for or ancillary to water supply facilities that
19 meets the requirements set forth in sections 24, 25, and 26 of
20 P.L.1997, c.224 (C.58:11B-20.1, C.58:11B-21.1, and C.58:11B-
21 22.1); or any work relating to the purposes set forth in section 4 of
22 P.L.1981, c.261; or any work relating to the purposes set forth in
23 section 6 of P.L.2003, c.162; or any work relating to any other
24 project eligible for funding pursuant to the federal “Safe Drinking
25 Water Act Amendments of 1996,” Pub.L.104-182, and any
26 amendatory and supplementary acts thereto.

27 (cf: P.L.2019, c.516, s.1)

28

29 3. Section 4 of P.L.1985, c.334 (C.58:11B-4) is amended to read
30 as follows:

31 4. a. There is established in, but not of, the Department of the
32 Treasury a body corporate and politic, with corporate succession, to
33 be known as the “New Jersey Infrastructure Bank.” The trust is
34 constituted as an instrumentality of the State exercising public and
35 essential governmental functions, no part of whose revenues shall
36 accrue to the benefit of any individual, and the exercise by the trust
37 of the powers conferred by the provisions of P.L.1985, c.334
38 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]**
39 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
40 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
41 C.58:11B-22.4), or the provisions of P.L. , c. (C.) (pending
42 before the Legislature as this bill) shall be deemed and held to be an
43 essential governmental function of the State.

44 b. The trust shall consist of **[a 10]** an 11 member board of
45 directors composed of : the State Treasurer, the Commissioner of
46 the Department of Community Affairs, the Commissioner of the
47 Department of Transportation, **[and]** the Commissioner of the
48 Department of Environmental Protection, and the President of the

1 Board of Public Utilities, who shall be members ex officio; two
2 people appointed by the Governor upon the recommendation of the
3 President of the Senate, and two people appointed by the Governor
4 upon the recommendation of the Speaker of the General Assembly,
5 who shall serve during the two-year legislative term in which they
6 are appointed; and two residents of the State appointed by the
7 Governor with the advice and consent of the Senate, who shall serve
8 for terms of four years, except that the first two appointed shall
9 serve terms of two and three years respectively. Each appointed
10 director shall serve until that director's successor has been
11 appointed and qualified. A director is eligible for reappointment.
12 Any vacancy shall be filled in the same manner as the original
13 appointment, but for the unexpired term only.

14 With respect to those public members first appointed by the
15 Governor, the appointment of each of the two members upon the
16 advice and consent of the Senate shall become effective 30 days
17 after their nomination by the Governor if the Senate has not given
18 advice and consent on those nominations within that time period;
19 the President of the Senate and the Speaker of the General
20 Assembly each shall recommend to the Governor a public member
21 for appointment within 20 days following the effective date of
22 P.L.1985, c.334 (C.58:11B-1 et seq.) and a public member for
23 appointment within 20 days following the effective date of
24 P.L.2016, c.56 and a recommendation made in this manner shall
25 become effective if the Governor makes the appointment in
26 accordance with the recommendation, in writing, within 10 days of
27 the Governor's receipt thereof. In each instance where the Governor
28 fails to make the appointment, the President of the Senate and the
29 Speaker of the General Assembly shall make new recommendations
30 subject to appointment by the Governor as determined in this
31 section.

32 c. Each appointed director may be removed from office by the
33 Governor for cause, upon the Governor's consideration of the
34 findings and recommendations of an administrative law judge after
35 a public hearing before the judge, and may be suspended by the
36 Governor pending the completion of the hearing. Each director,
37 before entering upon the director's duties, shall take and subscribe
38 an oath to perform the duties of the director's office faithfully,
39 impartially and justly to the best of the director's ability. A record
40 of oaths shall be filed in the office of the Secretary of State.

41 d. The Governor shall designate one of the appointed members
42 to be the chairperson and chief executive officer of the trust and the
43 directors shall biannually elect a vice-chairperson from among the
44 appointed directors. The chairperson shall serve as such for a term
45 of two years and until a successor has been designated. A
46 chairperson shall be eligible for one additional two-year term as
47 chairperson. The directors shall elect a secretary and treasurer, who

1 need not be directors, and the same person may be elected to serve
2 as both secretary and treasurer.

3 The powers of the trust are vested in the directors in office from
4 time to time and six directors shall constitute a quorum at any
5 meeting. Action may be taken and motions and resolutions adopted
6 by the trust by the affirmative majority vote of those directors
7 present, but in no event shall any action be taken or motions or
8 resolutions adopted without the affirmative vote of at least six
9 directors. No vacancy on the board of directors of the trust shall
10 impair the right of a quorum of the directors to exercise the powers
11 and perform the duties of the trust.

12 e. Each director and the treasurer of the trust shall execute a
13 bond to be conditioned upon the faithful performance of the duties
14 of the director or treasurer in a form and amount as may be
15 prescribed by the State Treasurer. Bonds shall be filed in the office
16 of the Secretary of State. At all times thereafter, the directors and
17 treasurer shall maintain these bonds in full effect. All costs of the
18 bonds shall be borne by the trust.

19 f. The directors of the trust shall serve without compensation,
20 but the trust shall reimburse the directors for actual and necessary
21 expenses incurred in the performance of their duties.
22 Notwithstanding the provisions of any other law to the contrary, no
23 officer or employee of the State shall be deemed to have forfeited or
24 shall forfeit the officer's or employee's office or employment or any
25 benefits or emoluments thereof by reason of the officer's or
26 employee's acceptance of the office of ex officio director of the
27 trust or the ex officio director's services thereon.

28 g. Each ex officio director may designate an officer of the ex
29 officio director's department to represent the ex officio director at
30 meetings of the trust. Each designee may lawfully vote and
31 otherwise act on behalf of the director for whom the person
32 constitutes the designee. The designation shall be delivered in
33 writing to the trust and shall continue in effect until revoked or
34 amended in writing and delivered to the trust.

35 h. The trust may be dissolved by law; provided the trust has no
36 debts or obligations outstanding or that provision has been made for
37 the payment or retirement of these debts or obligations. The trust
38 shall continue in existence until dissolved by act of the Legislature.
39 Upon any dissolution of the trust, all property, funds and assets of
40 the trust shall be vested in the State.

41 i. A true copy of the minutes of every meeting of the trust shall
42 be forthwith delivered by and under the certification of the secretary
43 thereof to the Governor and at the same time to the Senate and
44 General Assembly. The time and act of this delivery shall be duly
45 recorded on a delivery receipt. No action taken or motion or
46 resolution adopted at a meeting by the trust shall have effect until
47 10 days, exclusive of Saturdays, Sundays and public holidays, after
48 a copy of the minutes has been delivered to the Governor, unless

1 during the 10-day period the Governor shall approve all or part of
2 the actions taken or motions or resolutions adopted, in which case
3 the action or motion or resolution shall become effective upon the
4 approval.

5 If, in the 10-day period, the Governor returns the copy of the
6 minutes with a veto of any action taken by the trust or any member
7 thereof at that meeting, the action shall be of no effect. The Senate
8 or General Assembly shall have the right to provide written
9 comments concerning the minutes to the Governor within the 10-
10 day period, which comments shall be returned to the trust by the
11 Governor with the Governor's approval or veto of the minutes.

12 The powers conferred in this subsection upon the Governor shall
13 be exercised with due regard for the rights of the holders of bonds,
14 notes and other obligations of the trust at any time outstanding, and
15 nothing in, or done pursuant to, this subsection shall in any way
16 limit, restrict or alter the obligation or powers of the trust or any
17 representative or officer of the trust to carry out and perform each
18 covenant, agreement, or contract made or entered into by or on
19 behalf of the trust with respect to its bonds, notes, or other
20 obligations or for the benefit, protection or security of the holders
21 thereof.

22 j. No resolution or other action of the trust providing for the
23 issuance of bonds, refunding bonds, notes or other obligations shall
24 be adopted or otherwise made effective by the trust without the
25 prior approval in writing of the Governor and the State Treasurer.
26 The trust shall provide the Senate and General Assembly with
27 written notice of any request for approval of the Governor and State
28 Treasurer at the time the request is made, and shall also provide the
29 Senate and General Assembly written notice of the response of the
30 Governor and State Treasurer at the time that the response is
31 received by the trust.

32 (cf: P.L.2016, c.56, s.13)

33

34 4. Section 5 of P.L.1985, c.334 (C.58:11B-5) is amended to
35 read as follows:

36 5. Except as otherwise limited by the provisions of P.L.1985,
37 c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.),
38 **【or】** sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-
39 10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
40 C.58:11B-22.4), or the provisions of P.L. , c. (C.) (pending
41 before the Legislature as this bill), the trust may:

42 a. Make and alter bylaws for its organization and internal
43 management and, subject to agreements with holders of its bonds,
44 notes or other obligations, make rules and regulations with respect
45 to its operations, properties and facilities;

46 b. Adopt an official seal and alter it;

47 c. Sue and be sued;

1 d. Make and enter into all contracts, leases and agreements
2 necessary or incidental to the performance of its duties and the
3 exercise of its powers under the provisions of P.L.1985, c.334
4 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]**
5 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
6 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
7 C.58:11B-22.4), or the provisions of P.L. , c. (C.) (pending
8 before the Legislature as this bill), and subject to any agreement
9 with the holders of the trust's bonds, notes or other obligations,
10 consent to any modification, amendment or revision of any contract,
11 lease or agreement to which the trust is a party;

12 e. Enter into agreements or other transactions with and accept,
13 subject to the provisions of section 23 of P.L.1985, c.334
14 (C.58:11B-23), grants, appropriations and the cooperation of the
15 State, or any State agency, in furtherance of the purposes of
16 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
17 10.1 et al.), **[or]** sections 22 and 34 through 38 of P.L.2016, c.56
18 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
19 22.3, and C.58:11B-22.4), or P.L. , c. (C.) (pending before
20 the Legislature as this bill), and do anything necessary in order to
21 avail itself of that aid and cooperation;

22 f. Receive and accept aid or contributions from any source of
23 money, property, labor or other things of value, to be held, used and
24 applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et
25 seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]** sections 22 and
26 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
27 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), or
28 P.L. , c. (C.) (pending before the Legislature as this bill),
29 subject to the conditions upon which that aid and those
30 contributions may be made, including, but not limited to, gifts or
31 grants from any department or agency of the State, or any State
32 agency, for any purpose consistent with the provisions of P.L.1985,
33 c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.),
34 **[or]** sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-
35 10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
36 C.58:11B-22.4), or P.L. , c. (C.) (pending before the
37 Legislature as this bill), subject to the provisions of section 23 of
38 P.L.1985, c.334 (C.58:11B-23);

39 g. Acquire, own, hold, construct, improve, rehabilitate,
40 renovate, operate, maintain, sell, assign, exchange, lease, mortgage
41 or otherwise dispose of real and personal property, or any interest
42 therein, in the exercise of its powers and the performance of its
43 duties under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.),
44 P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]** sections 22 and 34
45 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
46 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) , or the

1 provisions of P.L. , c. (C.) (pending before the Legislature as
2 this bill) ;

3 h. Appoint and employ an executive director and any other
4 officers or employees as it may require for the performance of its
5 duties, without regard to the provisions of Title 11A of the New
6 Jersey Statutes;

7 i. Borrow money and issue bonds, notes and other obligations,
8 and secure the same, and provide for the rights of the holders
9 thereof as provided in the provisions of P.L.1985, c.334 (C.58:11B-
10 1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]** sections 22
11 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through
12 C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4)
13 , or the provisions of P.L. , c. (C.) (pending before the
14 Legislature as this bill) ;

15 j. Subject to any agreement with holders of its bonds, notes or
16 other obligations, invest moneys of the trust not required for
17 immediate use, including proceeds from the sale of any bonds, notes
18 or other obligations, in any obligations, securities and other
19 investments in accordance with the rules and regulations of the
20 State Investment Council or as may otherwise be approved by the
21 Director of the Division of Investment in the Department of the
22 Treasury upon a finding that such investments are consistent with
23 the corporate purposes of the trust;

24 k. Procure insurance to secure the payment of its bonds, notes
25 or other obligations or the payment of any guarantees or loans made
26 by it in accordance with the provisions of P.L.1985, c.334
27 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]**
28 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
29 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
30 C.58:11B-22.4), or the provisions of P.L. , c. (C.) (pending
31 before the Legislature as this bill), or against any loss in connection
32 with its property and other assets and operations, in any amounts
33 and from any insurers as it deems desirable;

34 l. Engage the services of attorneys, accountants, engineers, and
35 financial experts and any other advisors, consultants, experts and
36 agents as may be necessary in its judgment and fix their
37 compensation;

38 m. (1) Make and contract to make loans to local government
39 units, or to a local government unit on behalf of another local
40 government unit, to finance the cost of wastewater treatment system
41 projects or water supply projects and acquire and contract to acquire
42 notes, bonds or other obligations issued or to be issued by any local
43 government units to evidence the loans, all in accordance with the
44 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
45 c.224 (C.58:11B-10.1 et al.);

46 (2) Make and contract to make loans to public water utilities, or
47 to any other person or local government unit on behalf of a public
48 water utility, to finance the cost of water supply projects in

1 accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et
2 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

3 (3) Make and contract to make loans to private persons other
4 than local government units, or to any other person or local
5 government unit on behalf of a private person, to finance the cost of
6 onsite wastewater treatment and disposal systems or stormwater
7 management systems in accordance with the provisions of
8 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-
9 10.1 et al.);

10 (4) Make and contract to make loans and provide other
11 assistance to one or more local government units or consortia
12 thereof to finance the cost of transportation projects in accordance
13 with the provisions of the federal infrastructure bank program and
14 pursuant to sections 22 and 34 through 38 of P.L.2016, c.56
15 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
16 22.3, and C.58:11B-22.4);

17 (5) Make and contract to make loans and provide other assistance
18 to State entities, local government units, and private entities to
19 finance the cost of climate change mitigation projects and climate
20 change resilience projects in accordance the provisions of P.L. ,
21 c. (C.) (pending before the Legislature as this bill);

22 n. Subject to any agreement with holders of its bonds, notes or
23 other obligations, purchase bonds, notes and other obligations of the
24 trust and hold the same for resale or provide for the cancellation
25 thereof, all in accordance with the provisions of P.L.1985, c.334
26 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]**
27 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
28 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
29 C.58:11B-22.4) , or the provisions of P.L. , c. (C.) (pending
30 before the Legislature as this bill);

31 o. (1) Charge to and collect from local government units,
32 private persons or public water utilities any fees and charges in
33 connection with the trust's loans, guarantees or other services,
34 including, but not limited to, fees and charges sufficient to
35 reimburse the trust for all reasonable costs necessarily incurred by it
36 in connection with its financings and the establishment and
37 maintenance of reserve or other funds, as the trust may determine to
38 be reasonable. The fees and charges shall be in accordance with a
39 uniform schedule published by the trust for the purpose of
40 providing actual cost reimbursement for the services rendered;

41 (2) Any fees and charges collected by the trust pursuant to this
42 subsection may be deposited and maintained in a special fund
43 separate from any other funds held by the trust pursuant to section
44 10 of P.L.1985, c.334 (C.58:11B-10) or section 23 of P.L.1997,
45 c.224 (C.58:11B-10.1), and shall be available for any corporate
46 purposes of the trust;

47 p. Subject to any agreement with holders of its bonds, notes or
48 other obligations, obtain as security or to provide liquidity for

1 payment of all or any part of the principal of and interest and
2 premium on the bonds, notes and other obligations of the trust or
3 for the purchase upon tender or otherwise of the bonds, notes or
4 other obligations, lines of credit, letters of credit and other security
5 agreements or instruments in any amounts and upon any terms as
6 the trust may determine, and pay any fees and expenses required in
7 connection therewith;

8 q. Provide to local government units and State entities any
9 financial and credit advice as these local government units and State
10 entities may request;

11 r. Make payments to the State from any moneys of the trust
12 available therefor as may be required pursuant to any agreement
13 with the State or act appropriating moneys to the trust; and

14 s. Take any action necessary or convenient to the exercise of
15 the foregoing powers or reasonably implied therefrom.

16 (cf: P.L.2017, c.144, s.2)

17

18 5. Section 6 of P.L.1985, c.334 (C.58:11B-6) is amended to
19 read as follows:

20 6. a. Except as may be otherwise expressly provided in the
21 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224
22 (C.58:11B-10.1 et al.), **[or]** sections 22 and 34 through 38 of
23 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
24 20.2, C.58:11B-22.3, and C.58:11B-22.4), or the provisions of
25 P.L. , c. (C.) (pending before the Legislature as this bill), the
26 trust may from time to time issue its bonds, notes, or other
27 obligations in any principal amounts as in the judgment of the trust
28 shall be necessary to provide sufficient funds for any of its
29 corporate purposes, including the payment, funding, or refunding of
30 the principal of, or interest or redemption premiums on, any bonds,
31 notes, or other obligations issued by it, whether the bonds, notes, or
32 other obligations or the interest or redemption premiums thereon to
33 be funded or refunded have or have not become due, the
34 establishment or increase of reserves or other funds to secure or to
35 pay the bonds, notes, or other obligations or interest thereon and all
36 other costs or expenses of the trust incident to and necessary to
37 carry out its corporate purposes and powers.

38 b. Whether or not the bonds, notes or other obligations of the
39 trust are of a form and character as to be negotiable instruments
40 under the terms of Title 12A of the New Jersey Statutes, the bonds,
41 notes and other obligations are made negotiable instruments within
42 the meaning of and for the purposes of Title 12A of the New Jersey
43 Statutes, subject only to the provisions of the bonds, notes and other
44 obligations for registration.

45 c. Bonds, notes or other obligations of the trust shall be
46 authorized by a resolution or resolutions of the trust and may be
47 issued in one or more series and shall bear any date or dates, mature
48 at any time or times, bear interest at any rate or rates of interest per

1 annum, be in any denomination or denominations, be in any form,
2 either coupon, registered or book entry, carry any conversion or
3 registration privileges, have any rank or priority, be executed in any
4 manner, be payable in any coin or currency of the United States
5 which at the time of payment is legal tender for the payment of
6 public and private debts, at any place or places within or without
7 the State, and be subject to any terms of redemption by the trust or
8 the holders thereof, with or without premium, as the resolution or
9 resolutions may provide. A resolution of the trust authorizing the
10 issuance of bonds, notes or other obligations may provide that the
11 bonds, notes or other obligations be secured by a trust indenture
12 between the trust and a trustee, vesting in the trustee any property,
13 rights, powers and duties in trust consistent with the provisions of
14 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
15 10.1 et al.), **[or]** sections 22 and 34 through 38 of P.L.2016, c.56
16 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
17 22.3, and C.58:11B-22.4) , or the provisions of P.L. _____,
18 c. (C. _____)(pending before the Legislature as this bill), as the trust
19 may determine.

20 d. Bonds, notes or other obligations of the trust may be sold at
21 any price or prices and in any manner as the trust may determine.
22 Notwithstanding any provisions of the “Local Bond Law,”
23 N.J.S.40A:2-1 et seq., to the contrary, each bond, note or other
24 obligation shall mature and be paid not later than 30 years for
25 environmental infrastructure projects, 45 years for combined sewer
26 overflow projects, **[and]** 31 years for transportation projects, and
27 25 years for climate change mitigation projects and climate change
28 resilience projects, from the effective date thereof, or the certified
29 useful life of the project or projects to be financed by the bonds,
30 whichever is less, or a shorter period of time as may be applicable
31 to any companion loan issued pursuant to federal law or regulation.

32 **[All]** Except as provided in section 6 of P.L. _____,
33 c. (C. _____)(pending before the Legislature as this bill), all bonds
34 of the trust shall be sold at the price or prices and in the manner as
35 the trust shall determine, after notice of sale, a summary of which
36 shall be published at least once in at least three newspapers
37 published in the State of New Jersey and at least once in a
38 publication carrying municipal bond notices and devoted primarily
39 to financial news published in New Jersey or the city of New York,
40 the first summary notice to be at least five days prior to the day of
41 bidding. The notice of sale may contain a provision to the effect
42 that any or all bids made in pursuance thereof may be rejected. In
43 the event of such rejection or of failure to receive any acceptable
44 bid, the trust, at any time within 60 days from the date of such
45 advertised sale, may sell such bonds at private sale upon terms not
46 less favorable to the State than the terms offered by any rejected
47 bid. The trust may sell all or part of the bonds of any series as

1 issued to any State fund or to the federal government or any agency
2 thereof, at private sale, without advertisement.

3 e. Bonds, notes or other obligations of the trust may be issued
4 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.),
5 P.L.1997, c.224 (C.58:11B-10.1 et al.), **【or】** sections 22 and 34
6 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
7 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) , or the
8 provisions of P.L. , c. (C.) (pending before the Legislature
9 as this bill) without obtaining the consent of any department,
10 division, board, bureau or agency of the State, and without any
11 other proceedings or the happening of any other conditions or
12 things, other than those consents, proceedings, conditions or things
13 which are specifically required by P.L.1985, c.334 (C.58:11B-1 et
14 seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **【or】** sections 22 and
15 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
16 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) , or
17 P.L. , c. (C.) (pending before the Legislature as this bill).

18 f. Bonds, notes or other obligations of the trust issued under
19 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997,
20 c.224 (C.58:11B-10.1 et al.), **【or】** sections 22 and 34 through 38 of
21 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
22 20.2, C.58:11B-22.3, and C.58:11B-22.4) , or the provisions of
23 P.L. , c. (C.) (pending before the Legislature as this bill)
24 shall not be a debt or liability of the State or of any political
25 subdivision thereof other than the trust and shall not create or
26 constitute any indebtedness, liability or obligation of the State or
27 any political subdivision, but all these bonds, notes and other
28 obligations, unless funded or refunded by bonds, notes or other
29 obligations, shall be payable solely from revenues or funds pledged
30 or available for their payment as authorized in P.L.1985, c.334
31 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **【or】**
32 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
33 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
34 C.58:11B-22.4) , or P.L. , c. (C.) (pending before the
35 Legislature as this bill). Each bond, note and obligation shall
36 contain on its face a statement to the effect that the trust is obligated
37 to pay the principal thereof or the interest thereon only from its
38 revenues, receipts or funds pledged or available for their payment
39 as authorized in P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997,
40 c.224 (C.58:11B-10.1 et al.), **【or】** sections 22 and 34 through 38 of
41 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
42 20.2, C.58:11B-22.3, and C.58:11B-22.4), or P.L. , c. (C.)
43 (pending before the Legislature as this bill), and that neither the
44 State, nor any political subdivision thereof, is obligated to pay the
45 principal or interest and that neither the faith and credit nor the
46 taxing power of the State, or any political subdivision thereof, is

1 pledged to the payment of the principal of or the interest on the
2 bonds, notes or other obligations.

3 g. The aggregate principal amount of bonds, notes or other
4 obligations, including subordinated indebtedness of the trust, shall
5 not exceed (1) \$5,000,000,000 with respect to bonds, notes, or other
6 obligations issued to finance the Disaster Relief Emergency
7 Financing Program established pursuant to section 1 of P.L.2013,
8 c.93 (C.58:11B-9.5), and (2) \$3,800,000,000 with respect to bonds,
9 notes, or other obligations issued for all other purposes of the trust.
10 In computing the foregoing limitations there shall be excluded all
11 the bonds, notes or other obligations, including subordinated
12 indebtedness of the trust, which shall be issued for refunding
13 purposes, whenever the refunding shall be determined to result in a
14 savings.

15 (1) Upon the decision by the trust to issue refunding bonds,
16 except for current refunding, and prior to the sale of those bonds,
17 the trust shall transmit to the Joint Budget Oversight Committee, or
18 its successor, a report that a decision has been made, reciting the
19 basis on which the decision was made, including an estimate of the
20 debt service savings to be achieved and the calculations upon which
21 the trust relied when making the decision to issue refunding bonds.
22 The report shall also disclose the intent of the trust to issue and sell
23 the refunding bonds at public or private sale and the reasons
24 therefor.

25 (2) The Joint Budget Oversight Committee or its successor shall
26 have the authority to approve or disapprove the sales of refunding
27 bonds as included in each report submitted in accordance with
28 paragraph (1) of this subsection. The committee shall notify the
29 trust in writing of the approval or disapproval within 30 days of
30 receipt of the report. Should the committee not act within 30 days
31 of receipt of the report, the trust may proceed with the sale of the
32 refunding bonds, provided that the sale of refunding bonds shall
33 realize not less than three percent net present value debt service
34 savings.

35 (3) No refunding bonds shall be issued unless the report has
36 been submitted to and approved by the Joint Budget Oversight
37 Committee or its successor as set forth in paragraphs (1) and (2) of
38 this subsection.

39 (4) Within 30 days after the sale of the refunding bonds, the
40 trust shall notify the committee of the result of that sale, including
41 the prices and terms, conditions and regulations concerning the
42 refunding bonds, the actual amount of debt service savings to be
43 realized as a result of the sale of refunding bonds, and the intended
44 use of the proceeds from the sale of those bonds.

45 (5) The committee shall review all information and reports
46 submitted in accordance with this subsection and may, on its own
47 initiative, make observations to the trust, or to the Legislature, or
48 both, as it deems appropriate.

1 h. Each issue of bonds, notes, or other obligations of the trust
2 may, if it is determined by the trust, be general obligations thereof
3 payable out of any revenues, receipts or funds of the trust, or
4 special obligations thereof payable out of particular revenues,
5 receipts or funds, subject only to any agreements with the holders of
6 bonds, notes or other obligations, and may be secured by one or
7 more of the following:

8 (1) Pledge of revenues and other receipts to be derived from the
9 payment of the interest on and principal of notes, bonds or other
10 obligations issued to the trust by one or more local government
11 units, or State entities, as applicable, and any other payment made
12 to the trust pursuant to agreements with any local government units,
13 or State entities, as applicable, or a pledge or assignment of any
14 notes, bonds, or other obligations of any local government unit , or
15 State entity, as applicable, and the rights and interest of the trust
16 therein;

17 (2) Pledge of rentals, receipts and other revenues to be derived
18 from leases or other contractual arrangements with any person or
19 entity, public or private, including one or more local government
20 units, or State entities, as applicable, or a pledge or assignment of
21 those leases or other contractual arrangements and the rights and
22 interest of the trust therein;

23 (3) Pledge of all moneys, funds, accounts, securities and other
24 funds, including the proceeds of the bonds, notes or other
25 obligations;

26 (4) Pledge of the receipts to be derived from the payments of
27 State aid, payable to the trust pursuant to section 12 of P.L.1985,
28 c.334 (C.58:11B-12);

29 (5) A mortgage on all or any part of the property, real or
30 personal, of the trust then owned or thereafter to be acquired, or a
31 pledge or assignment of mortgages made to the trust by any person
32 or entity, public or private, including one or more local government
33 units , or State entities, as applicable, and the rights and interest of
34 the trust therein.

35 i. The trust shall not issue any bonds, notes or other
36 obligations, or otherwise incur any additional indebtedness, on or
37 after June 30, 2033.

38 j. (Deleted by amendment, P.L.1996, c.88).
39 (cf: P.L.2018, c.75, s.2)

40
41 6. (New section) The trust shall issue one or more separate
42 series of bonds, notes, or other obligations for the purpose of
43 financing climate change mitigation projects and climate change
44 resilience projects, which bonds, notes, or other obligations shall be
45 known as "New Jersey Climate Bonds." Proceeds from the sale of
46 New Jersey Climate Bonds shall be deposited into the State Climate
47 Change Mitigation and Resilience Bank Fund, and any other
48 accounts or subaccounts established pursuant to P.L. ,

1 c. (C.) (pending before the Legislature as this bill) to be used
2 solely to finance climate change mitigation and climate change
3 resilience projects and for other costs associated with the New
4 Jersey Climate Change Mitigation and Resilience Financing
5 Program. New Jersey Climate Bonds shall be subject to the
6 provisions of section 6 of P.L.1985, c.334 (C.58:11B-6), except that
7 the trust shall, to the greatest extent practicable, make New Jersey
8 Climate Bonds available for sale to individual investors, rather than
9 institutional investors, and in denominations suitable for such sales,
10 as determined by the trust. The trust shall develop mechanisms and
11 procedures for the advertisement and public sale of New Jersey
12 Climate Bonds to individual investors.

13

14 7. Section 7 of P.L.1985, c.334 (C.58:11B-7) is amended to
15 read as follows:

16 7. In any resolution of the trust authorizing or relating to the
17 issuance of any of its bonds, notes or other obligations, the trust, in
18 order to secure the payment of the bonds, notes or other obligations
19 and in addition to its other powers, may by provisions therein which
20 shall constitute covenants by the trust and contracts with the holders
21 of the bonds, notes or other obligations:

22 a. Secure the bonds, notes or other obligations as provided in
23 section 6 of P.L.1985, c.334 (C.58:11B-6);

24 b. Covenant against pledging all or part of its revenues or
25 receipts;

26 c. Covenant with respect to limitations on any right to sell,
27 mortgage, lease or otherwise dispose of any notes, bonds or other
28 obligations of local government units, or State entities, as
29 applicable, or any part thereof, or any property of any kind;

30 d. Covenant as to any bonds, notes or other obligations to be
31 issued by the trust, and the limitations thereon, and the terms and
32 conditions thereof, and as to the custody, application, investment
33 and disposition of the proceeds thereof;

34 e. Covenant as to the issuance of additional bonds, notes or
35 other obligations of the trust or as to limitations on the issuance of
36 additional bonds, notes or other obligations and on the incurring of
37 other debts by it;

38 f. Covenant as to the payment of the principal of or interest on
39 bonds, notes or other obligations of the trust, as to the sources and
40 methods of payment, as to the rank or priority of the bonds, notes or
41 other obligations with respect to any lien or security or as to the
42 acceleration of the maturity of the bonds, notes or other obligations;

43 g. Provide for the replacement of lost, stolen, destroyed or
44 mutilated bonds, notes or other obligations of the trust;

45 h. Covenant against extending the time for the payment of
46 bonds, notes or other obligations of the trust or interest thereon;

47 i. Covenant as to the redemption of bonds, notes and other
48 obligations by the trust or the holders thereof and privileges of

1 exchange thereof for other bonds, notes or other obligations of the
2 trust;

3 j. Covenant to create or authorize the creation of special funds
4 or accounts to be held in trust or otherwise for the benefit of holders
5 of bonds, notes and other obligations of the trust, or reserves for
6 other purposes and as to the use, investment, and disposition of
7 moneys held in those funds, accounts or reserves;

8 k. Provide for the rights and liabilities, powers and duties
9 arising upon the breach of any covenant, condition or obligation and
10 prescribe the events of default and terms and conditions upon which
11 any or all of the bonds, notes or other obligations of the trust shall
12 become or may be declared due and payable before maturity and the
13 terms and conditions upon which the declaration and its
14 consequences may be waived;

15 l. Vest in a trustee or trustees within or without the State any
16 property, rights, powers and duties in trust as the trust may
17 determine, which may include any or all of the rights, powers and
18 duties of any trustee appointed by the holders of any bonds, notes or
19 other obligations of the trust pursuant to section 18 of P.L.1985,
20 c.334 (C.58:11B-18), including rights with respect to the sale or
21 other disposition of notes, bonds or other obligations of local
22 government units , or State entities, as applicable, pledged pursuant
23 to a resolution or trust indenture for the benefit of the holders of
24 bonds, notes or other obligations of the trust and the right by suit or
25 action to foreclose any mortgage pledged pursuant to the resolution
26 or trust indenture for the benefit of the holders of the bonds, notes
27 or other obligations, and to limit or abrogate the right of the holders
28 of any bonds, notes or other obligations of the trust to appoint a
29 trustee under the provisions of P.L.1985, c.334 (C.58:11B-1 et
30 seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]** sections 22 and
31 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
32 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), or the
33 provisions of P.L. , C. (C.) (pending before the Legislature
34 as this bill), and to limit the rights, duties and powers of the trustee;

35 m. Pay the costs or expenses incident to the enforcement of the
36 bonds, notes or other obligations of the trust or of the provisions of
37 the resolution authorizing the issuance of those bonds, notes or
38 other obligations or of any covenant or agreement of the trust with
39 the holders of the bonds, notes or other obligations;

40 n. Limit the rights of the holders of any bonds, notes or other
41 obligations of the trust to enforce any pledge or covenant securing
42 the bonds, notes or other obligations; and

43 o. Make covenants other than or in addition to the covenants
44 authorized by P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224
45 (C.58:11B-10.1 et al.), **[or]** sections 22 and 34 through 38 of
46 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
47 20.2, C.58:11B-22.3, and C.58:11B-22.4) , or P.L. , c. (C.)
48 (pending before the Legislature as this bill) of like or different

1 character, and make covenants to do or refrain from doing any acts
2 and things as may be necessary, or convenient and desirable, in
3 order to better secure the bonds, notes or other obligations of the
4 trust, or which, in the absolute discretion of the trust, would make
5 the bonds, notes or other obligations more marketable,
6 notwithstanding that the covenants, acts or things may not be
7 enumerated herein.

8 (cf: P.L.2016, c.56, s.16)

9

10 8. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to
11 read as follows:

12 9. a. (1) The trust may make and contract to make loans to
13 local government units, or to a local government unit on behalf of
14 another local government unit, in accordance with and subject to the
15 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
16 c.224 (C.58:11B-10.1 et al.) to finance the cost of any wastewater
17 treatment system project or water supply project, which the local
18 government unit may lawfully undertake or acquire and for which
19 the local government unit is authorized by law to borrow money.

20 (2) The trust may make and contract to make loans to public
21 water utilities, or to any other person or local government unit on
22 behalf of a public water utility, in accordance with and subject to
23 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
24 c.224 (C.58:11B-10.1 et al.) to finance the cost of any water supply
25 project, which the public water utility may lawfully undertake or
26 acquire.

27 (3) The trust may make and contract to make loans to private
28 persons other than local government units, or to any other person or
29 local government unit on behalf of a private person, in accordance
30 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1
31 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost
32 of stormwater management systems.

33 (4) The trust may make and contract to make loans and provide
34 other assistance to a local government unit or consortia thereof to
35 finance the cost of transportation projects pursuant to sections 22
36 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through
37 C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-
38 22.4), and provided that the federally-funded subaccount is operated
39 in accordance with the provisions of the federal infrastructure bank
40 program.

41 (5) The trust may make and contract to make loans and provide
42 other assistance to a State entity, local government unit, or private
43 entity, or consortia thereof, to finance the cost of climate change
44 mitigation projects and climate change resilience projects pursuant
45 to the provisions of P.L. , c. (C.) (pending before the
46 Legislature as this bill).

47 The loans may be made subject to those terms and conditions as
48 the trust shall determine to be consistent with the purposes thereof.

1 Each loan by the trust and the terms and conditions thereof shall be
2 subject to approval by the State Treasurer, and the trust shall make
3 available to the State Treasurer all information, statistical data and
4 reports of independent consultants or experts as the State Treasurer
5 shall deem necessary in order to evaluate the loan. Each loan to a
6 local government unit, public water utility , State entity, or any
7 other person shall be evidenced by notes, bonds or other obligations
8 thereof issued to the trust. In the case of each local government
9 unit, notes and bonds to be issued to the trust and, if applicable, the
10 State, acting by and through the Department of Environmental
11 Protection, by the local government unit (1) shall be authorized and
12 issued as provided by law for the issuance of notes and bonds by the
13 local government unit, (2) notwithstanding any provisions of the
14 “Local Authorities Fiscal Control Law,” P.L.1983, c.313
15 (C.40A:5A-1 et seq.) to the contrary, shall be approved by the
16 Director of the Division of Local Government Services in the
17 Department of Community Affairs, and (3) notwithstanding the
18 provisions of N.J.S.40A:2-27, N.J.S.40A:2-28 and N.J.S.40A:2-29
19 or any other provisions of law to the contrary, may be sold at
20 private sale to the trust or the State, as the case may be, at any price,
21 whether or not less than par value, and shall be subject to
22 redemption prior to maturity at any times and at any prices as the
23 trust or the State, as the case may be, and local government units
24 may agree. Each loan to a local government unit, public water
25 utility , State entity, or any other person and the notes, bonds or
26 other obligations thereby issued shall bear interest at a rate or rates
27 per annum as the trust or the State, as the case may be, and the local
28 government unit, public water utility , State entity, or any other
29 person, as the case may be, may agree.

30 b. The trust is authorized to guarantee or contract to guarantee
31 the payment of all or any portion of the principal and interest on
32 bonds, notes or other obligations issued by a local government unit
33 or State entity to finance the cost of any wastewater treatment
34 system project, water supply project, **[or]** transportation project ,
35 climate change mitigation project, or climate change resilience
36 project which the local government unit or State entity, as
37 applicable, may lawfully undertake or acquire and for which the
38 local government unit or State entity, as applicable, is authorized by
39 law to borrow money, and the guarantee shall constitute an
40 obligation of the trust for the purposes of P.L.1985, c.334
41 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]**
42 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
43 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
44 C.58:11B-22.4) , or P.L. , c. (C.) (pending before the
45 Legislature as this bill) . Each guarantee by the trust and the terms
46 and conditions thereof shall be subject to approval by the State
47 Treasurer, and the trust shall make available to the State Treasurer
48 all information, statistical data and reports of independent

1 consultants or experts as the State Treasurer shall deem necessary in
2 order to evaluate the guarantee.

3 c. The trust shall not make or contract to make any loans or
4 guarantees to local government units, public water utilities , State
5 entities, or any other person, or otherwise incur any additional
6 indebtedness, on or after June 30, 2033.

7 d. Notwithstanding any provision of P.L.1985, c.334
8 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to
9 the contrary, the trust may receive funds from any source including,
10 without limitation, any funds drawn by the trust from a revolving
11 line of credit or other similar financial vehicle that may be procured
12 by the trust, either through a competitive or negotiated process,
13 pursuant to section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit
14 into the Interim Environmental Financing Program Fund or the trust
15 may issue its bonds, notes or other obligations, including
16 commercial paper issued through a competitive or negotiated
17 process, in any principal amounts, in either case, as in the judgment
18 of the trust shall be necessary to provide sufficient funds to finance
19 or refinance short-term or temporary loans to local government
20 units, public water utilities or private persons for any wastewater
21 treatment system projects included on the Department of
22 Environmental Protection project priority list and eligible for
23 approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20)
24 or water supply projects included on the Department of
25 Environmental Protection project priority list and eligible for
26 approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1),
27 as applicable, without regard to any other provisions of P.L.1985,
28 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et
29 al.), including, without limitation, any administrative or legislative
30 approvals.

31 The trust shall create and establish a special fund to be known as
32 the “Interim Environmental Financing Program Fund” for the short-
33 term or temporary loan financing or refinancing program to be
34 known as the “Interim Environmental Financing Program.” The
35 monies in the fund shall be used for short-term or temporary loans
36 for clean water and drinking water projects pursuant to the New
37 Jersey Environmental Infrastructure Financing Program.

38 Except as provided in section 1 of P.L.2013, c.93 (C.58:11B-
39 9.5), any short-term or temporary loans made by the trust pursuant
40 to this subsection may only be made in advance of the anticipated
41 loans the trust may make and contract to make under the provisions
42 of subsection a. of this section from any source of funds anticipated
43 to be received by the trust. Any such short-term or temporary loan
44 made pursuant to the Interim Environmental Financing Program
45 shall mature no later than the last day of the third succeeding fiscal
46 year following the closing date on which the short-term or
47 temporary loan was made by the trust to the project sponsor; except
48 a planning, design, and construction loan shall mature no later than

1 the last day of the fifth succeeding fiscal year following the closing
2 date of the planning, design, and construction loan or the last day of
3 the third succeeding fiscal year following the date of construction
4 certification following the closing date of the planning, design, and
5 construction loan, whichever is sooner, provided that, in either case,
6 project planning or engineering design activities shall not exceed
7 two years from the closing date of the planning, design, and
8 construction loan; and except a short-term or temporary loan made
9 pursuant to this subsection for environmental planning and
10 engineering design costs associated with long-term control plans for
11 combined sewer overflow projects shall mature no later than the last
12 day of the 10th succeeding fiscal year following the closing date on
13 which the short-term or temporary loan was made by the trust to the
14 project sponsor. With respect to any short-term or temporary loan
15 or planning, design, and construction loan made by the trust
16 pursuant to this subsection, the trust may authorize one short-term
17 supplemental loan for residual project expenses thereof upon receipt
18 by the trust from the Department of Environmental Protection of a
19 certification that states that the time required by the project sponsor
20 to complete construction of the project exceeds the maximum
21 maturity date of the project sponsor's outstanding short-term or
22 temporary loan or planning, design, and construction loan. Any
23 such short-term supplemental loan shall not exceed in duration the
24 last day of the third succeeding fiscal year following the loan
25 closing of the supplemental loan. The trust may make short-term or
26 temporary loans pursuant to the Interim Environmental Financing
27 Program to any one or more of the project sponsors, for the
28 respective projects thereof, identified in the interim financing
29 project priority list to be known as the "Interim Environmental
30 Financing Program Project Priority List" in the form provided to the
31 Legislature by the Commissioner of Environmental Protection.

32 The Interim Environmental Financing Program Project Priority
33 List, including any revision thereof or supplement thereto, shall be
34 submitted to the Legislature pursuant to section 2 of P.L.1991,
35 c.164 (C.52:14-19.1) at least once in each fiscal year as provided in
36 section 20 of P.L.1985, c.334 (C.58:11B-20) and section 24 of
37 P.L.1997, c.224 (C.58:11B-20.1). The Secretary and the Clerk shall
38 cause the date of submission to be entered upon the Senate Journal
39 and the Minutes of the General Assembly, respectively. The trust
40 may revise or supplement the Interim Environmental Financing
41 Program Project Priority List no more than four times during the
42 fiscal year and shall submit the revised list to the Legislature when
43 the revisions are made. Any environmental infrastructure project or
44 the project sponsor thereof not identified in the Interim
45 Environmental Financing Program Project Priority List shall not be
46 eligible for a short-term or temporary loan from the Interim
47 Environmental Financing Program Fund. The trust may issue short-
48 term or temporary loans pursuant to this subsection only if a project

1 is listed on an Interim Environmental Financing Program Project
2 Priority List that has been submitted to the Legislature. No funds
3 may be disbursed pursuant to this section for project activities prior
4 to a determination and certification, in writing, from the
5 Department of Environmental Protection, that the project activities
6 satisfy the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.).

7 e. Notwithstanding any provisions of the “Local Bond Law”
8 (N.J.S.40A:2-1 et seq.), the “sewerage authorities law,” P.L.1946,
9 c.138 (C.40:14A-1 et seq.), or the “municipal and county utilities
10 authorities law,” P.L.1957, c.183 (C.40:14B-1 et seq.) to the
11 contrary, short-term or temporary loans made by the trust pursuant
12 to section 9 of P.L.1985, c.334 (C.58:11B-9) or section 1 of
13 P.L.2013, c.93 (C.58:11B-9.5), and the obligations issued by project
14 sponsors to evidence such loans, may, at the discretion of the trust
15 and upon application by the project sponsor, bear interest at a
16 variable rate determined pursuant to a methodology as may be
17 established by the trust from time to time.

18 Further, notwithstanding any provisions of the “Local Bond
19 Law” (N.J.S.40A:2-1 et seq.), the “sewerage authorities law,”
20 P.L.1946, c.138 (C.40:14A-1 et seq.), or the “municipal and county
21 utilities authorities law,” P.L.1957, c.183 (C.40:14B-1 et seq.) to
22 the contrary, any short-term or temporary loans made by the trust
23 pursuant to section 9 of P.L.1985, c.334 (C.58:11B-9) or section 1
24 of P.L.2013, c.93 (C.58:11B-9.5), and any notes or other
25 obligations issued by project sponsors to evidence such short-term
26 or temporary loans, as such loans, notes, or other obligations may
27 be refinanced or extended, as provided in subsections d. and g. of
28 this section and section 1 of P.L.2013, c.93 (C.58:11B-9.5), except
29 for loans for environmental planning and engineering design costs
30 associated with long-term control plans for combined sewer
31 overflow projects as provided in subsection d. of this section, shall
32 mature no later than the maturity date as established pursuant to
33 subsections d. and g. of this section and section 1 of P.L.2013, c.93
34 (C.58:11B-9.5), without payment by project sponsors of any portion
35 of the principal thereof prior to maturity.

36 f. Any balances remaining in the Emergency Loan Fund
37 established pursuant to section 4 of P.L.2007, c.138 (C.58:11B-9.1),
38 the Planning and Design Fund established pursuant to section 1 of
39 P.L.2009, c.59 (C.58:11B-9.2), the Onsite Wastewater Disposal
40 Loan Fund established pursuant to section 5 of P.L.2009, c.103
41 (C.58:11B-9.3), the Supplemental Loan Fund established pursuant
42 to section 2 of P.L.2011, c.94 (C.58:11B-9.4), and the Equipment
43 Loan Fund established pursuant to section 1 of P.L.2014, c.28
44 (C.58:11B-9.6) after the date of enactment of P.L.2016, c.30 shall
45 be transferred to the Interim Environmental Financing Program
46 Fund, and any loan repayments to the trust of principal and interest
47 or premium on loans made from those funds shall be credited to the
48 Interim Environmental Financing Program Fund.

1 g. The trust shall create and establish a special fund to be
2 known as the “Interim Transportation Financing Program Fund” for
3 the short-term or temporary loan financing or refinancing program
4 to be known as the “Interim Transportation Financing Program.”

5 Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1
6 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary,
7 the trust may receive funds from any source including, without
8 limitation, any funds drawn by the trust from a revolving line of
9 credit or other similar financial vehicle that may be procured by the
10 trust, either through a competitive or negotiated process, pursuant to
11 section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit into the
12 Interim Transportation Financing Program Fund or the trust may
13 issue its bonds, notes, or other obligations in any principal
14 amounts, in either case, as in the judgment of the trust shall be
15 necessary to provide sufficient funds to finance or refinance short-
16 term or temporary loans to local government units or private
17 persons for any transportation project included on the Department
18 of Transportation Interim Transportation Financing Program Project
19 Priority List for the ensuing fiscal year and eligible for approval
20 pursuant to sections 22 and 34 through 38 of P.L.2016, c.56
21 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
22 22.3, and C.58:11B-22.4), without regard to any other provisions of
23 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
24 10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56
25 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
26 22.3, and C.58:11B-22.4), including, without limitation, any
27 administrative or legislative approvals.

28 Any short-term or temporary loans made by the trust pursuant to
29 this subsection may only be made in advance of the anticipated
30 loans the trust may make and contract to make under the provisions
31 of subsection a. of this section from any source of funds anticipated
32 to be received by the trust. Any such short-term or temporary loan
33 made pursuant to the Interim Transportation Financing Program
34 shall mature no later than the last day of the third succeeding fiscal
35 year following the closing date on which the short-term or
36 temporary loan was made by the trust to the project sponsor; except
37 a planning, design, and construction loan shall mature no later than
38 the last day of the fifth succeeding fiscal year following the closing
39 date of the planning, design, and construction loan or the last day of
40 the third succeeding fiscal year following the date of construction
41 certification following the closing date of the planning, design, and
42 construction loan, whichever is sooner, provided that, in either case,
43 project planning or engineering design activities shall not exceed
44 two years from the closing date of the planning, design, and
45 construction loan. With respect to any short-term or temporary loan
46 or planning, design, and construction loan made by the trust
47 pursuant to this subsection, the trust may authorize one short-term
48 supplemental loan for residual expenses thereof upon receipt by the

1 trust from the Department of Transportation of a certification that
2 states that the time required by the project sponsor to complete
3 construction of the project exceeds the maximum maturity date of
4 the short-term or temporary loan or planning, design, and
5 construction loan. Any such short-term supplemental loan shall not
6 exceed in duration the last day of the third succeeding fiscal year
7 following the loan closing of the short-term supplemental loan. The
8 trust may make short-term or temporary loans pursuant to the
9 Interim Transportation Financing Program to any one or more of the
10 project sponsors, for the respective projects thereof, only if a
11 project is identified in the Department of Transportation Interim
12 Transportation Financing Program Project Priority List to be known
13 as the “Interim Transportation Financing Program Project Priority
14 List” in the form provided to the Legislature by the Commissioner
15 of Transportation.

16 The Interim Transportation Financing Program Project Priority
17 List, including any revision thereof or supplement thereto, shall be
18 submitted to the Secretary of the Senate and the Clerk of the
19 General Assembly on or before July 1 of each year. The Interim
20 Transportation Financing Program Project Priority List shall be
21 submitted to the Legislature pursuant to section 2 of P.L.1991,
22 c.164 (C.52:14-19.1) at least once in each fiscal year. The
23 Secretary and the Clerk shall cause the date of submission to be
24 entered upon the Senate Journal and the Minutes of the General
25 Assembly, respectively. Any transportation infrastructure project
26 or the project sponsor thereof not identified in the Interim
27 Transportation Financing Program Project Priority List shall not be
28 eligible for a short-term or temporary loan from the Interim
29 Transportation Financing Program Fund. The trust may revise or
30 supplement the Interim Transportation Financing Program Project
31 Priority List no more than four times during the fiscal year, and
32 shall submit the revised list to the Legislature when the revisions
33 are made.

34 No funds may be disbursed pursuant to this subsection for
35 project activities prior to written notification of award concurrence
36 from the Department of Transportation and certification in writing,
37 from the trust, that the project activities satisfy the provisions of
38 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
39 10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56
40 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
41 22.3, and C.58:11B-22.4).

42 h. The trust shall create and establish a special fund to be known
43 as the “Interim Climate Change Mitigation and Resilience
44 Financing Program Fund” for the short-term or temporary loan
45 financing or refinancing program to be known as the “Interim
46 Climate Change Mitigation and Resilience Financing Program.”
47 The monies in the fund shall be used for short-term or temporary
48 loans for climate change mitigation projects and climate change

1 resilience projects pursuant to the New Jersey Environmental
2 Infrastructure Financing Program.

3 Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1
4 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary,
5 the trust may receive funds from any source including, without
6 limitation, any funds drawn by the trust from a revolving line of
7 credit or other similar financial vehicle that may be procured by the
8 trust, either through a competitive or negotiated process, pursuant to
9 section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit into the
10 Interim Climate Change Mitigation and Resilience Financing
11 Program Fund, or the trust may issue its bonds, notes, or other
12 obligations in any principal amounts, in either case, as in the
13 judgment of the trust shall be necessary to provide sufficient funds
14 to finance or refinance short-term or temporary loans to State
15 entities, local government units, and private entities for any climate
16 change mitigation project or climate change resilience project
17 included on the Interim Climate Change Mitigation and Resilience
18 Financing Program Project Priority List for the ensuing fiscal year
19 and eligible for approval pursuant to P.L. , c. (C.) (pending
20 before the Legislature as this bill), without regard to any other
21 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224
22 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of
23 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
24 20.2, C.58:11B-22.3, and C.58:11B-22.4), including, without
25 limitation, any administrative or legislative approvals.

26 Any short-term or temporary loans made by the trust pursuant to
27 this subsection may only be made in advance of the anticipated
28 loans the trust may make and contract to make under the provisions
29 of subsection a. of this section from any source of funds anticipated
30 to be received by the trust. Any such short-term or temporary loan
31 made pursuant to the Interim Climate Change Mitigation and
32 Resilience Financing Program shall mature no later than the last day
33 of the third succeeding fiscal year following the closing date on
34 which the short-term or temporary loan was made by the trust to the
35 project sponsor; except a planning, design, and construction loan
36 shall mature no later than the last day of the fifth succeeding fiscal
37 year following the closing date of the planning, design, and
38 construction loan or the last day of the third succeeding fiscal year
39 following the date of construction certification following the
40 closing date of the planning, design, and construction loan,
41 whichever is sooner, provided that, in either case, project planning
42 or engineering design activities shall not exceed two years from the
43 closing date of the planning, design, and construction loan. The
44 trust may make short-term or temporary loans pursuant to the
45 Interim Climate Change Mitigation and Resilience Financing
46 Program to any one or more of the project sponsors, for the
47 respective projects thereof, only if a project is identified on the list
48 to be known as the "Interim Climate Change Mitigation and

1 Resilience Financing Program Project Priority List” in the form
2 provided to the Legislature by the trust.

3 The Interim Climate Change Mitigation and Resilience
4 Financing Program Project Priority List, including any revision
5 thereof or supplement thereto, shall be submitted to the Secretary of
6 the Senate and the Clerk of the General Assembly on or before July
7 1 of each year. The Interim Climate Change Mitigation and
8 Resilience Financing Program Project Priority List shall be
9 submitted to the Legislature pursuant to section 2 of P.L.1991,
10 c.164 (C.52:14-19.1) at least once in each fiscal year. The
11 Secretary and the Clerk shall cause the date of submission to be
12 entered upon the Senate Journal and the Minutes of the General
13 Assembly, respectively. A climate change mitigation project or
14 climate change resilience project, or the project sponsor thereof, not
15 identified in the Interim Climate Change Mitigation and Resilience
16 Financing Program Project Priority List shall not be eligible for a
17 short-term or temporary loan from the Interim Climate Change
18 Mitigation and Resilience Financing Program Fund. The trust may
19 revise or supplement the Interim Climate Change Mitigation and
20 Resilience Financing Program Project Priority List no more than
21 four times during the fiscal year, and shall submit the revised list to
22 the Legislature when the revisions are made.

23 No funds may be disbursed pursuant to this subsection for
24 project activities prior to written notification of award certification
25 in writing from the trust that the project activities satisfy the
26 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224
27 (C.58:11B-10.1 et al.), and P.L. , c. (C.) (pending before the
28 Legislature as this bill).

29 (cf: P.L.2019, c.516, s.2)

30

31 9. (New section) a. There is established in the New Jersey
32 Infrastructure Bank the New Jersey Climate Change Mitigation and
33 Resilience Financing Program. The purpose of the program shall be
34 to provide low interest loans and other forms of financial assistance,
35 as the trust deems appropriate, to State entities, local government
36 units, and private entities to develop and finance climate change
37 mitigation projects and climate change resilience projects approved
38 by the department and the board pursuant to P.L. c. (C.)
39 (pending before the Legislature as this bill). The trust, the
40 Department of Environmental Protection, and the Board of Public
41 Utilities shall develop criteria for participation in the New Jersey
42 Climate Change Mitigation and Resilience Financing Program, and
43 for the approval and disapproval of applications for financial
44 assistance.

45

46 10. (New Section) a. There is established in the New Jersey
47 Infrastructure Bank a special fund to be known as the Climate
48 Change Mitigation and Resilience Loan Origination Fee Fund. The

1 Climate Change Mitigation and Resilience Loan Origination Fee
2 Fund shall be credited with:

3 (1) monies deposited into the fund as loan origination fees
4 received by the trust and paid by loan applicants for climate change
5 mitigation projects and climate change resilience projects financed
6 under the New Jersey Climate Change Mitigation and Resilience
7 Financing Program; and

8 (2) any interest paid on the amounts of the climate change
9 mitigation and resilience loan origination fees.

10 b. Monies in the Climate Change Mitigation and Resilience
11 Loan Origination Fee Fund shall be drawn and used by the trust to
12 reimburse the trust for administrative and operating expenses
13 incurred in administering the New Jersey Climate Change
14 Mitigation and Resilience Financing Program, except that the total
15 amount expended by the trust for administrative and operating
16 expenses in any fiscal year shall not exceed \$5,000,000. The
17 monies in the Climate Change Mitigation and Resilience Loan
18 Origination Fee Fund shall also be available for application and
19 disbursement by the trust for loans to State entities or local
20 government units for the cost of climate change mitigation projects
21 and climate change resilience projects. Amounts in excess of the
22 funds drawn by the trust from the Climate Change Mitigation and
23 Resilience Loan Origination Fee Fund during any given fiscal year
24 shall be carried forward into the following fiscal year and held on
25 deposit in the fund.

26 c. As used in this section, “climate change mitigation and
27 resilience loan origination fee” means the fee charged by the trust in
28 connection with engineering and other services provided by the
29 trust to a project sponsor in connection with the project sponsor’s
30 participation in the New Jersey Climate Change Mitigation and
31 Resilience Financing Program. A project sponsor may finance any
32 portion of the climate change mitigation and resilience loan
33 origination fee through a project loan to pay a portion of the costs
34 incurred by the trust in the implementation of the New Jersey
35 Climate Change Mitigation and Resilience Financing Program.

36
37 11. (New section) a. The trust shall create and establish a
38 special fund to be known as the State Climate Change Mitigation
39 and Resilience Bank Fund. The monies in the State Climate
40 Change Mitigation and Resilience Bank Fund shall be used to
41 provide loans and other financial assistance to climate change
42 mitigation projects and climate change resilience projects funded by
43 the New Jersey Climate Change Mitigation and Resilience
44 Financing Program, and for other corporate purposes of the trust’s
45 administration and management of the New Jersey Climate Change
46 Mitigation and Resilience Financing Program, subject to
47 agreements with the holders of bonds, notes or other obligations of

1 the trust. The State Climate Change Mitigation and Resilience
2 Bank Fund shall be credited with:

3 (1) State and federal funds appropriated to the State Climate
4 Change Mitigation and Resilience Bank Fund;

5 (2) monies received as repayment of the principal of, and the
6 interest or premium on loans made from the State Climate Change
7 Mitigation and Resilience Bank Fund;

8 (3) any interest earnings received on the monies in the State
9 Climate Change Mitigation and Resilience Bank Fund; and

10 (4) any other monies the Legislature may appropriate to the trust
11 for deposit into the State Climate Change Mitigation and Resilience
12 Bank Fund to finance or refinance loans for climate change
13 mitigation projects and climate change resilience projects issued
14 from the State Climate Change Mitigation and Resilience Bank
15 Fund, including moneys received by the State Treasurer from the
16 non-bypassable charge imposed on electric public utility customers
17 pursuant to section 24 of P.L. , c. (C.)(pending before the
18 Legislature as this bill).

19 b. Notwithstanding any provisions of P.L. c. (C.)
20 (pending before the Legislature as this bill) to the contrary, all
21 monies placed into the State Climate Change Mitigation and
22 Resilience Bank Fund shall be held separate from other funds of the
23 trust, and no funds used to finance climate change mitigation
24 projects and climate change resilience projects shall be combined or
25 comingled with any funds that finance (1) wastewater treatment
26 system projects, (2) water supply projects, (3) other environmental
27 infrastructure projects, or (4) transportation, transit, marine or
28 aviation projects, which are not climate change mitigation projects
29 or climate change resilience projects.

30 c. The trust may establish or direct the establishment of federal
31 and State accounts or subaccounts as may be necessary to meet any
32 applicable federal law requirements or desirable for the efficient
33 administration of the trust.

34

35 12. (New section) a. The Commissioner of Environmental
36 Protection, in consultation with the Board of Public Utilities and the
37 trust, shall, for each fiscal year, develop a priority system, ranking
38 criteria, and funding policies for climate change mitigation projects
39 and climate change resilience projects. The commissioner shall
40 prioritize projects that have the largest impact on protecting human
41 health, safety, the environment, or critical infrastructure, from the
42 adverse effects of climate change; reducing the State's greenhouse
43 gas emissions; and meeting the State's clean energy goals. The
44 Commissioner Environmental Protection shall set forth a Climate
45 Change Mitigation and Resilience Financing Program Project
46 Priority List, hereinafter referred to as the "climate change
47 mitigation and resilience project priority list," for funding by the
48 trust for each fiscal year and shall include the aggregate amount of

1 funds of the trust to be authorized for these purposes. The climate
2 change mitigation and resilience project priority list shall include a
3 description of each climate change mitigation project and climate
4 change resilience project and an explanation of the manner in which
5 projects are ranked.

6 The climate change mitigation and resilience project priority list
7 for the ensuing fiscal year shall be submitted to the Legislature on
8 or before January 15 of each year. The Secretary and the Clerk
9 shall cause the date of submission to be entered upon the Senate
10 Journal and the Minutes of the General Assembly, respectively.
11 Incremental revisions or supplements to the climate change
12 mitigation and resilience project priority list may be submitted to
13 the Legislature as provided in subsection g. of section 9 of
14 P.L.1985, c.334 (C.58:11B-9). A climate change mitigation project
15 or climate change resilience project shall be eligible for funding
16 pursuant to this section only if it is identified on a climate change
17 mitigation and resilience project priority list.

18 b. The Commissioner of Environmental Protection, in
19 consultation with the President of the Board of Public Utilities,
20 shall set forth a Climate Change Mitigation and Resilience
21 Financing Program Project Eligibility List for long-term funding by
22 the trust and shall include the aggregate amount of funds to be
23 authorized for these purposes. The Climate Change Mitigation and
24 Resilience Financing Program Project Eligibility List shall consist
25 of Climate Change Mitigation and Resilience Financing Program
26 Project Priority List projects certified by the Department of
27 Environmental Protection and the Board of Public Utilities that
28 have commenced construction and demonstrated to the department
29 a high likelihood of construction completion within three years of
30 the date of funding.

31 On or before May 15 of each year, the trust shall submit the
32 Climate Change Mitigation and Resilience Financing Program
33 Project Eligibility List for the ensuing fiscal year including any
34 amendatory or supplementary provisions thereto, which shall
35 include the authorization of an aggregate amount of funds of the
36 trust to be expended for loans and guarantees for the specific
37 climate change mitigation projects or climate change resilience
38 projects, including the individual amounts therefor, to be introduced
39 in each House in the form of legislative appropriations bills.

40 On or before July 1 of each year, the Legislature shall approve an
41 appropriations act containing the Climate Change Mitigation and
42 Resilience Program Project Eligibility List, including any
43 amendatory or supplementary provisions thereto, which act shall
44 include the authorization of an aggregate amount of funds of the
45 trust to be expended for long-term loans and guarantees for the
46 climate change mitigation and resilience projects, including the
47 individual amounts for each project included on the list.

1 c. On or before October 15 of each year, the trust may submit an
2 amended Climate Change Mitigation and Resilience Financing
3 Program Project Eligibility List to be introduced in each House in
4 the form of legislative appropriations bills for approval by the
5 Legislature on or before January 15 of the following calendar year
6 in the manner set forth in subsection a. and subsection b. of this
7 section.

8 d. The trust shall not expend any money for a long-term loan or
9 guarantee during a fiscal year for any climate change mitigation
10 project or climate change resilience project unless the expenditure
11 has been authorized pursuant to a State annual appropriations act of
12 the current or three immediately preceding fiscal years as provided
13 in the provisions of this section, or as otherwise set forth in an
14 appropriations act.

15 e. The trust shall submit to the Secretary of the Senate and the
16 Clerk of the General Assembly on or before January 15 of each year
17 a report which shall identify the climate change mitigation projects
18 and climate change resilience projects financed during the prior
19 fiscal year, including a project description, the amount of the loan
20 provided for each project, and the duration of each loan.

21
22 13. (New section) a. On or before May 15 of each year, the
23 trust shall submit to the Legislature a financial plan designed to
24 implement the financing of the climate change mitigation projects
25 and climate change resilience projects on the Climate Change
26 Mitigation and Resilience Financing Program Project Priority List
27 or the Climate Change Mitigation and Resilience Financing
28 Program Project Eligibility List. The financial plan shall contain an
29 enumeration of the bonds, notes or other obligations of the trust
30 which the trust intends to issue, including the amounts thereof and
31 the terms and conditions thereof, a list of loans to be made to State
32 entities, local government units, and private entities, including the
33 terms and conditions thereof and the anticipated rate of interest per
34 annum and repayment schedule therefor and a list of loan
35 guarantees or contracts to guarantee the payment of all or a portion
36 of the principal and interest on bonds, notes or other obligations
37 issued by a State entity or local government unit to finance the cost
38 of a climate change mitigation project or climate change resilience
39 project, and the terms and conditions thereof.

40 The financial plan shall also set forth a complete operating and
41 financial statement covering proposed operations of the State
42 Climate Change Mitigation and Resilience Bank Fund during the
43 forthcoming fiscal year, including amounts of income from all
44 sources, and the uniform schedule of fees and charges established
45 by the trust pursuant to subsection o. of section 5 of P.L.1985, c.334
46 (C.58:11B-5), and the amounts to be derived therefrom, and shall
47 summarize the status of each climate change mitigation project and

1 climate change resilience project for which loans or guarantees have
2 been made by the trust.

3 b. On or before June 30 of each year the Legislature may reject
4 the financial plan through the adoption by both houses of a
5 concurrent resolution. If the Legislature rejects the financial plan,
6 the trust shall not undertake any of the proposed activities contained
7 therein. If the Legislature takes no action on or before June 30, the
8 financial plan shall be deemed approved.

9 c. The financial plan for the State Climate Change Mitigation
10 and Resilience Bank Fund shall not be eligible for inclusion in a
11 consolidated financial plan as established in section 27 of P.L.1997,
12 c.224 (C.58:11B-22.2).

13

14 14. (New section) The trust shall, within two years after the
15 effective date of P.L. , c. (C.) (pending before the
16 Legislature as this bill), and every two years thereafter, prepare a
17 report to the Governor and, pursuant to section 2 of P.L.1991, c.164
18 (C.52:14-19.1), to the Legislature regarding the number, nature,
19 structure, and scope of climate change mitigation projects and
20 climate change resilience projects financed pursuant to P.L. ,
21 c. (C.) (pending before the Legislature as this bill), including:
22 (1) a description of the types of projects financed; (2) the climate
23 and other environmental benefits of those projects; (3) benefits to
24 public health, safety, and the environment and critical
25 infrastructure; (4) job creation and other economic and societal
26 benefits; and (5) costs incurred. The report shall also address any
27 implementation issues, including staffing and resource
28 requirements, and may provide recommendations regarding how the
29 New Jersey Climate Mitigation and Resilience Financing Program
30 may be improved, expanded, or made more efficient.

31

32 15. Section 13 of P.L.1985, c.334 (C.58:11B-13) is amended to
33 read as follows:

34 13. Neither the directors of the trust nor any person executing
35 bonds, notes or other obligations of the trust issued pursuant to
36 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
37 10.1 et al.), **【or】** sections 22 and 34 through 38 of P.L.2016, c.56
38 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
39 22.3, and C.58:11B-22.4) , or P.L. , c. (C.) (pending before
40 the Legislature as this bill) shall be liable personally on the bonds,
41 notes or other obligations by reason of the issuance thereof.
42 (cf: P.L.2016, c.56, s.24)

43

44 16. Section 14 of P.L.1985, c.334 (C.58:11B-14) is amended to
45 read as follows:

46 14. The State does pledge to and covenant and agree with the
47 holders of any bonds, notes or other obligations of the trust issued
48 pursuant to authorization of P.L.1985, c.334 (C.58:11B-1 et seq.),

1 P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]** sections 22 and 34
2 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
3 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) , or
4 P.L. , c. (C.) (pending before the Legislature as this bill) that
5 the State shall not limit or alter the rights or powers vested in the
6 trust to perform and fulfill the terms of any agreement made with
7 the holders of the bonds, notes or other obligations or to fix,
8 establish, charge and collect any rents, fees, rates, payments or
9 other charges as may be convenient or necessary to produce
10 sufficient revenues to meet all expenses of the trust and to fulfill the
11 terms of any agreement made with the holders of bonds, notes or
12 other obligations, including the obligations to pay the principal of
13 and interest and premium on those bonds, notes or other
14 obligations, with interest on any unpaid installments of interest, and
15 all costs and expenses in connection with any action or proceedings
16 by or on behalf of the holders, and shall not limit or alter the rights
17 and powers of any local government unit or State entity, as
18 applicable, to pay and perform its obligations owed to the trust in
19 connection with loans received from the trust, until the bonds, notes
20 and other obligations of the trust, together with interest thereon, are
21 fully met and discharged or provided for.

22 (cf: P.L.2016, c.56, s.25)

23

24 17. Section 15 of P.L.1985, c.334 (C.58:11B-15) is amended to
25 read as follows:

26 15. The State and all public officers, governmental units and
27 agencies thereof, all banks, trust companies, savings banks and
28 institutions, building and loan associations, savings and loan
29 associations, investment companies, and other persons carrying on a
30 banking business, all insurance companies, insurance associations
31 and other persons carrying on an insurance business, and all
32 executors, administrators, guardians, trustees and other fiduciaries
33 may legally invest any sinking funds, moneys or other funds
34 belonging to them or within their control in any bonds, notes or
35 other obligations issued pursuant to P.L.1985, c.334 (C.58:11B-1 et
36 seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]** sections 22 and
37 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
38 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), or
39 P.L. , c. (C.) (pending before the Legislature as this bill), and
40 those bonds, notes or other obligations shall be authorized security
41 for any and all public deposits.

42 (cf: P.L.2016, c.56, s.26)

43

44 18. Section 17 of P.L.1985, c.334 (C.58:11B-17) is amended to
45 read as follows:

46 17. All property of the trust is declared to be public property
47 devoted to an essential public and governmental function and
48 purpose and the revenues, income and other moneys received or to

1 be received by the trust shall be exempt from all taxes of the State
2 or any political subdivision thereof. All bonds, notes and other
3 obligations of the trust issued pursuant to P.L.1985, c.334
4 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]**
5 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
6 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
7 C.58:11B-22.4) , or P.L. _____, c. _____ (C. _____) (pending before the
8 Legislature as this bill) are declared to be issued by a body
9 corporate and politic of the State and for an essential public and
10 governmental purpose and those bonds, notes and other obligations,
11 and interest thereon and the income therefrom and from the sale,
12 exchange or other transfer thereof shall at all times be exempt from
13 taxation, except for transfer inheritance and estate taxes.
14 (cf: P.L.2016, c.56, s.27)

15

16 19. Section 18 of P.L.1985, c.334 (C.58:11B-18) is amended to
17 read as follows:

18 18. a. If the trust defaults in the payment of principal of, or
19 interest on, any issue of its bonds, notes or other obligations after
20 these are due, whether at maturity or upon call for redemption, and
21 the default continues for a period of 30 days or if the trust defaults
22 in any agreement made with the holders of any issue of bonds, notes
23 or other obligations, the holders of 25 percent in aggregate principal
24 amount of the bonds, notes or other obligations of the issue then
25 outstanding, by instrument or instruments filed in the office of the
26 clerk of any county in which the trust operates and has an office and
27 proved or acknowledged in the same manner as required for a deed
28 to be recorded, may direct a trustee to represent the holders of the
29 bonds, notes or other obligations of the issuers for the purposes
30 herein provided.

31 b. Upon default, the trustee may, and upon written request of
32 the holders of 25 percent in principal amount of the bonds, notes or
33 other obligations of the trust of a particular issue then outstanding
34 shall, in the trustee's own name:

35 (1) By suit, action or proceeding enforce all rights of the holders
36 of bonds, notes or other obligations of the issue, to require the trust
37 to carry out any other agreements with the holders of the bonds,
38 notes or other obligations of the issue and to perform its duties
39 under P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224
40 (C.58:11B-10.1 et al.), **[or]** sections 22 and 34 through 38 of
41 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
42 20.2, C.58:11B-22.3, and C.58:11B-22.4) , or P.L. _____, c. _____
43 (pending before the Legislature as this bill) ;

44 (2) Bring suit upon the bonds, notes or other obligations of the
45 issue;

46 (3) By action or suit, require the trust to account as if it were the
47 trustee of an express trust for the holders of the bonds, notes or
48 other obligations of the issue;

1 (4) By action or suit, enjoin any acts or things which may be
 2 unlawful or in violation of the rights of the holders of the bonds,
 3 notes or other obligations of the issue;

4 (5) Sell or otherwise dispose of bonds and notes of local
 5 government units , or State entities, as applicable, pledged pursuant
 6 to resolution or trust indenture for benefit of holders of bonds,
 7 notes, or other obligations of the issue on any terms as resolution or
 8 trust indenture may provide;

9 (6) By action or suit, foreclose any mortgage pledged pursuant
 10 to the resolution or trust indenture for the benefit of the holders of
 11 the bonds, notes or other obligations of the issue;

12 (7) Declare all bonds, notes or other obligations of the issue due
 13 and payable, and if all defaults are made good, then with the
 14 consent of the holders of 50 percent of the principal amount of the
 15 bonds, notes or other obligations of the issue then outstanding, to
 16 annul the declaration and its consequences.

17 c. The trustee shall, in addition to the foregoing, have those
 18 powers necessary or appropriate for the exercise of any function
 19 specifically set forth herein or incident to the general representation
 20 of holders of bonds, notes or other obligations of the trust in the
 21 enforcement and protection of their rights.

22 d. The Superior Court shall have jurisdiction over any suit,
 23 action or proceeding by the trustees on behalf of the holders of
 24 bonds, notes or other obligations of the trust. The venue of any suit,
 25 action or proceeding shall be in the county in which the principal
 26 office of the trust is located.

27 e. Before declaring the principal of bonds, notes or other
 28 obligations of the trust due and payable as a result of a trust default
 29 on any of its bonds, notes or other obligations, the trustee shall first
 30 give 30 days' notice in writing to the trust and to the Governor,
 31 State Treasurer, President of the Senate and Speaker of the General
 32 Assembly.

33 (cf: P.L.2016, c.56, s.28)

34

35 20. Section 19 of P.L.1985, c.334 (C.58:11B-19) is amended to
 36 read as follows:

37 19. Sums of money received pursuant to the authority of
 38 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
 39 10.1 et al.), **[or]** sections 22 and 34 through 38 of P.L.2016, c.56
 40 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
 41 22.3, and C.58:11B-22.4), or P.L. , c. (C.) (pending before
 42 the Legislature as this bill), whether as proceeds from the sale of
 43 particular bonds, notes or other obligations of the trust or as
 44 particular revenues or receipts of the trust, are deemed to be trust
 45 funds, to be held and applied solely as provided in the resolution or
 46 trust indenture under which the bonds, notes or obligations are
 47 authorized or secured. Any officer with whom or any bank or trust
 48 company with which those sums of money are deposited as trustee

1 thereof shall hold and apply the same for the purposes thereof,
2 subject to any provision as the aforementioned acts and the
3 resolution or trust indenture authorizing or securing the bonds,
4 notes or other obligations of the trust may provide.
5 (cf: P.L.2016, c.56, s.29)

6
7 21. Section 23 of P.L.1985, c.334 (C.58:11B-23) is amended to
8 read as follows:

9 23. a. No funds from State sources or State bond issues used to
10 capitalize the trust shall be available for use by the trust unless
11 appropriated by law to the trust.

12 b. No funds shall be expended by the trust for its annual
13 operating expenses unless appropriated by law to the trust. Unless
14 required to be otherwise applied pursuant to law, funds generated
15 by the operation of the trust, including, but not limited to: proceeds
16 from the sale of the trust's bonds, notes or other obligations;
17 revenues derived from investments by the trust; loan repayments
18 from local government units; and fees and charges levied by the
19 trust, may thereafter be applied in accordance with the provisions of
20 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
21 10.1 et al.), **[or]** sections 22 and 34 through 38 of P.L.2016, c.56
22 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
23 22.3, and C.58:11B-22.4) , or P.L. , c. (C.) (pending before
24 the Legislature as this bill), for any corporate purpose of the trust
25 without appropriation; except that the funds shall only be used to
26 make loans or guarantees approved by the Legislature in accordance
27 with the provisions of sections 20, 21, and 22 of P.L.1985, c.334
28 (C.58:11B-20, C.58:11B-21 and C.58:11B-22), sections 24, 25, and
29 26 of P.L.1997, c.224 (C.58:11B-20.1, C.58:11B-21.1 and
30 C.58:11B-22.1), **[or]** sections 35 through 37 of P.L.2016, c.56
31 (C.58:11B-10.5, C.58:11B-20.2, and C.58:11B-22.3) , or P.L. ,
32 c. (C.) (pending before the Legislature as this bill).

33 c. The trust shall not apply for federal funds, including funds
34 which are authorized pursuant to the "Federal Water Pollution
35 Control Act Amendments of 1972," Pub.L. 92-500 (33 U.S.C.
36 s.1251 et seq.), and any amendatory or supplementary acts thereto,
37 except the trust is expressly authorized to apply, in consultation
38 with the Department of Environmental Protection, for funds under
39 the "Water Infrastructure Finance and Innovation Act," (WIFIA) 33
40 U.S.C. s.3901 et seq. as amended or superseded, with notice to the
41 Department of Transportation, for funds under the Transportation
42 Infrastructure Finance and Innovation Act (TIFIA) 23 U.S.C. 601
43 through 23 U.S.C. 609 as amended or superseded, and provisions of
44 the Moving Ahead for Progress in the 21st Century Act (MAP-21)
45 Pub. L. 112-141, the Fixing America's Surface Transportation Act
46 (FAST Act) Pub. L. 114-94, the Transportation Equity Act for the
47 21st Century (TEA-21) Pub. L. 105-178, the Safe, Accountable,
48 Flexible and Efficient Transportation Equity Act: a Legacy for User

1 ("SAFETEA-LU") Pub. L. 109-59, and the Rail Safety
2 Improvement Act of 2008 Pub. L. 110-432, or any subsequent law
3 concerning federal surface transportation programs as applicable.

4 The trust, with the concurrence of the Commissioner of
5 Environmental Protection, may receive, accept or utilize moneys
6 received from local government units as repayments of principal
7 and interest on loans made from the State Revolving Fund Accounts
8 established pursuant to section 1 of P.L.1988, c.133.

9 Repayments of principal and interest on all federal funds for
10 which the New Jersey Infrastructure Bank is expressly permitted to
11 apply shall be the responsibility of the borrowers of New Jersey
12 Infrastructure Bank loans issued utilizing those federal funds, and in
13 no way shall it be the responsibility of the State of New Jersey or
14 the Department of Transportation.

15 (cf: P.L.2019, c.516, s.6)

16

17 22. Section 25 of P.L.1985, c.334 (C.58:11B-25) is amended to
18 read as follows:

19 25. The trust shall establish the rules and regulations governing
20 the making and use of loans or guarantees, including, but not
21 limited to, procedures for the submission of loan guarantee
22 requests, standards for the evaluation of requests, provisions
23 implementing priority systems for projects, reporting requirements
24 of the recipient of any loan or guarantee concerning the progress
25 and the expenditure of funds, and limitations, restrictions or
26 requirements concerning the use of loan funds as the trust shall
27 prescribe; provided that the rules and regulations shall be in
28 compliance with the terms and provisions of P.L.1985, c.334
29 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]**
30 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
31 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
32 C.58:11B-22.4) , or P.L. _____, c. _____ (C. _____) (pending before the
33 Legislature as this bill), relating to the making of or eligibility for
34 loans or guarantees for environmental infrastructure projects
35 generally or for any particular type or class of wastewater treatment
36 system or water supply projects.

37 (cf: P.L.2016, c.56, s.31)

38

39 23. Section 27 of P.L.1985, c.334 (C.58:11B-27) is amended to
40 read as follows:

41 27. The trust shall adopt such rules and regulations as it deems
42 necessary to effectuate the purposes of P.L.1985, c.334 (C.58:11B-1
43 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including those
44 required pursuant to sections 25 and 26 of P.L.1985, c.334
45 (C.58:11B-25 and C.58:11B-26), **[and]** sections 22 and 34 through
46 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5,
47 C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), and P.L. _____,
48 c. _____) (pending before the Legislature as this bill), in

1 accordance with the "Administrative Procedure Act," P.L.1968,
2 c.410 (C.52:14B-1 et seq.).
3 (cf: P.L.2016, c.56, s.33)

4
5 24. (New section) a. The board shall order each electric public
6 utility, beginning 120 days after the effective date of P.L. ,
7 c. (C.)(pending before the Legislature as this bill), to charge
8 and collect from each retail distribution customer a non-bypassable,
9 irrevocable charge in the amount of \$0.0003 per kilowatt-hour sold
10 to the customer. Revenues collected by each electric public utility
11 from the non-bypassable, irrevocable charge shall be remitted to the
12 State Treasurer for deposit into the State Climate Change Mitigation
13 and Resilience Bank Fund established pursuant to section 11 of
14 P.L. , c. (C.)(pending before the Legislature as this bill) and
15 used solely for the purposes of that fund.

16 b. The charge imposed pursuant to subsection a. of this section
17 shall decrease to:

18 (1) \$0.0002 per kilowatt-hour sold upon certification by the
19 President of the Board of Public Utilities that 50 percent of the
20 kilowatt hours sold in the State by each electric power supplier and
21 each basic generation service provider are from Class I and Class II
22 renewable energy sources;

23 (2) \$0.0001 per kilowatt-hour sold upon certification by the
24 President of the Board of Public Utilities that 75 percent of the
25 kilowatt hours sold in the State by each electric power supplier and
26 each basic generation service provider are from Class I and Class II
27 renewable energy sources.

28 c. The charge imposed pursuant to subsection a. of this section
29 shall become inoperative upon certification by the President of the
30 Board of Public Utilities that 100 percent of the kilowatt hours sold
31 in the State by each electric power supplier and each basic
32 generation service provider are from Class I and Class II renewable
33 energy sources. Any certification made by the President of the
34 Board of Public Utilities pursuant to this section shall take the form
35 of a board order issued pursuant to R.S.48:2-40.

36
37 25. This act shall take effect immediately.

38
39
40 STATEMENT

41
42 This bill would establish the Climate Change Mitigation and
43 Resilience Financing Program in the New Jersey Infrastructure
44 Bank (NJIB) and impose a per-kilowatt hour charge on electric
45 public utility customers to finance the program.

46 The purpose of the program would be to provide low interest
47 loans and other financial assistance, through the NJIB, for climate
48 change mitigation and resilience projects. Under the bill, "climate

1 change mitigation project” means a project whose primary purpose
2 is the construction, development, or production of energy sources,
3 infrastructure, land management techniques, or technologies that
4 eliminate, reduce, or sequester greenhouse gas emissions in the
5 State. Climate change mitigation projects would include Class I or
6 Class II renewable energy sources, community solar projects,
7 energy efficiency improvements, energy storage, zero-emission
8 vehicle infrastructure, zero-emission public transportation, carbon
9 capture and sequestration technologies, reforestation of degraded
10 land, or wetlands preservation and restoration. “Climate change
11 resilience project” means an infrastructure project whose primary
12 purpose is to protect human health, safety, the environment, or
13 public infrastructure from the adverse effects of climate change
14 including drought, sea level rise, extreme weather events, and
15 harmful algal blooms. Climate change resilience projects would
16 include sea barriers or other flood protection projects; water storage
17 systems; the removal, relocation, or redesign of public
18 infrastructure; and projects to mitigate harmful algal blooms.

19 The NJIB would be authorized to make both short-term and
20 long-term loans to finance climate change mitigation and resilience
21 projects, and to issue bonds, notes, or other obligations to fund the
22 program. Under the bill, the NJIB would be required to issue one or
23 more separate series of bonds to be known as “New Jersey Climate
24 Bonds.” Proceeds from the bonds would be deposited into the State
25 Climate Change Mitigation and Resilience Bank Fund, established
26 under the bill, and used to finance climate change mitigation and
27 resilience projects and for other costs associated with the financing
28 program. Issuance of New Jersey Climate Bonds would be subject
29 to existing laws concerning bonding, except that the trust would, to
30 the greatest extent practicable, be required to make the bonds
31 available for sale to individual investors, rather than institutional
32 investors, and in denominations suitable for such sales.

33 The Department of Environmental Protection (DEP) and the
34 Board of Public Utilities (BPU) would be responsible for
35 developing a priority system, ranking criteria, and funding policies
36 for climate change mitigation and resilience projects financed under
37 the bill. The DEP and the BPU would also be responsible for
38 developing an annual project priority list to be submitted for
39 approval by the State Legislature. The DEP would prioritize
40 projects that have the largest impact on protecting human health,
41 safety, the environment, and critical infrastructure in the State from
42 the adverse effects of climate change; reducing the State’s
43 greenhouse gas emissions; and meeting the State’s clean energy
44 goals.

45 The financing program would be funded by a non-bypassable,
46 irrevocable charge imposed on the customers of each electric public
47 utility in the State. Beginning 120 days after the effective date of
48 the bill, the charge would be \$0.0003 per kilowatt-hour sold to each

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1 customer. However, the charge would decrease over time as the
2 State meets certain renewable energy targets established in law.
3 The charge would phase out completely upon certification by the
4 BPU that 100 percent of the kilowatt hours sold in the State are
5 from Class I and Class II renewable energy sources.