

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4581

STATE OF NEW JERSEY

DATED: JUNE 26, 2024

The Assembly Budget Committee reports favorably Assembly Bill No. 4581.

This bill would authorize the New Jersey Infrastructure Bank (NJIB) to expend up to \$7,198,045 to provide low-interest loans to local government units that undertake one of six eligible hazard mitigation and resilience projects listed in the bill. The loans represent the NJIB's implementation of the Community Hazard Assistance Mitigation Program (CHAMP) for fiscal year 2025 (FY 2025). The CHAMP program was established by the "Community Hazard Assistance Mitigation Program Revolving Loan Fund Act," P.L.2023, c.63 (C.58:11B-20.3 et al.), in order to implement the federal "Safeguarding Tomorrow through Ongoing Risk Mitigation Act" (STORM act), Pub. L. 116-284, in New Jersey.

The bill would permit the NJIB to use any loan repayments received to date, and the amounts for capitalized interest and interest accrued pursuant to a loan made to a project sponsor pursuant to the Community Hazard Mitigation Assistance Program, in order to fund the CHAMP for FY 2025. The bill would also authorize the NJIB to utilize certain funds generated by the operation of the bank, including, but not limited to, proceeds from the sale of bonds, the revenues derived from investments, and loan repayments, to defray the NJIB's FY 2025 operating expenses.

Since its creation in 2023, the NJIB, in partnership with the State Office of Emergency Management in the Department of Law and Public Safety, applied for federal STORM Act funds and received approximately \$7 million to finance the construction of hazard mitigation and resilience projects with the mission of reducing the cost of financing these projects for New Jersey counties and municipalities.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.