

ASSEMBLY, No. 576

STATE OF NEW JERSEY 220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

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

Introduced Pending Technical Review by Legislative Counsel.



A576 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

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 lowest reasonable interest rates and to guarantee or insure local
2 capital improvement bonds.

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

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

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

1 some water systems, has established in the “Safe Drinking Water
2 Act Amendments of 1996,” P.L.104-182, a program to provide
3 public water systems with financial assistance to meet national
4 primary drinking water regulations or to otherwise further the
5 health protection objectives of the federal law and that the State
6 must, in order to make use of the federal funds, provide State funds
7 for the program; and therefore, State funding for the program is
8 necessary to meet this financial obligation.

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

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

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

46 g. The Legislature therefore determines that it is in the public
47 interest to establish a State authority authorized to issue bonds,

1 notes and other obligations and to establish any reserve funds
2 necessary therefor, and to make loans to and guarantee debt
3 incurred by local government units for environmental and
4 transportation infrastructure projects , and to provide loans and
5 other financial assistance for climate change mitigation and
6 resilience projects.

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

8

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

11 3. As used in sections 1 through 27 of P.L.1985, c.334
12 (C.58:11B-1 through C.58:11B-27), sections 23 through 27 of
13 P.L.1997, c.224 (C.58:11B-10.1 et al.), **[and]** sections 22 and 34
14 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
15 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) , and
16 sections 6 and 9 through 14 of P.L. , c. , (C.) (pending
17 before the Legislature as this bill):

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

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

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

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

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

1 project” shall not include a project whose sole focus is research,
2 data collection, or the acquisition of land.

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

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

10 “Commissioner” means the Commissioner of the Department of
11 Environmental Protection;

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

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

22 “Department” means the Department of Environmental
23 Protection;

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

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

45 “Federal infrastructure bank program” means the United States
46 Department of Transportation State Infrastructure Bank Program

1 provided for in section 350 of Pub.L.104-59 and Pub.L.102-240 as
2 amended or superseded;

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

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

23 “New Jersey Environmental Infrastructure Financing Program”
24 means the financing program to fund environmental infrastructure
25 projects;

26 “New Jersey Transportation Infrastructure Financing Program”
27 means the financing program to fund transportation infrastructure
28 projects;

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

35 “Onsite septic system ordinance or regulation” means an
36 ordinance adopted by a municipality or county or regulation
37 adopted by a regional planning agency establishing the
38 requirements for construction, maintenance and repair of onsite
39 wastewater treatment and disposal systems;

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

42 “Other assistance” means forms of financial assistance, in
43 addition to loans, authorized by the New Jersey Infrastructure Bank
44 from the State Transportation Infrastructure Bank Fund, including,
45 but not limited to, use of funds to: provide credit enhancements;
46 serve as a capital reserve for bond or other debt instrument
47 financing; subsidize interest rates; ensure the issuance of letters of

1 credit and credit instruments; finance purchase and lease
2 agreements with respect to transit projects; and provide bond or
3 other debt financing instrument security;

4 “Planning, design, and construction loan” means a short-term or
5 temporary loan for eligible costs incurred in project planning,
6 engineering design, or construction issued before or during the
7 planning stage of a project;

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

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

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

36 “Public water utility” means any investor-owned water company
37 or small water company;

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

43 “State entity” means a department, agency, or office of State
44 government, including a State university or college, or an authority
45 created by the State.

46 “Stormwater management system” means any equipment, plants,
47 structures, machinery, apparatus, management practices, or land, or

1 any combination thereof, acquired, used, constructed, implemented
2 or operated to prevent nonpoint source pollution, abate improper
3 cross-connections and interconnections between stormwater and
4 sewer systems, minimize stormwater runoff, reduce soil erosion, or
5 induce groundwater recharge, or any combination thereof;

6 “Transportation project” means capital projects for public
7 highways, approach roadways and other necessary land-side
8 improvements, ramps, signal systems, roadbeds, transit lanes or
9 rights of way, pedestrian walkways and bridges connecting to
10 passenger stations and servicing facilities, bridges, and grade
11 crossings;

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

14 “Wastewater” means residential, commercial, industrial, or
15 agricultural liquid waste, sewage, septage, stormwater runoff, or
16 any combination thereof, or other liquid residue discharged or
17 collected into a sewer system or stormwater management system, or
18 any combination thereof;

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

33 “Wastewater treatment system project” means any work relating
34 to the acquisition, construction, improvement, repair or
35 reconstruction of all or part of any structure, facility or equipment,
36 or real or personal property necessary for or ancillary to any
37 wastewater treatment system that meets the requirements set forth
38 in sections 20, 21, and 22 of P.L.1985, c.334 (C.58:11B-20,
39 C.58:11B-21, and C.58:11B-22); or any work relating to any of the
40 stormwater management or combined sewer overflow abatement
41 projects identified in the stormwater management and combined
42 sewer overflow abatement project priority list adopted by the
43 commissioner pursuant to section 28 of P.L.1989, c.181; or any
44 work relating to the purposes set forth in section 6 of P.L.2003,
45 c.162; or any work relating to any other project eligible for
46 financing under the “Federal Water Pollution Control Act

1 Amendments of 1972” (33 U.S.C. s.1251 et seq.), or any
2 amendatory or supplementary acts thereto;

3 “Water resources project” means any work related to transferring
4 water between public water systems during a state of water
5 emergency, to avert a drought emergency in all or any part of the
6 State, to plan, design or construct interconnections of existing water
7 supplies, or to extend water supplies to areas with contaminated
8 ground water supplies;

9 “Water supply facilities” means and refers to the real property
10 and the plants, structures, interconnections between existing water
11 supply facilities, machinery and equipment and other property, real,
12 personal and mixed, acquired, constructed or operated, or to be
13 acquired, constructed or operated, in whole or in part, by or on
14 behalf of a public water utility, or by or on behalf of the State or a
15 local government unit, for the purpose of augmenting the natural
16 water resources of the State and making available an increased
17 supply of water for all uses, or of conserving existing water
18 resources, and any and all appurtenances necessary, useful or
19 convenient for the collecting, impounding, storing, improving,
20 treating, filtering, conserving or transmitting of water, and for the
21 preservation and protection of these resources and facilities,
22 whether in public or private ownership, and providing for the
23 conservation and development of future water supply resources, and
24 facilitating incidental recreational uses thereof;

25 “Water supply project” means any work relating to the
26 acquisition, construction, improvement, repair or reconstruction of
27 all or part of any structure, facility or equipment, or real or personal
28 property necessary for or ancillary to water supply facilities that
29 meets the requirements set forth in sections 24, 25, and 26 of
30 P.L.1997, c.224 (C.58:11B-20.1, C.58:11B-21.1, and C.58:11B-
31 22.1); or any work relating to the purposes set forth in section 4 of
32 P.L.1981, c.261; or any work relating to the purposes set forth in
33 section 6 of P.L.2003, c.162; or any work relating to any other
34 project eligible for funding pursuant to the federal “Safe Drinking
35 Water Act Amendments of 1996,” Pub.L.104-182, and any
36 amendatory and supplementary acts thereto.
37 (cf: P.L.2019, c.516, s.1)

38
39 3. Section 4 of P.L.1985, c.334 (C.58:11B-4) is amended to read
40 as follows:

41 4. a. There is established in, but not of, the Department of the
42 Treasury a body corporate and politic, with corporate succession, to
43 be known as the “New Jersey Infrastructure Bank.” The trust is
44 constituted as an instrumentality of the State exercising public and
45 essential governmental functions, no part of whose revenues shall
46 accrue to the benefit of any individual, and the exercise by the trust
47 of the powers conferred by the provisions of P.L.1985, c.334

1 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]**
2 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
4 C.58:11B-22.4), or the provisions of P.L. , c. (C.) (pending
5 before the Legislature as this bill) shall be deemed and held to be an
6 essential governmental function of the State.

7 b. The trust shall consist of **[a 10]** an 11 member board of
8 directors composed of : the State Treasurer, the Commissioner of
9 the Department of Community Affairs, the Commissioner of the
10 Department of Transportation, **[and]** the Commissioner of the
11 Department of Environmental Protection, and the President of the
12 Board of Public Utilities, who shall be members ex officio; two
13 people appointed by the Governor upon the recommendation of the
14 President of the Senate, and two people appointed by the Governor
15 upon the recommendation of the Speaker of the General Assembly,
16 who shall serve during the two-year legislative term in which they
17 are appointed; and two residents of the State appointed by the
18 Governor with the advice and consent of the Senate, who shall serve
19 for terms of four years, except that the first two appointed shall
20 serve terms of two and three years respectively. Each appointed
21 director shall serve until that director's successor has been
22 appointed and qualified. A director is eligible for reappointment.
23 Any vacancy shall be filled in the same manner as the original
24 appointment, but for the unexpired term only.

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

43 c. Each appointed director may be removed from office by the
44 Governor for cause, upon the Governor's consideration of the
45 findings and recommendations of an administrative law judge after
46 a public hearing before the judge, and may be suspended by the
47 Governor pending the completion of the hearing. Each director,

1 before entering upon the director's duties, shall take and subscribe
2 an oath to perform the duties of the director's office faithfully,
3 impartially and justly to the best of the director's ability. A record
4 of oaths shall be filed in the office of the Secretary of State.

5 d. The Governor shall designate one of the appointed members
6 to be the chairperson and chief executive officer of the trust and the
7 directors shall biannually elect a vice-chairperson from among the
8 appointed directors. The chairperson shall serve as such for a term
9 of two years and until a successor has been designated. A
10 chairperson shall be eligible for one additional two-year term as
11 chairperson. The directors shall elect a secretary and treasurer, who
12 need not be directors, and the same person may be elected to serve
13 as both secretary and treasurer.

14 The powers of the trust are vested in the directors in office from
15 time to time and six directors shall constitute a quorum at any
16 meeting. Action may be taken and motions and resolutions adopted
17 by the trust by the affirmative majority vote of those directors
18 present, but in no event shall any action be taken or motions or
19 resolutions adopted without the affirmative vote of at least six
20 directors. No vacancy on the board of directors of the trust shall
21 impair the right of a quorum of the directors to exercise the powers
22 and perform the duties of the trust.

23 e. Each director and the treasurer of the trust shall execute a
24 bond to be conditioned upon the faithful performance of the duties
25 of the director or treasurer in a form and amount as may be
26 prescribed by the State Treasurer. Bonds shall be filed in the office
27 of the Secretary of State. At all times thereafter, the directors and
28 treasurer shall maintain these bonds in full effect. All costs of the
29 bonds shall be borne by the trust.

30 f. The directors of the trust shall serve without compensation,
31 but the trust shall reimburse the directors for actual and necessary
32 expenses incurred in the performance of their duties.
33 Notwithstanding the provisions of any other law to the contrary, no
34 officer or employee of the State shall be deemed to have forfeited or
35 shall forfeit the officer's or employee's office or employment or any
36 benefits or emoluments thereof by reason of the officer's or
37 employee's acceptance of the office of ex officio director of the
38 trust or the ex officio director's services thereon.

39 g. Each ex officio director may designate an officer of the ex
40 officio director's department to represent the ex officio director at
41 meetings of the trust. Each designee may lawfully vote and
42 otherwise act on behalf of the director for whom the person
43 constitutes the designee. The designation shall be delivered in
44 writing to the trust and shall continue in effect until revoked or
45 amended in writing and delivered to the trust.

46 h. The trust may be dissolved by law; provided the trust has no
47 debts or obligations outstanding or that provision has been made for

1 the payment or retirement of these debts or obligations. The trust
2 shall continue in existence until dissolved by act of the Legislature.
3 Upon any dissolution of the trust, all property, funds and assets of
4 the trust shall be vested in the State.

5 i. A true copy of the minutes of every meeting of the trust shall
6 be forthwith delivered by and under the certification of the secretary
7 thereof to the Governor and at the same time to the Senate and
8 General Assembly. The time and act of this delivery shall be duly
9 recorded on a delivery receipt. No action taken or motion or
10 resolution adopted at a meeting by the trust shall have effect until
11 10 days, exclusive of Saturdays, Sundays and public holidays, after
12 a copy of the minutes has been delivered to the Governor, unless
13 during the 10-day period the Governor shall approve all or part of
14 the actions taken or motions or resolutions adopted, in which case
15 the action or motion or resolution shall become effective upon the
16 approval.

17 If, in the 10-day period, the Governor returns the copy of the
18 minutes with a veto of any action taken by the trust or any member
19 thereof at that meeting, the action shall be of no effect. The Senate
20 or General Assembly shall have the right to provide written
21 comments concerning the minutes to the Governor within the 10-
22 day period, which comments shall be returned to the trust by the
23 Governor with the Governor's approval or veto of the minutes.

24 The powers conferred in this subsection upon the Governor shall
25 be exercised with due regard for the rights of the holders of bonds,
26 notes and other obligations of the trust at any time outstanding, and
27 nothing in, or done pursuant to, this subsection shall in any way
28 limit, restrict or alter the obligation or powers of the trust or any
29 representative or officer of the trust to carry out and perform each
30 covenant, agreement, or contract made or entered into by or on
31 behalf of the trust with respect to its bonds, notes, or other
32 obligations or for the benefit, protection or security of the holders
33 thereof.

34 j. No resolution or other action of the trust providing for the
35 issuance of bonds, refunding bonds, notes or other obligations shall
36 be adopted or otherwise made effective by the trust without the
37 prior approval in writing of the Governor and the State Treasurer.
38 The trust shall provide the Senate and General Assembly with
39 written notice of any request for approval of the Governor and State
40 Treasurer at the time the request is made, and shall also provide the
41 Senate and General Assembly written notice of the response of the
42 Governor and State Treasurer at the time that the response is
43 received by the trust.

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

45

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

1 5. Except as otherwise limited by the provisions of P.L.1985,
2 c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.),
3 **【or】** sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-
4 10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
5 C.58:11B-22.4), or the provisions of P.L. , c. (C.) (pending
6 before the Legislature as this bill), the trust may:
7 a. Make and alter bylaws for its organization and internal
8 management and, subject to agreements with holders of its bonds,
9 notes or other obligations, make rules and regulations with respect
10 to its operations, properties and facilities;
11 b. Adopt an official seal and alter it;
12 c. Sue and be sued;
13 d. Make and enter into all contracts, leases and agreements
14 necessary or incidental to the performance of its duties and the
15 exercise of its powers under the provisions of P.L.1985, c.334
16 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **【or】**
17 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
18 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
19 C.58:11B-22.4), or the provisions of P.L. , c. (C.) (pending
20 before the Legislature as this bill), and subject to any agreement
21 with the holders of the trust's bonds, notes or other obligations,
22 consent to any modification, amendment or revision of any contract,
23 lease or agreement to which the trust is a party;
24 e. Enter into agreements or other transactions with and accept,
25 subject to the provisions of section 23 of P.L.1985, c.334
26 (C.58:11B-23), grants, appropriations and the cooperation of the
27 State, or any State agency, in furtherance of the purposes of
28 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
29 10.1 et al.), **【or】** sections 22 and 34 through 38 of P.L.2016, c.56
30 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
31 22.3, and C.58:11B-22.4), or P.L. , c. (C.) (pending before
32 the Legislature as this bill), and do anything necessary in order to
33 avail itself of that aid and cooperation;
34 f. Receive and accept aid or contributions from any source of
35 money, property, labor or other things of value, to be held, used and
36 applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et
37 seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **【or】** sections 22 and
38 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
39 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), or
40 P.L. , c. (C.) (pending before the Legislature as this bill),
41 subject to the conditions upon which that aid and those
42 contributions may be made, including, but not limited to, gifts or
43 grants from any department or agency of the State, or any State
44 agency, for any purpose consistent with the provisions of P.L.1985,
45 c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.),
46 **【or】** sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-
47 10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and

- 1 C.58:11B-22.4), or P.L. , c. (C.) (pending before the
2 Legislature as this bill), subject to the provisions of section 23 of
3 P.L.1985, c.334 (C.58:11B-23);
- 4 g. Acquire, own, hold, construct, improve, rehabilitate,
5 renovate, operate, maintain, sell, assign, exchange, lease, mortgage
6 or otherwise dispose of real and personal property, or any interest
7 therein, in the exercise of its powers and the performance of its
8 duties under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.),
9 P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]** 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) , or the
12 provisions of P.L. , c. (C.) (pending before the Legislature as
13 this bill) ;
- 14 h. Appoint and employ an executive director and any other
15 officers or employees as it may require for the performance of its
16 duties, without regard to the provisions of Title 11A of the New
17 Jersey Statutes;
- 18 i. Borrow money and issue bonds, notes and other obligations,
19 and secure the same, and provide for the rights of the holders
20 thereof as provided in the provisions of P.L.1985, c.334 (C.58:11B-
21 1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]** sections 22
22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through
23 C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and 1 + , or the
24 provisions of P.L. , c. (C.) (pending before the Legislature as
25 this bill) ;
- 26 j. Subject to any agreement with holders of its bonds, notes or
27 other obligations, invest moneys of the trust not required for
28 immediate use, including proceeds from the sale of any bonds, notes
29 or other obligations, in any obligations, securities and other
30 investments in accordance with the rules and regulations of the
31 State Investment Council or as may otherwise be approved by the
32 Director of the Division of Investment in the Department of the
33 Treasury upon a finding that such investments are consistent with
34 the corporate purposes of the trust;
- 35 k. Procure insurance to secure the payment of its bonds, notes
36 or other obligations or the payment of any guarantees or loans made
37 by it in accordance with 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), or against any loss in connection
43 with its property and other assets and operations, in any amounts
44 and from any insurers as it deems desirable;
- 45 l. Engage the services of attorneys, accountants, engineers, and
46 financial experts and any other advisors, consultants, experts and

1 agents as may be necessary in its judgment and fix their
2 compensation;

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

11 (2) Make and contract to make loans to public water utilities, or
12 to any other person or local government unit on behalf of a public
13 water utility, to finance the cost of water supply projects in
14 accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et
15 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

16 (3) Make and contract to make loans to private persons other
17 than local government units, or to any other person or local
18 government unit on behalf of a private person, to finance the cost of
19 onsite wastewater treatment and disposal systems or stormwater
20 management systems in accordance with the provisions of
21 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-
22 10.1 et al.);

23 (4) Make and contract to make loans and provide other
24 assistance to one or more local government units or consortia
25 thereof to finance the cost of transportation projects in accordance
26 with the provisions of the federal infrastructure bank program and
27 pursuant to sections 22 and 34 through 38 of P.L.2016, c.56
28 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
29 22.3, and C.58:11B-22.4);

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

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

44 o. (1) Charge to and collect from local government units,
45 private persons or public water utilities any fees and charges in
46 connection with the trust's loans, guarantees or other services,
47 including, but not limited to, fees and charges sufficient to

1 reimburse the trust for all reasonable costs necessarily incurred by it
2 in connection with its financings and the establishment and
3 maintenance of reserve or other funds, as the trust may determine to
4 be reasonable. The fees and charges shall be in accordance with a
5 uniform schedule published by the trust for the purpose of
6 providing actual cost reimbursement for the services rendered;

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

13 p. Subject to any agreement with holders of its bonds, notes or
14 other obligations, obtain as security or to provide liquidity for
15 payment of all or any part of the principal of and interest and
16 premium on the bonds, notes and other obligations of the trust or
17 for the purchase upon tender or otherwise of the bonds, notes or
18 other obligations, lines of credit, letters of credit and other security
19 agreements or instruments in any amounts and upon any terms as
20 the trust may determine, and pay any fees and expenses required in
21 connection therewith;

22 q. Provide to local government units and State entities any
23 financial and credit advice as these local government units and State
24 entities may request;

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

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

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

31

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

34 6. a. Except as may be otherwise expressly provided in the
35 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224
36 (C.58:11B-10.1 et al.), **[or]** sections 22 and 34 through 38 of
37 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
38 20.2, C.58:11B-22.3, and C.58:11B-22.4), or the provisions of
39 P.L. , c. (C.) (pending before the Legislature as this bill), the
40 trust may from time to time issue its bonds, notes, or other
41 obligations in any principal amounts as in the judgment of the trust
42 shall be necessary to provide sufficient funds for any of its
43 corporate purposes, including the payment, funding, or refunding of
44 the principal of, or interest or redemption premiums on, any bonds,
45 notes, or other obligations issued by it, whether the bonds, notes, or
46 other obligations or the interest or redemption premiums thereon to
47 be funded or refunded have or have not become due, the

1 establishment or increase of reserves or other funds to secure or to
2 pay the bonds, notes, or other obligations or interest thereon and all
3 other costs or expenses of the trust incident to and necessary to
4 carry out its corporate purposes and powers.

5 b. Whether or not the bonds, notes or other obligations of the
6 trust are of a form and character as to be negotiable instruments
7 under the terms of Title 12A of the New Jersey Statutes, the bonds,
8 notes and other obligations are made negotiable instruments within
9 the meaning of and for the purposes of Title 12A of the New Jersey
10 Statutes, subject only to the provisions of the bonds, notes and other
11 obligations for registration.

12 c. Bonds, notes or other obligations of the trust shall be
13 authorized by a resolution or resolutions of the trust and may be
14 issued in one or more series and shall bear any date or dates, mature
15 at any time or times, bear interest at any rate or rates of interest per
16 annum, be in any denomination or denominations, be in any form,
17 either coupon, registered or book entry, carry any conversion or
18 registration privileges, have any rank or priority, be executed in any
19 manner, be payable in any coin or currency of the United States
20 which at the time of payment is legal tender for the payment of
21 public and private debts, at any place or places within or without
22 the State, and be subject to any terms of redemption by the trust or
23 the holders thereof, with or without premium, as the resolution or
24 resolutions may provide. A resolution of the trust authorizing the
25 issuance of bonds, notes or other obligations may provide that the
26 bonds, notes or other obligations be secured by a trust indenture
27 between the trust and a trustee, vesting in the trustee any property,
28 rights, powers and duties in trust consistent with the provisions of
29 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
30 10.1 et al.), **[or]** sections 22 and 34 through 38 of P.L.2016, c.56
31 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
32 22.3, and C.58:11B-22.4) , or the provisions of P.L. _____,
33 c. (C. _____)(pending before the Legislature as this bill), as the trust
34 may determine.

35 d. Bonds, notes or other obligations of the trust may be sold at
36 any price or prices and in any manner as the trust may determine.
37 Notwithstanding any provisions of the “Local Bond Law,”
38 N.J.S.40A:2-1 et seq., to the contrary, each bond, note or other
39 obligation shall mature and be paid not later than 30 years for
40 environmental infrastructure projects, 45 years for combined sewer
41 overflow projects, **[and]** 31 years for transportation projects, and
42 25 years for climate change mitigation projects and climate change
43 resilience projects, from the effective date thereof, or the certified
44 useful life of the project or projects to be financed by the bonds,
45 whichever is less, or a shorter period of time as may be applicable
46 to any companion loan issued pursuant to federal law or regulation.

1 **【All】** Except as provided in section 6 of P.L. _____,
2 c. (C. _____)(pending before the Legislature as this bill), all bonds
3 of the trust shall be sold at the price or prices and in the manner as
4 the trust shall determine, after notice of sale, a summary of which
5 shall be published at least once in at least three newspapers
6 published in the State of New Jersey and at least once in a
7 publication carrying municipal bond notices and devoted primarily
8 to financial news published in New Jersey or the city of New York,
9 the first summary notice to be at least five days prior to the day of
10 bidding. The notice of sale may contain a provision to the effect
11 that any or all bids made in pursuance thereof may be rejected. In
12 the event of such rejection or of failure to receive any acceptable
13 bid, the trust, at any time within 60 days from the date of such
14 advertised sale, may sell such bonds at private sale upon terms not
15 less favorable to the State than the terms offered by any rejected
16 bid. The trust may sell all or part of the bonds of any series as
17 issued to any State fund or to the federal government or any agency
18 thereof, at private sale, without advertisement.

19 e. Bonds, notes or other obligations of the trust may be issued
20 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.),
21 P.L.1997, c.224 (C.58:11B-10.1 et al.), **【or】** sections 22 and 34
22 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
23 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4) , or the
24 provisions of P.L. _____, c. (C. _____) (pending before the Legislature
25 as this bill) without obtaining the consent of any department,
26 division, board, bureau or agency of the State, and without any
27 other proceedings or the happening of any other conditions or
28 things, other than those consents, proceedings, conditions or things
29 which are specifically required by 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
33 P.L. _____, c. (C. _____) (pending before the Legislature as this bill).

34 f. Bonds, notes or other obligations of the trust issued under
35 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997,
36 c.224 (C.58:11B-10.1 et al.), **【or】** sections 22 and 34 through 38 of
37 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
38 20.2, C.58:11B-22.3, and C.58:11B-22.4) , or the provisions of
39 P.L. _____, c. (C. _____) (pending before the Legislature as this bill)
40 shall not be a debt or liability of the State or of any political
41 subdivision thereof other than the trust and shall not create or
42 constitute any indebtedness, liability or obligation of the State or
43 any political subdivision, but all these bonds, notes and other
44 obligations, unless funded or refunded by bonds, notes or other
45 obligations, shall be payable solely from revenues or funds pledged
46 or available for their payment as authorized in P.L.1985, c.334
47 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **【or】**

1 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
2 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
3 C.58:11B-22.4) , or P.L. , c. (C.) (pending before the
4 Legislature as this bill). Each bond, note and obligation shall
5 contain on its face a statement to the effect that the trust is obligated
6 to pay the principal thereof or the interest thereon only from its
7 revenues, receipts or funds pledged or available for their payment
8 as authorized in P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997,
9 c.224 (C.58:11B-10.1 et al.), **[or]** sections 22 and 34 through 38 of
10 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
11 20.2, C.58:11B-22.3, and C.58:11B-22.4), or P.L. , c. (C.)
12 (pending before the Legislature as this bill), and that neither the
13 State, nor any political subdivision thereof, is obligated to pay the
14 principal or interest and that neither the faith and credit nor the
15 taxing power of the State, or any political subdivision thereof, is
16 pledged to the payment of the principal of or the interest on the
17 bonds, notes or other obligations.

18 g. The aggregate principal amount of bonds, notes or other
19 obligations, including subordinated indebtedness of the trust, shall
20 not exceed (1) \$5,000,000,000 with respect to bonds, notes, or other
21 obligations issued to finance the Disaster Relief Emergency
22 Financing Program established pursuant to section 1 of P.L.2013,
23 c.93 (C.58:11B-9.5), and (2) \$3,800,000,000 with respect to bonds,
24 notes, or other obligations issued for all other purposes of the trust.
25 In computing the foregoing limitations there shall be excluded all
26 the bonds, notes or other obligations, including subordinated
27 indebtedness of the trust, which shall be issued for refunding
28 purposes, whenever the refunding shall be determined to result in a
29 savings.

30 (1) Upon the decision by the trust to issue refunding bonds,
31 except for current refunding, and prior to the sale of those bonds,
32 the trust shall transmit to the Joint Budget Oversight Committee, or
33 its successor, a report that a decision has been made, reciting the
34 basis on which the decision was made, including an estimate of the
35 debt service savings to be achieved and the calculations upon which
36 the trust relied when making the decision to issue refunding bonds.
37 The report shall also disclose the intent of the trust to issue and sell
38 the refunding bonds at public or private sale and the reasons
39 therefor.

40 (2) The Joint Budget Oversight Committee or its successor shall
41 have the authority to approve or disapprove the sales of refunding
42 bonds as included in each report submitted in accordance with
43 paragraph (1) of this subsection. The committee shall notify the
44 trust in writing of the approval or disapproval within 30 days of
45 receipt of the report. Should the committee not act within 30 days
46 of receipt of the report, the trust may proceed with the sale of the
47 refunding bonds, provided that the sale of refunding bonds shall

1 realize not less than three percent net present value debt service
2 savings.

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

7 (4) Within 30 days after the sale of the refunding bonds, the
8 trust shall notify the committee of the result of that sale, including
9 the prices and terms, conditions and regulations concerning the
10 refunding bonds, the actual amount of debt service savings to be
11 realized as a result of the sale of refunding bonds, and the intended
12 use of the proceeds from the sale of those bonds.

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

17 h. Each issue of bonds, notes, or other obligations of the trust
18 may, if it is determined by the trust, be general obligations thereof
19 payable out of any revenues, receipts or funds of the trust, or
20 special obligations thereof payable out of particular revenues,
21 receipts or funds, subject only to any agreements with the holders of
22 bonds, notes or other obligations, and may be secured by one or
23 more of the following:

24 (1) Pledge of revenues and other receipts to be derived from the
25 payment of the interest on and principal of notes, bonds or other
26 obligations issued to the trust by one or more local government
27 units, or State entities, as applicable, and any other payment made
28 to the trust pursuant to agreements with any local government units,
29 or State entities, as applicable, or a pledge or assignment of any
30 notes, bonds, or other obligations of any local government unit , or
31 State entity, as applicable, and the rights and interest of the trust
32 therein;

33 (2) Pledge of rentals, receipts and other revenues to be derived
34 from leases or other contractual arrangements with any person or
35 entity, public or private, including one or more local government
36 units, or State entities, as applicable, or a pledge or assignment of
37 those leases or other contractual arrangements and the rights and
38 interest of the trust therein;

39 (3) Pledge of all moneys, funds, accounts, securities and other
40 funds, including the proceeds of the bonds, notes or other
41 obligations;

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

45 (5) A mortgage on all or any part of the property, real or
46 personal, of the trust then owned or thereafter to be acquired, or a
47 pledge or assignment of mortgages made to the trust by any person

1 or entity, public or private, including one or more local government
2 units , or State entities, as applicable, and the rights and interest of
3 the trust therein.

4 i. The trust shall not issue any bonds, notes or other
5 obligations, or otherwise incur any additional indebtedness, on or
6 after June 30, 2033.

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

9
10 6. (New section) The trust shall issue one or more separate
11 series of bonds, notes, or other obligations for the purpose of
12 financing climate change mitigation projects and climate change
13 resilience projects, which bonds, notes, or other obligations shall be
14 known as “New Jersey Climate Bonds.” Proceeds from the sale of
15 New Jersey Climate Bonds shall be deposited into the State Climate
16 Change Mitigation and Resilience Bank Fund, and any other
17 accounts or subaccounts established pursuant to P.L. ,
18 c. (C.)(pending before the Legislature as this bill) to be used
19 solely to finance climate change mitigation and climate change
20 resilience projects and for other costs associated with the New
21 Jersey Climate Change Mitigation and Resilience Financing
22 Program. New Jersey Climate Bonds shall be subject to the
23 provisions of section 6 of P.L.1985, c.334 (C.58:11B-6), except that
24 the trust shall, to the greatest extent practicable, make New Jersey
25 Climate Bonds available for sale to individual investors, rather than
26 institutional investors, and in denominations suitable for such sales,
27 as determined by the trust. The trust shall develop mechanisms and
28 procedures for the advertisement and public sale of New Jersey
29 Climate Bonds to individual investors.

30
31 7. Section 7 of P.L.1985, c.334 (C.58:11B-7) is amended to
32 read as follows:

33 7. In any resolution of the trust authorizing or relating to the
34 issuance of any of its bonds, notes or other obligations, the trust, in
35 order to secure the payment of the bonds, notes or other obligations
36 and in addition to its other powers, may by provisions therein which
37 shall constitute covenants by the trust and contracts with the holders
38 of the bonds, notes or other obligations:

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

41 b. Covenant against pledging all or part of its revenues or
42 receipts;

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

- 1 d. Covenant as to any bonds, notes or other obligations to be
2 issued by the trust, and the limitations thereon, and the terms and
3 conditions thereof, and as to the custody, application, investment
4 and disposition of the proceeds thereof;
- 5 e. Covenant as to the issuance of additional bonds, notes or
6 other obligations of the trust or as to limitations on the issuance of
7 additional bonds, notes or other obligations and on the incurring of
8 other debts by it;
- 9 f. Covenant as to the payment of the principal of or interest on
10 bonds, notes or other obligations of the trust, as to the sources and
11 methods of payment, as to the rank or priority of the bonds, notes or
12 other obligations with respect to any lien or security or as to the
13 acceleration of the maturity of the bonds, notes or other obligations;
- 14 g. Provide for the replacement of lost, stolen, destroyed or
15 mutilated bonds, notes or other obligations of the trust;
- 16 h. Covenant against extending the time for the payment of
17 bonds, notes or other obligations of the trust or interest thereon;
- 18 i. Covenant as to the redemption of bonds, notes and other
19 obligations by the trust or the holders thereof and privileges of
20 exchange thereof for other bonds, notes or other obligations of the
21 trust;
- 22 j. Covenant to create or authorize the creation of special funds
23 or accounts to be held in trust or otherwise for the benefit of holders
24 of bonds, notes and other obligations of the trust, or reserves for
25 other purposes and as to the use, investment, and disposition of
26 moneys held in those funds, accounts or reserves;
- 27 k. Provide for the rights and liabilities, powers and duties
28 arising upon the breach of any covenant, condition or obligation and
29 prescribe the events of default and terms and conditions upon which
30 any or all of the bonds, notes or other obligations of the trust shall
31 become or may be declared due and payable before maturity and the
32 terms and conditions upon which the declaration and its
33 consequences may be waived;
- 34 l. Vest in a trustee or trustees within or without the State any
35 property, rights, powers and duties in trust as the trust may
36 determine, which may include any or all of the rights, powers and
37 duties of any trustee appointed by the holders of any bonds, notes or
38 other obligations of the trust pursuant to section 18 of P.L.1985,
39 c.334 (C.58:11B-18), including rights with respect to the sale or
40 other disposition of notes, bonds or other obligations of local
41 government units , or State entities, as applicable, pledged pursuant
42 to a resolution or trust indenture for the benefit of the holders of
43 bonds, notes or other obligations of the trust and the right by suit or
44 action to foreclose any mortgage pledged pursuant to the resolution
45 or trust indenture for the benefit of the holders of the bonds, notes
46 or other obligations, and to limit or abrogate the right of the holders
47 of any bonds, notes or other obligations of the trust to appoint a

1 trustee under the provisions of P.L.1985, c.334 (C.58:11B-1 et
2 seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **【or】** sections 22 and
3 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
4 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), or the
5 provisions of P.L. , C. (C.) (pending before the Legislature
6 as this bill), and to limit the rights, duties and powers of the trustee;

7 m. Pay the costs or expenses incident to the enforcement of the
8 bonds, notes or other obligations of the trust or of the provisions of
9 the resolution authorizing the issuance of those bonds, notes or
10 other obligations or of any covenant or agreement of the trust with
11 the holders of the bonds, notes or other obligations;

12 n. Limit the rights of the holders of any bonds, notes or other
13 obligations of the trust to enforce any pledge or covenant securing
14 the bonds, notes or other obligations; and

15 o. Make covenants other than or in addition to the covenants
16 authorized by P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224
17 (C.58:11B-10.1 et al.), **【or】** sections 22 and 34 through 38 of
18 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
19 20.2, C.58:11B-22.3, and C.58:11B-22.4) , or P.L. , c. (C.)
20 (pending before the Legislature as this bill) of like or different
21 character, and make covenants to do or refrain from doing any acts
22 and things as may be necessary, or convenient and desirable, in
23 order to better secure the bonds, notes or other obligations of the
24 trust, or which, in the absolute discretion of the trust, would make
25 the bonds, notes or other obligations more marketable,
26 notwithstanding that the covenants, acts or things may not be
27 enumerated herein.

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

29

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

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

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

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

7 (4) The trust may make and contract to make loans and provide
8 other assistance to a local government unit or consortia thereof to
9 finance the cost of transportation projects pursuant to sections 22
10 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through
11 C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-
12 22.4), and provided that the federally-funded subaccount is operated
13 in accordance with the provisions of the federal infrastructure bank
14 program.

15 (5) The trust may make and contract to make loans and provide
16 other assistance to a State entity, local government unit, or private
17 entity, or consortia thereof, to finance the cost of climate change
18 mitigation projects and climate change resilience projects pursuant
19 to the provisions of P.L. , c. (C.) (pending before the
20 Legislature as this bill).

21 The loans may be made subject to those terms and conditions as
22 the trust shall determine to be consistent with the purposes thereof.
23 Each loan by the trust and the terms and conditions thereof shall be
24 subject to approval by the State Treasurer, and the trust shall make
25 available to the State Treasurer all information, statistical data and
26 reports of independent consultants or experts as the State Treasurer
27 shall deem necessary in order to evaluate the loan. Each loan to a
28 local government unit, public water utility , State entity, or any
29 other person shall be evidenced by notes, bonds or other obligations
30 thereof issued to the trust. In the case of each local government
31 unit, notes and bonds to be issued to the trust and, if applicable, the
32 State, acting by and through the Department of Environmental
33 Protection, by the local government unit (1) shall be authorized and
34 issued as provided by law for the issuance of notes and bonds by the
35 local government unit, (2) notwithstanding any provisions of the
36 “Local Authorities Fiscal Control Law,” P.L.1983, c.313
37 (C.40A:5A-1 et seq.) to the contrary, shall be approved by the
38 Director of the Division of Local Government Services in the
39 Department of Community Affairs, and (3) notwithstanding the
40 provisions of N.J.S.40A:2-27, N.J.S.40A:2-28 and N.J.S.40A:2-29
41 or any other provisions of law to the contrary, may be sold at
42 private sale to the trust or the State, as the case may be, at any price,
43 whether or not less than par value, and shall be subject to
44 redemption prior to maturity at any times and at any prices as the
45 trust or the State, as the case may be, and local government units
46 may agree. Each loan to a local government unit, public water
47 utility , State entity, or any other person and the notes, bonds or

1 other obligations thereby issued shall bear interest at a rate or rates
2 per annum as the trust or the State, as the case may be, and the local
3 government unit, public water utility , State entity, or any other
4 person, as the case may be, may agree.

5 b. The trust is authorized to guarantee or contract to guarantee
6 the payment of all or any portion of the principal and interest on
7 bonds, notes or other obligations issued by a local government unit
8 or State entity to finance the cost of any wastewater treatment
9 system project, water supply project, **[or]** transportation project ,
10 climate change mitigation project, or climate change resilience
11 project which the local government unit or State entity, as
12 applicable, may lawfully undertake or acquire and for which the
13 local government unit or State entity, as applicable, is authorized by
14 law to borrow money, and the guarantee shall constitute an
15 obligation of the trust for the purposes of P.L.1985, c.334
16 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]**
17 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
18 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
19 C.58:11B-22.4) , or P.L. , c. (C.) (pending before the
20 Legislature as this bill) . Each guarantee by the trust and the terms
21 and conditions thereof shall be subject to approval by the State
22 Treasurer, and the trust shall make available to the State Treasurer
23 all information, statistical data and reports of independent
24 consultants or experts as the State Treasurer shall deem necessary in
25 order to evaluate the guarantee.

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

30 d. Notwithstanding any provision of P.L.1985, c.334
31 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to
32 the contrary, the trust may receive funds from any source including,
33 without limitation, any funds drawn by the trust from a revolving
34 line of credit or other similar financial vehicle that may be procured
35 by the trust, either through a competitive or negotiated process,
36 pursuant to section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit
37 into the Interim Environmental Financing Program Fund or the trust
38 may issue its bonds, notes or other obligations, including
39 commercial paper issued through a competitive or negotiated
40 process, in any principal amounts, in either case, as in the judgment
41 of the trust shall be necessary to provide sufficient funds to finance
42 or refinance short-term or temporary loans to local government
43 units, public water utilities or private persons for any wastewater
44 treatment system projects included on the Department of
45 Environmental Protection project priority list and eligible for
46 approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20)
47 or water supply projects included on the Department of

1 Environmental Protection project priority list and eligible for
2 approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1),
3 as applicable, without regard to any other provisions of P.L.1985,
4 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et
5 al.), including, without limitation, any administrative or legislative
6 approvals.

7 The trust shall create and establish a special fund to be known as
8 the “Interim Environmental Financing Program Fund” for the short-
9 term or temporary loan financing or refinancing program to be
10 known as the “Interim Environmental Financing Program.” The
11 monies in the fund shall be used for short-term or temporary loans
12 for clean water and drinking water projects pursuant to the New
13 Jersey Environmental Infrastructure Financing Program.

14 Except as provided in section 1 of P.L.2013, c.93 (C.58:11B-
15 9.5), any short-term or temporary loans made by the trust pursuant
16 to this subsection may only be made in advance of the anticipated
17 loans the trust may make and contract to make under the provisions
18 of subsection a. of this section from any source of funds anticipated
19 to be received by the trust. Any such short-term or temporary loan
20 made pursuant to the Interim Environmental Financing Program
21 shall mature no later than the last day of the third succeeding fiscal
22 year following the closing date on which the short-term or
23 temporary loan was made by the trust to the project sponsor; except
24 a planning, design, and construction loan shall mature no later than
25 the last day of the fifth succeeding fiscal year following the closing
26 date of the planning, design, and construction loan or the last day of
27 the third succeeding fiscal year following the date of construction
28 certification following the closing date of the planning, design, and
29 construction loan, whichever is sooner, provided that, in either case,
30 project planning or engineering design activities shall not exceed
31 two years from the closing date of the planning, design, and
32 construction loan; and except a short-term or temporary loan made
33 pursuant to this subsection for environmental planning and
34 engineering design costs associated with long-term control plans for
35 combined sewer overflow projects shall mature no later than the last
36 day of the 10th succeeding fiscal year following the closing date on
37 which the short-term or temporary loan was made by the trust to the
38 project sponsor. With respect to any short-term or temporary loan
39 or planning, design, and construction loan made by the trust
40 pursuant to this subsection, the trust may authorize one short-term
41 supplemental loan for residual project expenses thereof upon receipt
42 by the trust from the Department of Environmental Protection of a
43 certification that states that the time required by the project sponsor
44 to complete construction of the project exceeds the maximum
45 maturity date of the project sponsor's outstanding short-term or
46 temporary loan or planning, design, and construction loan. Any
47 such short-term supplemental loan shall not exceed in duration the

1 last day of the third succeeding fiscal year following the loan
2 closing of the supplemental loan. The trust may make short-term or
3 temporary loans pursuant to the Interim Environmental Financing
4 Program to any one or more of the project sponsors, for the
5 respective projects thereof, identified in the interim financing
6 project priority list to be known as the “Interim Environmental
7 Financing Program Project Priority List” in the form provided to the
8 Legislature by the Commissioner of Environmental Protection.

9 The Interim Environmental Financing Program Project Priority
10 List, including any revision thereof or supplement thereto, shall be
11 submitted to the Legislature pursuant to section 2 of P.L.1991,
12 c.164 (C.52:14-19.1) at least once in each fiscal year as provided in
13 section 20 of P.L.1985, c.334 (C.58:11B-20) and section 24 of
14 P.L.1997, c.224 (C.58:11B-20.1). The Secretary and the Clerk shall
15 cause the date of submission to be entered upon the Senate Journal
16 and the Minutes of the General Assembly, respectively. The trust
17 may revise or supplement the Interim Environmental Financing
18 Program Project Priority List no more than four times during the
19 fiscal year and shall submit the revised list to the Legislature when
20 the revisions are made. Any environmental infrastructure project or
21 the project sponsor thereof not identified in the Interim
22 Environmental Financing Program Project Priority List shall not be
23 eligible for a short-term or temporary loan from the Interim
24 Environmental Financing Program Fund. The trust may issue short-
25 term or temporary loans pursuant to this subsection only if a project
26 is listed on an Interim Environmental Financing Program Project
27 Priority List that has been submitted to the Legislature. No funds
28 may be disbursed pursuant to this section for project activities prior
29 to a determination and certification, in writing, from the
30 Department of Environmental Protection, that the project activities
31 satisfy the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.).

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

43 Further, notwithstanding any provisions of the “Local Bond
44 Law” (N.J.S.40A:2-1 et seq.), the “sewerage authorities law,”
45 P.L.1946, c.138 (C.40:14A-1 et seq.), or the “municipal and county
46 utilities authorities law,” P.L.1957, c.183 (C.40:14B-1 et seq.) to
47 the contrary, any short-term or temporary loans made by the trust

1 pursuant to section 9 of P.L.1985, c.334 (C.58:11B-9) or section 1
2 of P.L.2013, c.93 (C.58:11B-9.5), and any notes or other
3 obligations issued by project sponsors to evidence such short-term
4 or temporary loans, as such loans, notes, or other obligations may
5 be refinanced or extended, as provided in subsections d. and g. of
6 this section and section 1 of P.L.2013, c.93 (C.58:11B-9.5), except
7 for loans for environmental planning and engineering design costs
8 associated with long-term control plans for combined sewer
9 overflow projects as provided in subsection d. of this section, shall
10 mature no later than the maturity date as established pursuant to
11 subsections d. and g. of this section and section 1 of P.L.2013, c.93
12 (C.58:11B-9.5), without payment by project sponsors of any portion
13 of the principal thereof prior to maturity.

14 f. Any balances remaining in the Emergency Loan Fund
15 established pursuant to section 4 of P.L.2007, c.138 (C.58:11B-9.1),
16 the Planning and Design Fund established pursuant to section 1 of
17 P.L.2009, c.59 (C.58:11B-9.2), the Onsite Wastewater Disposal
18 Loan Fund established pursuant to section 5 of P.L.2009, c.103
19 (C.58:11B-9.3), the Supplemental Loan Fund established pursuant
20 to section 2 of P.L.2011, c.94 (C.58:11B-9.4), and the Equipment
21 Loan Fund established pursuant to section 1 of P.L.2014, c.28
22 (C.58:11B-9.6) after the date of enactment of P.L.2016, c.30 shall
23 be transferred to the Interim Environmental Financing Program
24 Fund, and any loan repayments to the trust of principal and interest
25 or premium on loans made from those funds shall be credited to the
26 Interim Environmental Financing Program Fund.

27 g. The trust shall create and establish a special fund to be
28 known as the "Interim Transportation Financing Program Fund" for
29 the short-term or temporary loan financing or refinancing program
30 to be known as the "Interim Transportation Financing Program."

31 Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1
32 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary,
33 the trust may receive funds from any source including, without
34 limitation, any funds drawn by the trust from a revolving line of
35 credit or other similar financial vehicle that may be procured by the
36 trust, either through a competitive or negotiated process, pursuant to
37 section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit into the
38 Interim Transportation Financing Program Fund or the trust may
39 issue its bonds, notes, or other obligations in any principal
40 amounts, in either case, as in the judgment of the trust shall be
41 necessary to provide sufficient funds to finance or refinance short-
42 term or temporary loans to local government units or private
43 persons for any transportation project included on the Department
44 of Transportation Interim Transportation Financing Program Project
45 Priority List for the ensuing fiscal year and eligible for approval
46 pursuant to sections 22 and 34 through 38 of P.L.2016, c.56
47 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-

1 22.3, and C.58:11B-22.4), without regard to any other provisions of
2 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
3 10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56
4 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
5 22.3, and C.58:11B-22.4), including, without limitation, any
6 administrative or legislative approvals.

7 Any short-term or temporary loans made by the trust pursuant to
8 this subsection may only be made in advance of the anticipated
9 loans the trust may make and contract to make under the provisions
10 of subsection a. of this section from any source of funds anticipated
11 to be received by the trust. Any such short-term or temporary loan
12 made pursuant to the Interim Transportation Financing Program
13 shall mature no later than the last day of the third succeeding fiscal
14 year following the closing date on which the short-term or
15 temporary loan was made by the trust to the project sponsor; except
16 a planning, design, and construction loan shall mature no later than
17 the last day of the fifth succeeding fiscal year following the closing
18 date of the planning, design, and construction loan or the last day of
19 the third succeeding fiscal year following the date of construction
20 certification following the closing date of the planning, design, and
21 construction loan, whichever is sooner, provided that, in either case,
22 project planning or engineering design activities shall not exceed
23 two years from the closing date of the planning, design, and
24 construction loan. With respect to any short-term or temporary loan
25 or planning, design, and construction loan made by the trust
26 pursuant to this subsection, the trust may authorize one short-term
27 supplemental loan for residual expenses thereof upon receipt by the
28 trust from the Department of Transportation of a certification that
29 states that the time required by the project sponsor to complete
30 construction of the project exceeds the maximum maturity date of
31 the short-term or temporary loan or planning, design, and
32 construction loan. Any such short-term supplemental loan shall not
33 exceed in duration the last day of the third succeeding fiscal year
34 following the loan closing of the short-term supplemental loan. The
35 trust may make short-term or temporary loans pursuant to the
36 Interim Transportation Financing Program to any one or more of the
37 project sponsors, for the respective projects thereof, only if a
38 project is identified in the Department of Transportation Interim
39 Transportation Financing Program Project Priority List to be known
40 as the "Interim Transportation Financing Program Project Priority
41 List" in the form provided to the Legislature by the Commissioner
42 of Transportation.

43 The Interim Transportation Financing Program Project Priority
44 List, including any revision thereof or supplement thereto, shall be
45 submitted to the Secretary of the Senate and the Clerk of the
46 General Assembly on or before July 1 of each year. The Interim
47 Transportation Financing Program Project Priority List shall be

1 submitted to the Legislature pursuant to section 2 of P.L.1991,
2 c.164 (C.52:14-19.1) at least once in each fiscal year. The
3 Secretary and the Clerk shall cause the date of submission to be
4 entered upon the Senate Journal and the Minutes of the General
5 Assembly, respectively. Any transportation infrastructure project
6 or the project sponsor thereof not identified in the Interim
7 Transportation Financing Program Project Priority List shall not be
8 eligible for a short-term or temporary loan from the Interim
9 Transportation Financing Program Fund. The trust may revise or
10 supplement the Interim Transportation Financing Program Project
11 Priority List no more than four times during the fiscal year, and
12 shall submit the revised list to the Legislature when the revisions
13 are made.

14 No funds may be disbursed pursuant to this subsection for
15 project activities prior to written notification of award concurrence
16 from the Department of Transportation and certification in writing,
17 from the trust, that the project activities satisfy the provisions of
18 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
19 10.1 et al.), or sections 22 and 34 through 38 of P.L.2016, c.56
20 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
21 22.3, and C.58:11B-22.4).

22 h. The trust shall create and establish a special fund to be known
23 as the "Interim Climate Change Mitigation and Resilience
24 Financing Program Fund" for the short-term or temporary loan
25 financing or refinancing program to be known as the "Interim
26 Climate Change Mitigation and Resilience Financing Program."
27 The monies in the fund shall be used for short-term or temporary
28 loans for climate change mitigation projects and climate change
29 resilience projects pursuant to the New Jersey Environmental
30 Infrastructure Financing Program.

31 Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1
32 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary,
33 the trust may receive funds from any source including, without
34 limitation, any funds drawn by the trust from a revolving line of
35 credit or other similar financial vehicle that may be procured by the
36 trust, either through a competitive or negotiated process, pursuant to
37 section 5 of P.L.1985, c.334 (C.58:11B-5), for deposit into the
38 Interim Climate Change Mitigation and Resilience Financing
39 Program Fund, or the trust may issue its bonds, notes, or other
40 obligations in any principal amounts, in either case, as in the
41 judgment of the trust shall be necessary to provide sufficient funds
42 to finance or refinance short-term or temporary loans to State
43 entities, local government units, and private entities for any climate
44 change mitigation project or climate change resilience project
45 included on the Interim Climate Change Mitigation and Resilience
46 Financing Program Project Priority List for the ensuing fiscal year
47 and eligible for approval pursuant to P.L. , c. (C.) (pending

1 before the Legislature as this bill), without regard to any other
2 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224
3 (C.58:11B-10.1 et al.), or sections 22 and 34 through 38 of
4 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
5 20.2, C.58:11B-22.3, and C.58:11B-22.4), including, without
6 limitation, any administrative or legislative approvals.

7 Any short-term or temporary loans made by the trust pursuant to
8 this subsection may only be made in advance of the anticipated
9 loans the trust may make and contract to make under the provisions
10 of subsection a. of this section from any source of funds anticipated
11 to be received by the trust. Any such short-term or temporary loan
12 made pursuant to the Interim Climate Change Mitigation and
13 Resilience Financing Program shall mature no later than the last day
14 of the third succeeding fiscal year following the closing date on
15 which the short-term or temporary loan was made by the trust to the
16 project sponsor; except a planning, design, and construction loan
17 shall mature no later than the last day of the fifth succeeding fiscal
18 year following the closing date of the planning, design, and
19 construction loan or the last day of the third succeeding fiscal year
20 following the date of construction certification following the
21 closing date of the planning, design, and construction loan,
22 whichever is sooner, provided that, in either case, project planning
23 or engineering design activities shall not exceed two years from the
24 closing date of the planning, design, and construction loan. The
25 trust may make short-term or temporary loans pursuant to the
26 Interim Climate Change Mitigation and Resilience Financing
27 Program to any one or more of the project sponsors, for the
28 respective projects thereof, only if a project is identified on the list
29 to be known as the “Interim Climate Change Mitigation and
30 Resilience Financing Program Project Priority List” in the form
31 provided to the Legislature by the trust.

32 The Interim Climate Change Mitigation and Resilience
33 Financing Program Project Priority List, including any revision
34 thereof or supplement thereto, shall be submitted to the Secretary of
35 the Senate and the Clerk of the General Assembly on or before July
36 1 of each year. The Interim Climate Change Mitigation and
37 Resilience Financing Program Project Priority List shall be
38 submitted to the Legislature pursuant to section 2 of P.L.1991,
39 c.164 (C.52:14-19.1) at least once in each fiscal year. The
40 Secretary and the Clerk shall cause the date of submission to be
41 entered upon the Senate Journal and the Minutes of the General
42 Assembly, respectively. A climate change mitigation project or
43 climate change resilience project, or the project sponsor thereof, not
44 identified in the Interim Climate Change Mitigation and Resilience
45 Financing Program Project Priority List shall not be eligible for a
46 short-term or temporary loan from the Interim Climate Change
47 Mitigation and Resilience Financing Program Fund. The trust may

1 revise or supplement the Interim Climate Change Mitigation and
2 Resilience Financing Program Project Priority List no more than
3 four times during the fiscal year, and shall submit the revised list to
4 the Legislature when the revisions are made.

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

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

12

13 9. (New section) a. There is established in the New Jersey
14 Infrastructure Bank the New Jersey Climate Change Mitigation and
15 Resilience Financing Program. The purpose of the program shall be
16 to provide low interest loans and other forms of financial assistance,
17 as the trust deems appropriate, to State entities, local government
18 units, and private entities to develop and finance climate change
19 mitigation projects and climate change resilience projects approved
20 by the department and the board pursuant to P.L. c. (C.)
21 (pending before the Legislature as this bill). The trust, the
22 Department of Environmental Protection, and the Board of Public
23 Utilities shall develop criteria for participation in the New Jersey
24 Climate Change Mitigation and Resilience Financing Program, and
25 for the approval and disapproval of applications for financial
26 assistance.

27

28 10. (New Section) a. There is established in the New Jersey
29 Infrastructure Bank a special fund to be known as the Climate
30 Change Mitigation and Resilience Loan Origination Fee Fund. The
31 Climate Change Mitigation and Resilience Loan Origination Fee
32 Fund shall be credited with:

33 (1) monies deposited into the fund as loan origination fees
34 received by the trust and paid by loan applicants for climate change
35 mitigation projects and climate change resilience projects financed
36 under the New Jersey Climate Change Mitigation and Resilience
37 Financing Program; and

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

40 b. Monies in the Climate Change Mitigation and Resilience
41 Loan Origination Fee Fund shall be drawn and used by the trust to
42 reimburse the trust for administrative and operating expenses
43 incurred in administering the New Jersey Climate Change
44 Mitigation and Resilience Financing Program, except that the total
45 amount expended by the trust for administrative and operating
46 expenses in any fiscal year shall not exceed \$5,000,000. The
47 monies in the Climate Change Mitigation and Resilience Loan

1 Origination Fee Fund shall also be available for application and
2 disbursement by the trust for loans to State entities or local
3 government units for the cost of climate change mitigation projects
4 and climate change resilience projects. Amounts in excess of the
5 funds drawn by the trust from the Climate Change Mitigation and
6 Resilience Loan Origination Fee Fund during any given fiscal year
7 shall be carried forward into the following fiscal year and held on
8 deposit in the fund.

9 c. As used in this section, “climate change mitigation and
10 resilience loan origination fee” means the fee charged by the trust in
11 connection with engineering and other services provided by the
12 trust to a project sponsor in connection with the project sponsor’s
13 participation in the New Jersey Climate Change Mitigation and
14 Resilience Financing Program. A project sponsor may finance any
15 portion of the climate change mitigation and resilience loan
16 origination fee through a project loan to pay a portion of the costs
17 incurred by the trust in the implementation of the New Jersey
18 Climate Change Mitigation and Resilience Financing Program.

19

20 11. (New section) a. The trust shall create and establish a
21 special fund to be known as the State Climate Change Mitigation
22 and Resilience Bank Fund. The monies in the State Climate
23 Change Mitigation and Resilience Bank Fund shall be used to
24 provide loans and other financial assistance to climate change
25 mitigation projects and climate change resilience projects funded by
26 the New Jersey Climate Change Mitigation and Resilience
27 Financing Program, and for other corporate purposes of the trust’s
28 administration and management of the New Jersey Climate Change
29 Mitigation and Resilience Financing Program, subject to
30 agreements with the holders of bonds, notes or other obligations of
31 the trust. The State Climate Change Mitigation and Resilience
32 Bank Fund shall be credited with:

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

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

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

40 (4) any other monies the Legislature may appropriate to the trust
41 for deposit into the State Climate Change Mitigation and Resilience
42 Bank Fund to finance or refinance loans for climate change
43 mitigation projects and climate change resilience projects issued
44 from the State Climate Change Mitigation and Resilience Bank
45 Fund, including moneys received by the State Treasurer from the
46 non-bypassable charge imposed on electric public utility customers

1 pursuant to section 24 of P.L. , c. (C.)(pending before the
2 Legislature as this bill).

3 b. Notwithstanding any provisions of P.L. c. (C.)
4 (pending before the Legislature as this bill) to the contrary, all
5 monies placed into the State Climate Change Mitigation and
6 Resilience Bank Fund shall be held separate from other funds of the
7 trust, and no funds used to finance climate change mitigation
8 projects and climate change resilience projects shall be combined or
9 comingled with any funds that finance (1) wastewater treatment
10 system projects, (2) water supply projects, (3) other environmental
11 infrastructure projects, or (4) transportation, transit, marine or
12 aviation projects, which are not climate change mitigation projects
13 or climate change resilience projects.

14 c. The trust may establish or direct the establishment of federal
15 and State accounts or subaccounts as may be necessary to meet any
16 applicable federal law requirements or desirable for the efficient
17 administration of the trust.

18

19 12. (New section) a. The Commissioner of Environmental
20 Protection, in consultation with the Board of Public Utilities and the
21 trust, shall, for each fiscal year, develop a priority system, ranking
22 criteria, and funding policies for climate change mitigation projects
23 and climate change resilience projects. The commissioner shall
24 prioritize projects that have the largest impact on protecting human
25 health, safety, the environment, or critical infrastructure, from the
26 adverse effects of climate change; reducing the State's greenhouse
27 gas emissions; and meeting the State's clean energy goals. The
28 Commissioner Environmental Protection shall set forth a Climate
29 Change Mitigation and Resilience Financing Program Project
30 Priority List, hereinafter referred to as the "climate change
31 mitigation and resilience project priority list," for funding by the
32 trust for each fiscal year and shall include the aggregate amount of
33 funds of the trust to be authorized for these purposes. The climate
34 change mitigation and resilience project priority list shall include a
35 description of each climate change mitigation project and climate
36 change resilience project and an explanation of the manner in which
37 projects are ranked.

38 The climate change mitigation and resilience project priority list
39 for the ensuing fiscal year shall be submitted to the Legislature on
40 or before January 15 of each year. The Secretary and the Clerk
41 shall cause the date of submission to be entered upon the Senate
42 Journal and the Minutes of the General Assembly, respectively.
43 Incremental revisions or supplements to the climate change
44 mitigation and resilience project priority list may be submitted to
45 the Legislature as provided in subsection g. of section 9 of
46 P.L.1985, c.334 (C.58:11B-9). A climate change mitigation project
47 or climate change resilience project shall be eligible for funding

1 pursuant to this section only if it is identified on a climate change
2 mitigation and resilience project priority list.

3 b. The Commissioner of Environmental Protection, in
4 consultation with the President of the Board of Public Utilities,
5 shall set forth a Climate Change Mitigation and Resilience
6 Financing Program Project Eligibility List for long-term funding by
7 the trust and shall include the aggregate amount of funds to be
8 authorized for these purposes. The Climate Change Mitigation and
9 Resilience Financing Program Project Eligibility List shall consist
10 of Climate Change Mitigation and Resilience Financing Program
11 Project Priority List projects certified by the Department of
12 Environmental Protection and the Board of Public Utilities that
13 have commenced construction and demonstrated to the department
14 a high likelihood of construction completion within three years of
15 the date of funding.

16 On or before May 15 of each year, the trust shall submit the
17 Climate Change Mitigation and Resilience Financing Program
18 Project Eligibility List for the ensuing fiscal year including any
19 amendatory or supplementary provisions thereto, which shall
20 include the authorization of an aggregate amount of funds of the
21 trust to be expended for loans and guarantees for the specific
22 climate change mitigation projects or climate change resilience
23 projects, including the individual amounts therefor, to be introduced
24 in each House in the form of legislative appropriations bills.

25 On or before July 1 of each year, the Legislature shall approve an
26 appropriations act containing the Climate Change Mitigation and
27 Resilience Program Project Eligibility List, including any
28 amendatory or supplementary provisions thereto, which act shall
29 include the authorization of an aggregate amount of funds of the
30 trust to be expended for long-term loans and guarantees for the
31 climate change mitigation and resilience projects, including the
32 individual amounts for each project included on the list.

33 c. On or before October 15 of each year, the trust may submit an
34 amended Climate Change Mitigation and Resilience Financing
35 Program Project Eligibility List to be introduced in each House in
36 the form of legislative appropriations bills for approval by the
37 Legislature on or before January 15 of the following calendar year
38 in the manner set forth in subsection a. and subsection b. of this
39 section.

40 d. The trust shall not expend any money for a long-term loan or
41 guarantee during a fiscal year for any climate change mitigation
42 project or climate change resilience project unless the expenditure
43 has been authorized pursuant to a State annual appropriations act of
44 the current or three immediately preceding fiscal years as provided
45 in the provisions of this section, or as otherwise set forth in an
46 appropriations act.

1 e. The trust shall submit to the Secretary of the Senate and the
2 Clerk of the General Assembly on or before January 15 of each year
3 a report which shall identify the climate change mitigation projects
4 and climate change resilience projects financed during the prior
5 fiscal year, including a project description, the amount of the loan
6 provided for each project, and the duration of each loan.
7

8 13. (New section) a. On or before May 15 of each year, the
9 trust shall submit to the Legislature a financial plan designed to
10 implement the financing of the climate change mitigation projects
11 and climate change resilience projects on the Climate Change
12 Mitigation and Resilience Financing Program Project Priority List
13 or the Climate Change Mitigation and Resilience Financing
14 Program Project Eligibility List. The financial plan shall contain an
15 enumeration of the bonds, notes or other obligations of the trust
16 which the trust intends to issue, including the amounts thereof and
17 the terms and conditions thereof, a list of loans to be made to State
18 entities, local government units, and private entities, including the
19 terms and conditions thereof and the anticipated rate of interest per
20 annum and repayment schedule therefor and a list of loan
21 guarantees or contracts to guarantee the payment of all or a portion
22 of the principal and interest on bonds, notes or other obligations
23 issued by a State entity or local government unit to finance the cost
24 of a climate change mitigation project or climate change resilience
25 project, and the terms and conditions thereof.

26 The financial plan shall also set forth a complete operating and
27 financial statement covering proposed operations of the State
28 Climate Change Mitigation and Resilience Bank Fund during the
29 forthcoming fiscal year, including amounts of income from all
30 sources, and the uniform schedule of fees and charges established
31 by the trust pursuant to subsection o. of section 5 of P.L.1985, c.334
32 (C.58:11B-5), and the amounts to be derived therefrom, and shall
33 summarize the status of each climate change mitigation project and
34 climate change resilience project for which loans or guarantees have
35 been made by the trust.

36 b. On or before June 30 of each year the Legislature may reject
37 the financial plan through the adoption by both houses of a
38 concurrent resolution. If the Legislature rejects the financial plan,
39 the trust shall not undertake any of the proposed activities contained
40 therein. If the Legislature takes no action on or before June 30, the
41 financial plan shall be deemed approved.

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

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

18

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

21 13. Neither the directors of the trust nor any person executing
22 bonds, notes or other obligations of the trust issued pursuant to
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) , or P.L. , c. (C.) (pending before
27 the Legislature as this bill) shall be liable personally on the bonds,
28 notes or other obligations by reason of the issuance thereof.
29 (cf: P.L.2016, c.56, s.24)

30

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

33 14. The State does pledge to and covenant and agree with the
34 holders of any bonds, notes or other obligations of the trust issued
35 pursuant to authorization of P.L.1985, c.334 (C.58:11B-1 et seq.),
36 P.L.1997, c.224 (C.58:11B-10.1 et al.), **【or】** sections 22 and 34
37 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) that
40 the State shall not limit or alter the rights or powers vested in the
41 trust to perform and fulfill the terms of any agreement made with
42 the holders of the bonds, notes or other obligations or to fix,
43 establish, charge and collect any rents, fees, rates, payments or
44 other charges as may be convenient or necessary to produce
45 sufficient revenues to meet all expenses of the trust and to fulfill the
46 terms of any agreement made with the holders of bonds, notes or
47 other obligations, including the obligations to pay the principal of

1 and interest and premium on those bonds, notes or other
2 obligations, with interest on any unpaid installments of interest, and
3 all costs and expenses in connection with any action or proceedings
4 by or on behalf of the holders, and shall not limit or alter the rights
5 and powers of any local government unit or State entity, as
6 applicable, to pay and perform its obligations owed to the trust in
7 connection with loans received from the trust, until the bonds, notes
8 and other obligations of the trust, together with interest thereon, are
9 fully met and discharged or provided for.

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

11

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

14 15. The State and all public officers, governmental units and
15 agencies thereof, all banks, trust companies, savings banks and
16 institutions, building and loan associations, savings and loan
17 associations, investment companies, and other persons carrying on a
18 banking business, all insurance companies, insurance associations
19 and other persons carrying on an insurance business, and all
20 executors, administrators, guardians, trustees and other fiduciaries
21 may legally invest any sinking funds, moneys or other funds
22 belonging to them or within their control in any bonds, notes or
23 other obligations issued pursuant to P.L.1985, c.334 (C.58:11B-1 et
24 seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]** sections 22 and
25 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-
26 10.5, C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), or
27 P.L. , c. (C.) (pending before the Legislature as this bill), and
28 those bonds, notes or other obligations shall be authorized security
29 for any and all public deposits.

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

31

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

34 17. All property of the trust is declared to be public property
35 devoted to an essential public and governmental function and
36 purpose and the revenues, income and other moneys received or to
37 be received by the trust shall be exempt from all taxes of the State
38 or any political subdivision thereof. All bonds, notes and other
39 obligations of the trust issued pursuant to P.L.1985, c.334
40 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-10.1 et al.), **[or]**
41 sections 22 and 34 through 38 of P.L.2016, c.56 (C.58:11B-10.3
42 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-22.3, and
43 C.58:11B-22.4) , or P.L. , c. (C.) (pending before the
44 Legislature as this bill) are declared to be issued by a body
45 corporate and politic of the State and for an essential public and
46 governmental purpose and those bonds, notes and other obligations,
47 and interest thereon and the income therefrom and from the sale,

1 exchange or other transfer thereof shall at all times be exempt from
2 taxation, except for transfer inheritance and estate taxes.
3 (cf: P.L.2016, c.56, s.27)
4

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

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

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

24 (1) By suit, action or proceeding enforce all rights of the holders
25 of bonds, notes or other obligations of the issue, to require the trust
26 to carry out any other agreements with the holders of the bonds,
27 notes or other obligations of the issue and to perform its duties
28 under P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224
29 (C.58:11B-10.1 et al.), **[or]** sections 22 and 34 through 38 of
30 P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-
31 20.2, C.58:11B-22.3, and C.58:11B-22.4) , or P.L. , c. (C.)
32 (pending before the Legislature as this bill) ;

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

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

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

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

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

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

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

14 d. The Superior Court shall have jurisdiction over any suit,
15 action or proceeding by the trustees on behalf of the holders of
16 bonds, notes or other obligations of the trust. The venue of any suit,
17 action or proceeding shall be in the county in which the principal
18 office of the trust is located.

19 e. Before declaring the principal of bonds, notes or other
20 obligations of the trust due and payable as a result of a trust default
21 on any of its bonds, notes or other obligations, the trustee shall first
22 give 30 days' notice in writing to the trust and to the Governor,
23 State Treasurer, President of the Senate and Speaker of the General
24 Assembly.

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

26
27 20. Section 19 of P.L.1985, c.334 (C.58:11B-19) is amended to
28 read as follows:

29 19. Sums of money received pursuant to the authority of
30 P.L.1985, c.334 (C.58:11B-1 et seq.), P.L.1997, c.224 (C.58:11B-
31 10.1 et al.), **[or]** sections 22 and 34 through 38 of P.L.2016, c.56
32 (C.58:11B-10.3 through C.58:11B-10.5, C.58:11B-20.2, C.58:11B-
33 22.3, and C.58:11B-22.4), or P.L. , c. (C.) (pending before
34 the Legislature as this bill), whether as proceeds from the sale of
35 particular bonds, notes or other obligations of the trust or as
36 particular revenues or receipts of the trust, are deemed to be trust
37 funds, to be held and applied solely as provided in the resolution or
38 trust indenture under which the bonds, notes or obligations are
39 authorized or secured. Any officer with whom or any bank or trust
40 company with which those sums of money are deposited as trustee
41 thereof shall hold and apply the same for the purposes thereof,
42 subject to any provision as the aforementioned acts and the
43 resolution or trust indenture authorizing or securing the bonds,
44 notes or other obligations of the trust may provide.

45 (cf: P.L.2016, c.56, s.29)

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

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

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

27 c. The trust shall not apply for federal funds, including funds
28 which are authorized pursuant to the "Federal Water Pollution
29 Control Act Amendments of 1972," Pub.L. 92-500 (33 U.S.C.
30 s.1251 et seq.), and any amendatory or supplementary acts thereto,
31 except the trust is expressly authorized to apply, in consultation
32 with the Department of Environmental Protection, for funds under
33 the "Water Infrastructure Finance and Innovation Act," (WIFIA) 33
34 U.S.C. s.3901 et seq. as amended or superseded, with notice to the
35 Department of Transportation, for funds under the Transportation
36 Infrastructure Finance and Innovation Act (TIFIA) 23 U.S.C. 601
37 through 23 U.S.C. 609 as amended or superseded, and provisions of
38 the Moving Ahead for Progress in the 21st Century Act (MAP-21)
39 Pub. L. 112-141, the Fixing America's Surface Transportation Act
40 (FAST Act) Pub. L. 114-94, the Transportation Equity Act for the
41 21st Century (TEA-21) Pub. L. 105-178, the Safe, Accountable,
42 Flexible and Efficient Transportation Equity Act: a Legacy for User
43 ("SAFETEA-LU") Pub. L. 109-59, and the Rail Safety
44 Improvement Act of 2008 Pub. L. 110-432, or any subsequent law
45 concerning federal surface transportation programs as applicable.

46 The trust, with the concurrence of the Commissioner of
47 Environmental Protection, may receive, accept or utilize moneys

1 received from local government units as repayments of principal
2 and interest on loans made from the State Revolving Fund Accounts
3 established pursuant to section 1 of P.L.1988, c.133.

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

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

11

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

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

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

33

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

36 27. The trust shall adopt such rules and regulations as it deems
37 necessary to effectuate the purposes of P.L.1985, c.334 (C.58:11B-1
38 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including those
39 required pursuant to sections 25 and 26 of P.L.1985, c.334
40 (C.58:11B-25 and C.58:11B-26), **[and]** sections 22 and 34 through
41 38 of P.L.2016, c.56 (C.58:11B-10.3 through C.58:11B-10.5,
42 C.58:11B-20.2, C.58:11B-22.3, and C.58:11B-22.4), and P.L. _____,
43 c. _____ (C. _____) (pending before the Legislature as this bill), in
44 accordance with the "Administrative Procedure Act," P.L.1968,
45 c.410 (C.52:14B-1 et seq.).

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

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

12 b. The charge imposed pursuant to subsection a. of this section
13 shall decrease to:

14 (1) \$0.0002 per kilowatt-hour sold upon certification by the
15 President of the Board of Public Utilities that 50 percent of the
16 kilowatt hours sold in the State by each electric power supplier and
17 each basic generation service provider are from Class I and Class II
18 renewable energy sources;

19 (2) \$0.0001 per kilowatt-hour sold upon certification by the
20 President of the Board of Public Utilities that 75 percent of the
21 kilowatt hours sold in the State by each electric power supplier and
22 each basic generation service provider are from Class I and Class II
23 renewable energy sources.

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

32

33 25. This act shall take effect immediately.

34

35

36

STATEMENT

37

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

42 The purpose of the program would be to provide low interest
43 loans and other financial assistance, through the NJIB, for climate
44 change mitigation and resilience projects. Under the bill, “climate
45 change mitigation project” means a project whose primary purpose
46 is the construction, development, or production of energy sources,
47 infrastructure, land management techniques, or technologies that

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

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

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

42 The financing program would be funded by a non-bypassable,
43 irrevocable charge imposed on the customers of each electric public
44 utility in the State. Beginning 120 days after the effective date of
45 the bill, the charge would be \$0.0003 per kilowatt-hour sold to each
46 customer. However, the charge would decrease over time as the
47 State meets certain renewable energy targets established in law.

A576 KARABINCHAK, KENNEDY

46

- 1 The charge would phase out completely upon certification by the
- 2 BPU that 100 percent of the kilowatt hours sold in the State are
- 3 from Class I and Class II renewable energy sources.