

**SENATE, No. 368**

**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

**Sponsored by:**

**Senator JOSEPH PENNACCHIO**

**District 26 (Essex, Morris and Passaic)**

**SYNOPSIS**

“Flood Control, Mitigation, and Prevention Bond Act”; authorizes bonds for up to \$2 billion and appropriates \$5,000.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



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1 AN ACT authorizing the creation of a debt of the State of New  
2 Jersey by the issuance of bonds of the State in the aggregate  
3 principal amount of up to \$2,000,000,000 for the purpose of  
4 providing moneys for the construction of flood control,  
5 mitigation, and prevention projects in the State; providing the  
6 ways and means to pay and discharge the principal of and  
7 interest on the bonds; providing for the submission of this act to  
8 the people at a general election; and making an appropriation  
9 therefor.

10

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

13

14 1. This act shall be known and may be cited as the “Flood  
15 Control, Mitigation, and Prevention Bond Act.”

16

17 2. The Legislature finds and declares that the years 2009, 2010,  
18 and 2011 were historic and catastrophic for the State because, in  
19 difficult economic times, frequent weather events have devastating  
20 impacts on homes and businesses that are already burdened with  
21 fiscal hardship; that the flooding caused by weather events in these  
22 years was especially destructive and debilitating; that no part of the  
23 State has been spared; that in August 2011, Governor Christie  
24 requested a disaster declaration to cover farming losses in Atlantic,  
25 Burlington, Camden, Cape May, Cumberland, Gloucester,  
26 Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Salem,  
27 Somerset, Sussex, Union and Warren counties sustained from  
28 severe weather that began in May 2011; that rainfall during the  
29 August 2011 storms exceeded 11 inches in some parts of southern  
30 and northern New Jersey, and reached almost 20 inches in some  
31 parts of the center of the State; that the basins of the Passaic River  
32 and the Raritan River and their tributaries are chronically plagued  
33 with severe flooding; that the severe flooding in the Passaic River  
34 Basin in 2010, with a 12-foot rise in the river, nearly matched the  
35 level of the 1903 flood, its worst flood on record, only to be  
36 followed by more severe and destructive flooding in 2011; that  
37 preliminary estimates from the very recent 2011 flooding caused  
38 property damage to roads, public buildings, businesses and private  
39 property in just two counties – Bergen and Passaic Counties – at  
40 more than \$261 million; and that the property damage estimates  
41 Statewide do not include the expense and loss of income to  
42 individuals and businesses from the shutting down of major  
43 roadways, the loss of power in homes and businesses, and the  
44 multitude of personal and financial emergencies arising from this  
45 flooding and its effects.

46 The Legislature further finds and declares that there are known  
47 solutions to the flooding but they require a strong will and fiscal  
48 commitment to bring them into reality; that many towns have

1 sought disaster relief and a number have received some assistance,  
2 but this assistance is only a small part of the funds required; that the  
3 Passaic River Basin Flood Advisory Commission, established by  
4 Executive Order 23 on April 23, 2010, issued its report in January  
5 2011, and in its report, the commission recommended consideration  
6 of several flood control, mitigation, and prevention construction  
7 projects in the Passaic River Basin, including structural elevation of  
8 homes in the floodplains, improvement of flood gate systems,  
9 removal of dams, and repair of river walls and shoals; that the  
10 commission also recommended, through reevaluation of requests to  
11 the United States Army Corps of Engineers, larger potential  
12 engineering projects for long term flood drainage, including levees,  
13 floodwalls, and construction of a flood tunnel in the Passaic River  
14 Basin; that a number of such solutions may be options for other  
15 parts of the State as well; and that pursuing much needed  
16 construction and infrastructure projects Statewide would have the  
17 further benefit of bolstering employment, job growth, and a healthy  
18 economy in the State, at a time when all three are especially needed.

19 The Legislature therefore determines that it is in the public  
20 interest to provide funding for projects for the structural control,  
21 mitigation, or prevention of flooding throughout the State.

22

23 3. As used in this act:

24 "Bonds" mean the bonds authorized to be issued, or issued,  
25 under this act.

26 "Commission" means the New Jersey Commission on Capital  
27 Budgeting and Planning.

28 "Commissioner" means the Commissioner of Environmental  
29 Protection.

30 "Construction" means, in addition to the usual meaning thereof,  
31 acts of construction, reconstruction, improvement, rehabilitation,  
32 relocation, demolition, renewal, repair, replacement, extension,  
33 restoration, betterment, improvement, protection, or consolidation,  
34 or any combination thereof, of a project.

35 "Cost" means the expenses incurred in connection with: flood  
36 control, mitigation, or prevention projects; the execution of any  
37 agreements and franchises deemed by the department to be  
38 necessary or useful and convenient in connection with any such  
39 projects authorized by this act; the procurement or provision of  
40 engineering, inspection, planning, legal, financial, or other  
41 professional services, estimates, studies, reports, or advice,  
42 including the services of a bond registrar or an authenticating agent;  
43 feasibility studies; the issuance of bonds, or any interest or discount  
44 thereon; the administrative, organizational, operating, or other  
45 expenses incident to the financing and completing of any project  
46 authorized by this act; the establishment of a reserve fund or funds  
47 for working capital, operating, maintenance, or replacement  
48 expenses and for the payment or security of principal or interest on

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1 bonds, as the Director of the Division of Budget and Accounting in  
2 the Department of the Treasury may determine; and reimbursement  
3 to any fund of the State of moneys which may have been transferred  
4 or advanced therefrom to any fund created by this act, or of any  
5 moneys which may have been expended therefrom for, or in  
6 connection with, any project authorized by this act.

7 “Department” means the Department of Environmental  
8 Protection or any agency or department successor to its power and  
9 responsibilities.

10 “Flood control, mitigation, or prevention project” means  
11 structural flood control, mitigation, or prevention through the  
12 construction of any structure, or the alteration of existing natural  
13 components of the area, for the purposes of flood control,  
14 mitigation, or prevention, and any other necessary appurtenances,  
15 including the development and completion of cost and benefit  
16 analyses of alternative projects, flood management plans, and  
17 impact studies. “Flood control, mitigation, or prevention project”  
18 shall include construction or alteration of natural detention areas or  
19 detention areas returned to their natural state, demolition and  
20 disposal work, warning systems, storage reservoirs, natural or  
21 restored detention areas, dikes, diversions, dams, spillways, levees,  
22 revetments, drains, ditches or channel improvements such as  
23 widening, deepening, straightening, clearing, sloping, building,  
24 filling in, and all other construction of infrastructure, structures,  
25 alterations thereof, and alterations of existing natural components,  
26 such as creeks, streams, rivers, the banks or beds thereof, or  
27 adjacent lands thereto. “Flood control, mitigation, or prevention  
28 project” shall not include buy-outs of residential or other properties,  
29 or farmland, historic, or open space preservation.

30 “Government securities” means any bonds or other obligations  
31 which as to principal and interest constitute direct obligations of, or  
32 are unconditionally guaranteed by, the United States of America,  
33 including obligations of any federal agency, to the extent those  
34 obligations are unconditionally guaranteed by the United States of  
35 America, and any certificates or any other evidences of an  
36 ownership interest in those obligations of, or unconditionally  
37 guaranteed by, the United States of America or in specified portions  
38 which may consist of the principal of, or the interest on, those  
39 obligations.

40 “Local flood control, mitigation, or prevention project” means  
41 any flood control, mitigation, or prevention project of a local  
42 government unit.

43 “Local government unit” means a county or a municipality, or  
44 any agency, authority, board, commission, or other instrumentality  
45 thereof, any two or more counties or municipalities operating  
46 jointly through a joint meeting or interlocal services agreement  
47 permitted by law, or any agency, authority, board, commission, or  
48 other instrumentality thereof, and any other local or regional entity

1 created by the Legislature as a political subdivision of the State, or  
2 any agency, authority, board, commission, or other instrumentality  
3 thereof.

4 "State flood control, mitigation, or prevention project" means  
5 any flood control, mitigation, or prevention project of a State  
6 agency, authority, board, commission, or other instrumentality of  
7 the State.

8  
9 4. The commissioner shall adopt, pursuant to the  
10 "Administrative Procedure Act," P.L.1968 c.410  
11 (C.52:14B-1 et seq.), rules and regulations necessary to implement  
12 the provisions of this act, including rules and regulations governing  
13 the awarding of grants and low-interest loans, including, but not  
14 limited to, eligibility requirements, procedures for submitting  
15 applications, standards for the evaluation of applications and  
16 prioritizing projects, requirements for reporting by the recipients of  
17 the expenditure of funds, and any limitations, restrictions or  
18 requirements concerning the use of a grant or low-interest loan as  
19 the commissioner may prescribe. The rules and regulations shall  
20 allow for use of federal matching funds, grants, and other federal  
21 funding. The commissioner shall review and consider the findings  
22 and recommendations of the commission in the administration of  
23 the provisions of this act.

24  
25 5. a. Bonds of the State of New Jersey are authorized to be  
26 issued in the aggregate principal amount of up to \$2,000,000,000,  
27 as provided for pursuant to section 7 of this act, for the purpose of  
28 financing, in whole or in part, the cost of local flood control,  
29 mitigation, or prevention projects and State flood control,  
30 mitigation, or prevention projects.

31 The amount authorized pursuant to this section is allocated for:  
32 (1) State projects; (2) grants to local government units; and (3) low-  
33 interest loans to local government units.

34 b. Any loan authorized under this section shall include up to  
35 100% of the project cost, and shall be provided under the terms and  
36 conditions set forth in a written agreement between the Department  
37 of Environmental Protection and the entity receiving the loan.

38 c. Any loan made to a local government unit from the "Flood  
39 Control, Mitigation, and Prevention Revolving Loan Fund"  
40 established pursuant to section 16 of this act shall bear interest of  
41 not more than 2% per year, and shall be for a term of not more than  
42 20 years.

43 d. No more than 5% of the aggregate principal amount or any  
44 individual grant or low-interest loan may be expended on  
45 organizational or administrative expenses, including salaries.

46 e. The department shall notify every local government unit in  
47 the State of the availability of, and the criteria for qualifying and  
48 obtaining, grants, low-interest loans, and federal matching funds.

1 The commissioner shall prepare a priority list of eligible projects  
2 based upon criteria established by the commissioner, or as  
3 otherwise provided for by law. Funds shall be appropriated by the  
4 Legislature only in accordance with those priority lists.

5 f. Procedures for departmental review and approval of, and  
6 eligibility criteria for, flood control, mitigation, or prevention  
7 projects shall be established by the commissioner, or as otherwise  
8 provided for by law. The commissioner shall make every effort to  
9 pursue availability of federal matching funds, grants, and other  
10 federal funding for any eligible flood control, mitigation, or  
11 prevention project, and shall inform local government units of any  
12 such funds or grants that may be available. The commissioner shall  
13 not establish any application, grant, or low-interest loan  
14 requirements or restrictions that would interfere with any flood  
15 control, mitigation, or prevention project receiving available federal  
16 matching funds or grants. No provision of this act may be  
17 construed to restrict access to, or applicability of, federal matching  
18 funds or grants for any eligible flood control, mitigation, or  
19 prevention project pursuant to this act.

20

21 6. The bonds authorized under this act shall be serial bonds,  
22 term bonds, or a combination thereof, and shall be known as “Flood  
23 Control, Mitigation, and Prevention Bonds.” They shall be issued  
24 from time to time as the issuing officials herein named shall  
25 determine in accordance with the direction of the Governor  
26 pursuant to section 7 of this act, but no later than December 31,  
27 2017, and may be issued in coupon form, fully-registered form or  
28 book-entry form. The bonds may be subject to redemption prior to  
29 maturity and shall mature and be paid not later than 35 years from  
30 the respective dates of their issuance.

31

32 7. a. The Governor, the State Treasurer and the Director of the  
33 Division of Budget and Accounting in the Department of the  
34 Treasury, or any two of these officials, herein referred to as “the  
35 issuing officials,” are authorized to carry out the provisions of this  
36 act relating to the issuance of bonds, and shall determine all matters  
37 in connection therewith, subject to the provisions of this act. If an  
38 issuing official is absent from the State or incapable of acting for  
39 any reason, the powers and duties of that issuing official shall be  
40 exercised and performed by the person authorized by law to act in  
41 an official capacity in the place of that issuing official.

42 b. The Governor is authorized to determine the amount of  
43 bonds to be issued provided that the total amount of bonds to be  
44 issued does not exceed \$2,000,000,000, and no bonds are issued  
45 after December 31, 2017.

46

47 8. Bonds issued in accordance with the provisions of this act  
48 shall be a direct obligation of the State of New Jersey, and the faith

1 and credit of the State are pledged for the payment of the interest  
2 and redemption premium thereon, if any, when due, and for the  
3 payment of the principal thereof at maturity or earlier redemption  
4 date. The principal of and interest on the bonds shall be exempt  
5 from taxation by the State or by any county, municipality or other  
6 taxing district of the State.

7  
8 9. The bonds shall be signed in the name of the State by means  
9 of the manual or facsimile signature of the Governor under the  
10 Great Seal of the State, which seal may be by facsimile or by way  
11 of any other form of reproduction on the bonds, and attested by the  
12 manual or facsimile signature of the Secretary of State, or an  
13 Assistant Secretary of State, and shall be countersigned by the  
14 facsimile signature of the Director of the Division of Budget and  
15 Accounting in the Department of the Treasury and may be manually  
16 authenticated by an authenticating agent or bond registrar, as the  
17 issuing official shall determine. Interest coupons, if any, attached  
18 to the bonds shall be signed by the facsimile signature of the  
19 Director of the Division of Budget and Accounting in the  
20 Department of the Treasury. The bonds may be issued  
21 notwithstanding that an official signing them or whose manual or  
22 facsimile signature appears on the bonds or coupons has ceased to  
23 hold office at the time of issuance, or at the time of the delivery of  
24 the bonds to the purchaser thereof.

25  
26 10. a. The bonds shall recite that they are issued for the  
27 purposes set forth in section 5 of this act, that they are issued  
28 pursuant to this act, that this act was submitted to the people of the  
29 State at the general election next occurring at least 70 days after  
30 enactment as specified in section 25 of this act, and that this act was  
31 approved by a majority of the legally qualified voters of the State  
32 voting thereon at the election. This recital shall be conclusive  
33 evidence of the authority of the State to issue the bonds and their  
34 validity. Any bonds containing this recital shall, in any suit, action  
35 or proceeding involving their validity, be conclusively deemed to be  
36 fully authorized by this act and to have been issued, sold, executed  
37 and delivered in conformity herewith and with all other provisions  
38 of laws applicable hereto, and shall be incontestable for any cause.

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

43  
44 11. When the bonds are issued from time to time, the bonds of  
45 each issue shall constitute a separate series to be designated by the  
46 issuing officials. Each series of bonds shall bear such rate or rates  
47 of interest as may be determined by the issuing officials, which  
48 interest shall be payable semiannually; except that the first and last

1 interest periods may be longer or shorter, in order that intervening  
2 semiannual payments may be at convenient dates.

3  
4 12. The bonds shall be issued and sold at the price or prices and  
5 under the terms, conditions and regulations as the issuing officials  
6 may prescribe, after notice of the sale, published at least once in at  
7 least three newspapers published in the State, and at least once in a  
8 publication carrying municipal bond notices and devoted primarily  
9 to financial news, published in this State or in the city of New York,  
10 the first notice to appear at least five days prior to the day of  
11 bidding. The notice of sale may contain a provision to the effect  
12 that any bid in pursuance thereof may be rejected. In the event of  
13 rejection or failure to receive any acceptable bid, the issuing  
14 officials, at any time within 60 days from the date of the advertised  
15 sale, may sell the bonds at a private sale at such price or prices  
16 under the terms and conditions as the issuing officials may  
17 prescribe. The issuing officials may sell all or part of the bonds of  
18 any series as issued to any State fund or to the federal government  
19 or any agency thereof, at a private sale, without advertisement.

20  
21 13. Until permanent bonds are prepared, the issuing officials  
22 may issue temporary bonds in the form and with those privileges as  
23 to their registration and exchange for permanent bonds as may be  
24 determined by the issuing officials.

25  
26 14. The proceeds from the sale of bonds used to provide grants  
27 to local government units, and for use by the State, to finance flood  
28 control, mitigation, or prevention projects as set forth in section 5  
29 of this act, shall be paid to the State Treasurer, shall be held by the  
30 State Treasurer in a separate fund, and shall be deposited in such  
31 depositories as may be selected by the State Treasurer to the credit  
32 of the fund, which fund shall be known as the "Passaic River Basin  
33 Flood Control, Mitigation, and Prevention Fund."

34  
35 15. a. The moneys in the "Flood Control, Mitigation, and  
36 Prevention Fund" are specifically dedicated and shall be applied to  
37 the cost of grants for local flood control, mitigation, or prevention  
38 projects or State flood control, mitigation, or prevention projects as  
39 set forth in section 5 of this act. However, no moneys in the fund  
40 shall be expended for those purposes, except as otherwise  
41 authorized by this act, without the specific appropriation thereof by  
42 the Legislature, but bonds may be issued as herein provided,  
43 notwithstanding that the Legislature shall not have then adopted an  
44 act making a specific appropriation of any of the moneys. Any act  
45 appropriating moneys from the "Flood Control, Mitigation, and  
46 Prevention Fund" shall identify the project to be funded by the  
47 moneys.



1       b. At any time prior to the issuance and sale of bonds under  
2 this act, the State Treasurer is authorized to transfer from any  
3 available moneys in any fund of the treasury of the State to the  
4 credit of the “Flood Control, Mitigation, and Prevention Fund”  
5 those sums as the State Treasurer may deem necessary. The sums  
6 so transferred shall be returned to the same fund of the treasury of  
7 the State by the State Treasurer from the proceeds of the sale of the  
8 first issue of bonds.

9       c. Pending their application to the purposes provided in this  
10 act, the moneys in the “Flood Control, Mitigation, and Prevention  
11 Fund” may be invested and reinvested as are other trust funds in the  
12 custody of the State Treasurer, in the manner provided by law. Net  
13 earnings received from the investment, reinvestment, or deposit of  
14 moneys in the “Flood Control, Mitigation, and Prevention Fund”  
15 shall be deposited into the “Flood Control, Mitigation, and  
16 Prevention Fund” and become part of that fund.

17  
18       16. The proceeds from the sale of bonds used to provide low-  
19 interest loans to local government units to finance in whole or in  
20 part, the cost of flood control, mitigation, or prevention projects as  
21 set forth in section 5 of this act, shall be paid to the State Treasurer,  
22 shall be held by the State Treasurer in a separate fund, and shall be  
23 deposited in such depositories as may be selected by the State  
24 Treasurer to the credit of the fund, which fund shall be known as  
25 the “Flood Control, Mitigation, and Prevention Revolving Loan  
26 Fund.”

27  
28       17. a. The moneys in the “Flood Control, Mitigation, and  
29 Prevention Revolving Loan Fund” are specifically dedicated and  
30 shall be applied to the cost of making low-interest loans to local  
31 government units to finance in whole or in part, the cost of flood  
32 control, mitigation, or prevention projects as set forth in section 5 of  
33 this act. However, no moneys in the fund shall be expended for  
34 those purposes, except as otherwise authorized by this act, without  
35 the specific appropriation thereof by the Legislature, but bonds may  
36 be issued as herein provided, notwithstanding that the Legislature  
37 shall not have then adopted an act making a specific appropriation  
38 of any of the moneys. Any act appropriating moneys from the  
39 “Flood Control, Mitigation, and Prevention Revolving Loan Fund”  
40 shall identify the project to be funded by the moneys.

41       b. Loans issued from the “Flood Control, Mitigation, and  
42 Prevention Revolving Loan Fund” shall be for a term as determined  
43 by the commissioner not to exceed 20 years and at an interest rate  
44 determined by the commissioner not to exceed 2 per cent per year.  
45 The terms of any loan agreement shall be approved by the State  
46 Treasurer. Any loan made from the “Flood Control, Mitigation, and  
47 Prevention Revolving Loan Fund” shall be awarded based upon the  
48 criteria and procedures established pursuant to section 5 of this act,

1 except that no specific proportion of matching funds shall be  
2 required of loan applicants.

3 c. At any time prior to the issuance and sale of bonds under  
4 this act, the State Treasurer is authorized to transfer from any  
5 available moneys in any fund of the treasury of the State to the  
6 credit of the "Flood Control, Mitigation, and Prevention Revolving  
7 Loan Fund" those sums as the State Treasurer may deem necessary.  
8 The sums so transferred shall be returned to the same fund of the  
9 treasury of the State by the State Treasurer from the proceeds of the  
10 sale of the first issue of bonds.

11 d. Pending their application to the purposes provided in this  
12 act, the moneys in the "Flood Control, Mitigation, and Prevention  
13 Revolving Loan Fund" may be invested and reinvested as are other  
14 trust funds in the custody of the State Treasurer, in the manner  
15 provided by law. All repayments of loans made pursuant to this act,  
16 and interest thereon, shall be deposited in the "Flood Control,  
17 Mitigation, and Prevention Revolving Loan Fund." Net earnings  
18 received from the investment, reinvestment, or deposit of moneys in  
19 the "Flood Control, Mitigation, and Prevention Revolving Loan  
20 Fund" shall be deposited into the "Flood Control, Mitigation, and  
21 Prevention Revolving Loan Fund" and become part of that fund.

22  
23 18. If any coupon bond, coupon or registered bond is lost,  
24 mutilated or destroyed, a new bond or coupon shall be executed and  
25 delivered of like tenor, in substitution for the lost, mutilated or  
26 destroyed bond or coupon, upon the owner furnishing to the issuing  
27 officials evidence satisfactory to them of the loss, mutilation or  
28 destruction of the bond or coupon, the ownership thereof, and  
29 security, indemnity and reimbursement for expenses connected  
30 therewith, as the issuing officials may require.

31  
32 19. The accrued interest, if any, received upon the sale of the  
33 bonds shall be applied to the discharge of a like amount of interest  
34 upon the bonds when due. Any expense incurred by the issuing  
35 officials for advertising, engraving, printing, clerical,  
36 authenticating, registering, legal or other services necessary to carry  
37 out the duties imposed upon them by the provisions of this act shall  
38 be paid from the proceeds of the sale of the bonds by the State  
39 Treasurer, upon the warrant of the Director of the Division of  
40 Budget and Accounting in the Department of the Treasury, in the  
41 same manner as other obligations of the State are paid.

42  
43 20. Bonds of each series issued hereunder shall mature,  
44 including any sinking fund redemptions, not later than the 35th year  
45 from the date of issue of that series, and in amounts as shall be  
46 determined by the issuing officials. The issuing officials may  
47 reserve to the State by appropriate provision in the bonds of any  
48 series the power to redeem any of the bonds prior to maturity at the

1 price or prices and upon the terms and conditions as may be  
2 provided in the bonds.

3  
4 21. Any bond or bonds issued hereunder which are subject to  
5 refinancing pursuant to the "Refunding Bond Act of 1985,"  
6 P.L.1985, c.74 as amended by P.L.1992, c.182 (C.49:2B-1 et seq.),  
7 shall no longer be deemed to be outstanding, shall no longer  
8 constitute a direct obligation of the State of New Jersey, and the  
9 faith and credit of the State shall no longer be pledged to the  
10 payment of the principal of, redemption premium, if any, and  
11 interest on the bonds, and the bonds shall be secured solely by and  
12 payable solely from moneys and government securities deposited in  
13 trust with one or more trustees or escrow agents, which trustees and  
14 escrow agents shall be trust companies or national or state banks  
15 having powers of a trust company, located either within or without  
16 the State, as provided herein, whenever there shall be deposited in  
17 trust with the trustees or escrow agents, as provided herein, either  
18 moneys or government securities, including government securities  
19 issued or held in book-entry form on the books of the Department of  
20 Treasury of the United States, the principal of and interest on which  
21 when due will provide money which, together with the moneys, if  
22 any, deposited with the trustees or escrow agents at the same time,  
23 shall be sufficient to pay when due the principal of, redemption  
24 premium, if any, and interest due and to become due on the bonds  
25 on or prior to the redemption date or maturity date thereof, as the  
26 case may be; provided the government securities shall not be  
27 subject to redemption prior to their maturity other than at the option  
28 of the holder thereof. The State of New Jersey hereby covenants  
29 with the holders of any bonds for which government securities or  
30 moneys shall have been deposited in trust with the trustees or  
31 escrow agents as provided in this section that, except as otherwise  
32 provided in this section, neither the government securities nor  
33 moneys so deposited with the trustees or escrow agents shall be  
34 withdrawn or used by the State for any purpose other than, and shall  
35 be held in trust for, the payment of the principal of, redemption  
36 premium, if any, and interest to become due on the bonds; provided  
37 that any cash received from the principal or interest payments on  
38 the government securities deposited with the trustees or escrow  
39 agents, to the extent the cash will not be required at any time for  
40 that purpose, shall be paid over to the State, as received by the  
41 trustees or escrow agents, free and clear of any trust, lien, pledge or  
42 assignment securing the bonds; and to the extent the cash will be  
43 required for that purpose at a later date, shall, to the extent  
44 practicable and legally permissible, be reinvested in government  
45 securities maturing at times and in amounts sufficient to pay when  
46 due the principal of, redemption premium, if any, and interest to  
47 become due on the bonds on and prior to the redemption date or  
48 maturity date thereof, as the case may be, and interest earned from

1 the reinvestments shall be paid over to the State, as received by the  
2 trustees or escrow agents, free and clear of any trust, lien or pledge  
3 securing the bonds. Notwithstanding anything to the contrary  
4 contained herein: a. the trustees or escrow agents shall, if so  
5 directed by the issuing officials, apply moneys on deposit with the  
6 trustees or escrow agents pursuant to the provisions of this section,  
7 and redeem or sell government securities so deposited with the  
8 trustees or escrow agents, and apply the proceeds thereof to (1) the  
9 purchase of the bonds which were refinanced by the deposit with  
10 the trustees or escrow agents of the moneys and government  
11 securities and immediately thereafter cancel all bonds so purchased,  
12 or (2) the purchase of different government securities; provided  
13 however, that the moneys and government securities on deposit  
14 with the trustees or escrow agents after the purchase and  
15 cancellation of the bonds or the purchase of different government  
16 securities shall be sufficient to pay when due the principal of,  
17 redemption premium, if any, and interest on all other bonds in  
18 respect of which the moneys and government securities were  
19 deposited with the trustees or escrow agents on or prior to the  
20 redemption date or maturity date thereof, as the case may be; and b.  
21 in the event that on any date, as a result of any purchases and  
22 cancellations of bonds or any purchases of different government  
23 securities, as provided in this sentence, the total amount of moneys  
24 and government securities remaining on deposit with the trustees or  
25 escrow agents is in excess of the total amount which would have  
26 been required to be deposited with the trustees or escrow agents on  
27 that date in respect of the remaining bonds for which the deposit  
28 was made in order to pay when due the principal of, redemption  
29 premium, if any, and interest on the remaining bonds, the trustees or  
30 escrow agents shall, if so directed by the issuing officials, pay the  
31 amount of the excess to the State, free and clear of any trust, lien,  
32 pledge or assignment securing the refunding bonds.

33  
34 22. Refunding bonds issued pursuant to P.L.1985, c.74 as  
35 amended by P.L.1992, c.182 (C.49:2B-1 et seq.) may be  
36 consolidated with bonds issued pursuant to section 5 of this act or  
37 with bonds issued pursuant to any other act for purposes of sale.

38  
39 23. To provide funds to meet the interest and principal payment  
40 requirements for the bonds and refunding bonds issued under this  
41 act and outstanding, there is appropriated in the order following:

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

45 b. If, at any time, funds necessary to meet the interest,  
46 redemption premium, if any, and principal payments on outstanding  
47 bonds issued under this act are insufficient or not available, there  
48 shall be assessed, levied and collected annually in each of the

1 municipalities of the counties of this State, a tax on the real and  
2 personal property upon which municipal taxes are or shall be  
3 assessed, levied and collected, sufficient to meet the interest on all  
4 outstanding bonds issued hereunder and on the bonds proposed to  
5 be issued under this act in the calendar year in which the tax is to be  
6 raised and for the payment of bonds falling due in the year  
7 following the year for which the tax is levied. The tax shall be  
8 assessed, levied and collected in the same manner and at the same  
9 time as are other taxes upon real and personal property. The  
10 governing body of each municipality shall cause to be paid to the  
11 county treasurer of the county in which the municipality is located,  
12 on or before December 15 in each year, the amount of tax herein  
13 directed to be assessed and levied, and the county treasurer shall  
14 pay the amount of the tax to the State Treasurer on or before  
15 December 20 in each year.

16 If on or before December 31 in any year, the issuing officials, by  
17 resolution, determine that there are moneys in the General Fund  
18 beyond the needs of the State, sufficient to pay the principal of  
19 bonds falling due and all interest and redemption premium, if any,  
20 payable in the ensuing calendar year, the issuing officials shall file  
21 the resolution in the office of the State Treasurer, whereupon the  
22 State Treasurer shall transfer the moneys to a separate fund to be  
23 designated by the State Treasurer, and shall pay the principal,  
24 redemption premium, if any, and interest out of that fund as the  
25 same shall become due and payable, and the other sources of  
26 payment of the principal, redemption premium, if any, and interest  
27 provided for in this section shall not then be available, and the  
28 receipts for the year from the tax specified in subsection a. of this  
29 section shall be considered and treated as part of the General Fund,  
30 available for general purposes.

31  
32 24. Should the State Treasurer, by December 31 of any year,  
33 deem it necessary, because of the insufficiency of funds collected  
34 from the sources of revenues as provided in this act, to meet the  
35 interest and principal payments for the year after the ensuing year,  
36 then the State Treasurer shall certify to the Director of the Division  
37 of Budget and Accounting in the Department of the Treasury the  
38 amount necessary to be raised by taxation for those purposes, the  
39 same to be assessed, levied and collected for and in the ensuing  
40 calendar year. The director shall, on or before March 1 following,  
41 calculate the amount in dollars to be assessed, levied and collected  
42 in each county as herein set forth. This calculation shall be based  
43 upon the corrected assessed valuation of each county for the year  
44 preceding the year in which the tax is to be assessed, but the tax  
45 shall be assessed, levied and collected upon the assessed valuation  
46 of the year in which the tax is assessed and levied. The director  
47 shall certify the amount to the county board of taxation and the  
48 treasurer of each county. The county board of taxation shall include

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1 the proper amount in the current tax levy of the several taxing  
2 districts of the county in proportion to the ratables as ascertained for  
3 the current year.

4  
5 25. For the purpose of complying with the provisions of the  
6 State Constitution, this act shall be submitted to the people at the  
7 general election next occurring at least 70 days after enactment. To  
8 inform the people of the contents of this act, it shall be the duty of  
9 the Secretary of State, after this section takes effect, and at least 60  
10 days prior to the election, to cause this act to be published at least  
11 once in one or more newspapers of each county, if any newspapers  
12 be published therein and to notify the clerk of each county of this  
13 State of the passage of this act; and the clerks respectively, in  
14 accordance with the instructions of the Secretary of State, shall  
15 have printed on each of the ballots the following:

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

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

20 If voting machines are used, a vote of "Yes" or "No" shall be  
21 equivalent to these markings respectively.

1

<p>YES</p>	<p style="text-align: center;"><b>FLOOD CONTROL, MITIGATION, AND PREVENTION BOND ACT</b></p> <p>Do you approve the “Flood Control, Mitigation, and Prevention Bond Act”?</p> <p>This bond act authorizes the State to issue bonds up to a total amount of \$2 billion to pay for flood control, mitigation, and prevention projects Statewide. It also guarantees payment of the principal of the bonds and the interest on the debt with State revenues.</p>
<p>NO</p>	<p style="text-align: center;"><b>INTERPRETIVE STATEMENT</b></p> <p>Approval of this act would authorize the sale of up to \$2 billion in State general obligation bonds to pay for flood control, mitigation, and prevention projects throughout the State.</p> <p>These projects could be State, county, or municipal projects. The county or municipal projects would receive funding as grants or low-interest loans. The grants and loans could be made to counties, municipalities, and local government agencies. Any loan would have an interest rate of no more than 2% and a term of no more than 20 years.</p> <p>Projects could include: 1) structural elevation of homes in the floodplains; 2) improvement of flood gate systems; 3) removal of dams; 4) repair of river walls and shoals; 5) other alterations of the river basin; and 6) larger engineering projects for long term flood drainage, such as construction of levees, floodwalls, and flood tunnels. The Governor would be able to decide the amount of the bonds to be issued up to a maximum of \$2 billion, but would not be able to issue any bonds after December 31, 2017.</p>

2

3 The fact and date of the approval or passage of this act, as the  
 4 case may be, may be inserted in the appropriate place after the title  
 5 in the ballot. No other requirements of law of any kind or character  
 6 as to notice or procedure, except as herein provided, need be  
 7 adhered to.

8 The votes so cast for and against the approval of this act, by  
 9 ballot or voting machine, shall be counted and the result thereof  
 10 returned by the election officer, and a canvass of the election had in  
 11 the same manner as is provided for by law in the case of the  
 12 election of a Governor, and the approval or disapproval of this act  
 13 so determined shall be declared in the same manner as the result of

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

5

6 26. There is appropriated the sum of \$5,000 to the Department  
7 of State for expenses in connection with the publication of notice  
8 pursuant to section 25 of this act.

9

10 27. The commissioner shall submit to the State Treasurer and  
11 the commission with the department's annual budget request a plan  
12 for the expenditure of funds from the "Flood Control, Mitigation,  
13 and Prevention Fund" and the "Flood Control, Mitigation, and  
14 Prevention Revolving Loan Fund" for the upcoming fiscal year.  
15 This plan shall include the following information: a performance  
16 evaluation of the expenditures made from the funds to date; a  
17 description of programs planned during the upcoming fiscal year; a  
18 copy of the regulations in force governing the operation of  
19 programs that are financed, in part or in whole, by funds from the  
20 "Flood Control, Mitigation, and Prevention Fund" and the "Flood  
21 Control, Mitigation, and Prevention Revolving Loan Fund"; and an  
22 estimate of expenditures for the upcoming fiscal year.

23

24 28. Immediately following the submission to the Legislature of  
25 the Governor's annual budget message, the commissioner shall  
26 submit to the Legislature pursuant to section 2 of P.L.1991, c.164  
27 (C.52:14-19.1), and to the Joint Budget Oversight Committee, or its  
28 successor, copies of the plan called for under section 27 of this act,  
29 together with such changes therein as may have been required by  
30 the Governor's budget message.

31

32 29. All appropriations from the "Flood Control, Mitigation, and  
33 Prevention Fund" and the "Flood Control, Mitigation, and  
34 Prevention Revolving Loan Fund" shall be by specific allocation for  
35 each project, and any transfer of any funds so appropriated shall  
36 require the approval of the Joint Budget Oversight Committee, or its  
37 successor. Except as otherwise provided by this act, any  
38 expenditure for a project for which the location is not identified by  
39 municipality and county in the appropriation shall require the  
40 approval of the Joint Budget Oversight Committee, or its successor.

41

42 30. Not less than 30 days prior to entering into any contract,  
43 lease, obligation, or agreement to effectuate the purposes of this act,  
44 the commissioner shall report to and consult with the Joint Budget  
45 Oversight Committee, or its successor.



