

Site Remediation Reform Act (SRRA) Listserv Archives October 19, 2020 - [EXTERNAL]: Model Surety Bond Financial Assurance mechanism now available

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The New Jersey Department of Environmental Protection (Department), in accordance with N.J.S.A. 58:10C-19, has posted a new model Financial Assurance mechanism, specifically, a Payment Bond-type Surety Bond. The model document has been published on the Department's RFS Guide web page at https://www.nj.gov/dep/srp/guidance/rfsguide/#fa_mechanisms. Pursuant to N.J.S.A. 58:10C-19, use of this model document is being allowed in advance of the pending rule adoption for changes to the Administrative Requirements for the Remediation of Contaminated Sites (ARRCS) at N.J.A.C. 7:26C-5. For parties choosing to use a Surety Bond, use of the model document is required under N.J.S.A. 58:10C-19, and the language of the model document as published cannot be modified. Please note, however, that this model document may be subject to future updates and changes by the Department, which may require an amendment to or replacement of any Surety Bond established using this model document prior to the rule adoption.

If a party required to establish Financial Assurance chooses to use a Surety Bond:

- a. The original Surety Bond must be provided to the Department with a Remediation Cost Review and RFS/FA Form.
- b. The entity issuing the bond must be listed on the U.S. Department of Treasury Circular 570 as an acceptable surety and must have a surety license for the state of New Jersey.
- c. The bond cannot be cancelled by the Principal without written authorization from the Department. Cancellation by the entity issuing the bond requires a 120-day advance Notice of Cancellation sent to the Department and the Principal by certified mail or overnight courier. The cancellation cannot occur during the 120 days beginning on the date of receipt by both the Department and the Principal as evidenced by the Return receipts.

The original Surety Bond, Remediation Cost Review and RFS/FA Form and Remedial Action Permit application should be mailed to:

Bureau of Case Assignment & Initial Notice
Site Remediation and Waste Management Program
NJ Department of Environmental Protection
Mail Code 401-05H
PO Box 420
Trenton, NJ 08625-0420

Note that this Surety Bond mechanism can only be used for Financial Assurance. There is a separate and distinct Surety Bond mechanism specific for Remediation Funding Source (RFS).

Please contact michael.infanger@dep.nj.gov with any questions.

Celebrating its 50th anniversary in 2020, the New Jersey Department of Environmental Protection is dedicated to protecting New Jersey's environment and public health. The agency prioritizes addressing climate change, protecting New Jersey's water, revitalizing its communities and managing and promoting its natural and historic resources.

For the most recent information about the DEP, follow its Twitter feed at [@NewJerseyDEP](https://twitter.com/NewJerseyDEP) or visit www.nj.gov/dep.

