

HEARINGS:

No

974.90 Public hearing before the Senate Environment and Energy Committee, Senate Concurrent Resolution No. C758 84 : amends Constitution to dedicate 4 percent of CBT revenues to open space, farmland and historic preservation, water programs, public and private site remediation, and underground storage tank programs; ends current dedication of 4 percent of CBT revenues for various environmental programs, and increases dedication to 6 percent of CBT revenues in 2019; and dedicates revenue from leases and conveyances of State-owned open space for open space, farmland, and historic preservation : Committee Room 10, State House Annex, Trenton, New Jersey, June 16, 2014, 11:30 a.m.

NEWSPAPER ARTICLES:

Yes

Staff writer, David Levinsky. "New compromise proposed for state open space funding." *Burlington County Times: Web Edition Articles (NJ)*, March 7, 2014

"Long-term open space funding plan considered." *Associated Press State Wire: New Jersey (NJ)*, March 17, 2014.

Kelly Mooij, Tom Gilbert. "Dedicate funding to New Jersey's precious open spaces." *Times, The (Trenton, NJ)*, April 16, 2014: A09

FALLON, SCOTT. "GREEN ACRES ON SHAKY GROUND." *Herald News (West Paterson, NJ)*, May 10, 2014: A01

Friedman, Matt. "Lawmakers: Open space vote now up to Assembly." *Star-Ledger, The (Newark, NJ)*, June 24, 2014:017

"NJ Senate pushes to replenish open space fund." *Associated Press State Wire: New Jersey (NJ)*, June 27, 2014.

Sieger, Edward. "Highlands landowners worry about repayment With dual appraisal process expired, preservation efforts are in jeopardy, farmers say." *Hunterdon County Democrat (Flemington, NJ)*, July 6, 2014: A01

McGrath, Brendan. "Hopewell Township puts proposed open space tax hike on November ballot." *Times of Trenton, The: Web Edition Articles (NJ)*, July 23, 2014

FALLON, SCOTT. "GREEN ACRES FUNDING IN JEOPARDY." *Herald News (West Paterson, NJ)*, July 30, 2014: B01

STAFF, JERSEY JOURNAL. "Need open space funds." *Jersey Journal, The (Jersey City, NJ)*, July 31, 2014: 002

Journal, The Jersey. "Editorial: New Jersey needs open space funds." *Jersey Journal, The: Web Edition Articles (Jersey City, NJ)*, July 31, 2014

FALLON, SCOTT. "OPEN SPACE FUNDING BILL UP FOR VOTE IN ASSEMBLY." *Herald News (West Paterson, NJ)*, August 1, 2014: B06.

Friedman, Matt. "Assembly debates putting open space funding amendment on Nov. ballot." *Star-Ledger, The (Newark, NJ)*, August 1, 2014: 019

Associated Press, GEOFF MULVIHILL. "New Jersey Assembly advances open space funding." *Associated Press State Wire: New Jersey (NJ)*, August 4, 2014

FALLON, SCOTT. "Voters to decide open space funding question in November." *northjersey.com (NJ)*, August 4, 2014.

Trenton Letters to the Editor, Times of. "Times of Trenton Letters to the Editor - Aug. 7." *Times of Trenton, The: Web Edition Articles (NJ)*, August 7, 2014

"A vote to slow state's rapid growth." *New Jersey Herald, The (NJ)*, August 16, 2014.

Trenton Editorial Board, Times of. "Editorial: Support important N.J. open space preservation ballot question." *Times of Trenton, The: Web Edition Articles (NJ)*, August 19, 2014

STAFF, JERSEY JOURNAL. "Gov and lawmakers agree to plebiscites." *Jersey Journal, The (Jersey City, NJ)*, August 21, 2014: 002

Johnson, Brent. "CHRISTIE ANNOUNCES SEAWALL EXTENSION Governor says it's just another step in keeping Jersey stronger than storms." *Star-Ledger, The (Newark, NJ)*, August 29, 2014: 001

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**SENATE CONCURRENT
RESOLUTION No. 84**

**STATE OF NEW JERSEY
216th LEGISLATURE**

INTRODUCED FEBRUARY 27, 2014

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator CHRISTOPHER "KIP" BATEMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

Amends Constitution to dedicate 6% of Corporation Business Tax revenues from FY2016 to FY2045 for open space, farmland, and historic preservation; ends dedication of 4% of Corporation Business Tax revenues for environmental programs; dedicates natural resource damages and environmental fine revenue to underground storage tank programs and State-funded hazardous discharge cleanups.

CURRENT VERSION OF TEXT

As introduced.



1 A CONCURRENT RESOLUTION proposing to amend Article VIII,
2 Section II, paragraph 6 of the New Jersey Constitution.

3

4 BE IT RESOLVED by the Senate of the State of New Jersey (the
5 General Assembly concurring):

6

7 1. The following proposed amendment to the Constitution of
8 the State of New Jersey is agreed to:

9

10 PROPOSED AMENDMENT

11

12 Amend Article VIII, Section II, paragraph 6 to read as follows:

13 6. **【There】** (a) Commencing July 1, 2015 until June 30, 2045,
14 there shall be credited annually to a special account in the General
15 Fund an amount equivalent to **【4%】** 6% of the revenue annually
16 derived from the tax imposed pursuant to the "Corporation Business
17 Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended
18 and supplemented, or any other State law of similar effect.

19 The amount annually credited pursuant to this **【paragraph】**
20 subparagraph shall be dedicated and shall be appropriated from time
21 to time by the Legislature only **【for the following purposes: paying**
22 **or financing costs incurred by the State for the remediation of**
23 **discharges of hazardous substances, which costs may include**
24 **performing necessary operation and maintenance activities relating**
25 **to remedial actions and costs incurred for providing alternative**
26 **sources of public or private water supplies, when a water supply has**
27 **been, or is suspected of being, contaminated by a hazardous**
28 **substance discharge; providing funding, including the provision of**
29 **loans or grants, for the upgrade, replacement, or closure of**
30 **underground storage tanks that store or were used to store**
31 **hazardous substances, and for the costs of remediating any**
32 **discharge therefrom; providing funding, including the provision of**
33 **loans or grants, for the costs of the remediation of discharges of**
34 **hazardous substances, which costs may include costs incurred for**
35 **providing alternative sources of public or private water supplies,**
36 **when a water supply has been, or is suspected of being,**
37 **contaminated by a hazardous substance discharge; for paying or**
38 **financing the cost of water quality point and nonpoint source**
39 **pollution monitoring, watershed based water resource planning and**
40 **management, and nonpoint source pollution prevention projects; for**
41 **providing grants for the costs of air pollution control equipment to**
42 **reduce the levels of particulate matter emissions from diesel-**
43 **powered engines, and for funding for other measures to reduce**
44 **human exposure to those emissions; and for providing funding,**
45 **including loans and grants, for the development of lands for**

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 recreation and conservation purposes, and to satisfy any payments
2 relating to bonds, notes, or other obligations, including refunding
3 bonds, issued by an authority or similar entity established by law to
4 provide funding for the development of lands for recreation and
5 conservation purposes] to provide funding, including loans or
6 grants, for: the preservation, including acquisition, development,
7 and stewardship, of lands for recreation and conservation purposes,
8 including lands that protect water supplies and lands that have
9 incurred flood or storm damage or are likely to do so, or that may
10 buffer or protect other properties from flood or storm damage; the
11 preservation and stewardship of farmland for agricultural or
12 horticultural use and production; historic preservation; and
13 administrative costs associated with each of those efforts .

14 It shall not be competent for the Legislature, under any pretense
15 whatever, to borrow, appropriate, or use the amount credited to the
16 special account pursuant to this [paragraph] subparagraph , or any
17 portion thereof, for any purpose or in any manner other than as
18 enumerated in this [paragraph] subparagraph. It shall not be
19 competent for the Legislature, under any pretense whatever, to
20 borrow, appropriate, or use the amount credited to the special
21 account pursuant to this [paragraph] subparagraph , or any portion
22 thereof, for the payment of the principal or interest on any general
23 obligation bond that was approved by the voters prior to this
24 [paragraph] subparagraph becoming part of this Constitution.

25 [(a) Fifteen percent of the amount annually credited pursuant to
26 this paragraph shall be dedicated, and shall be appropriated from
27 time to time by the Legislature, only for paying or financing the
28 cost of water quality point and nonpoint source pollution
29 monitoring, watershed based water resource planning and
30 management, and nonpoint source pollution prevention projects.]

31 (b) There shall be credited annually to a special account in the
32 General Fund an amount equivalent to the revenue annually derived
33 from natural resource damages collected by the State as defined by
34 law and all fines collected by the State from violations of
35 environmental laws as defined by law.

36 The amount annually credited pursuant to this subparagraph shall
37 be dedicated and shall be appropriated from time to time by the
38 Legislature only for the following purposes: providing funding,
39 including the provision of loans or grants, for the upgrade,
40 replacement, or closure of underground storage tanks that store or
41 were used to store hazardous substances, and for the costs of
42 remediating any discharge therefrom; and paying or financing costs
43 incurred by the State for the remediation of discharges of hazardous
44 substances, which costs may include performing necessary
45 operation and maintenance activities relating to remedial actions
46 and costs incurred for providing alternative sources of public or
47 private water supplies, when a water supply has been, or is

1 suspected of being, contaminated by a hazardous substance
2 discharge.

3 Twenty-five percent of the amount annually credited pursuant to
4 this **【paragraph】** subparagraph shall be dedicated, and shall be
5 appropriated from time to time by the Legislature, only for
6 providing funding, including the provision of loans or grants, for
7 the upgrade, replacement, or closure of underground storage tanks
8 that store or were used to store hazardous substances, and for the
9 costs of remediating any discharge therefrom, and for providing
10 funding, including the provision of loans or grants, for the costs of
11 the remediation of discharges of hazardous substances, which costs
12 may include costs incurred for providing alternative sources of
13 public or private water supplies, when a water supply has been, or is
14 suspected of being, contaminated by a hazardous substance
15 discharge. **【Of any amount dedicated pursuant to this subparagraph**
16 **(b) but not expended prior to January 1, 2004, fifty percent of that**
17 **amount shall be expended on funding for the upgrade, replacement,**
18 **or closure of underground storage tanks that store or were used to**
19 **store hazardous substances, and for the costs of remediating any**
20 **discharge therefrom, and fifty percent shall be expended on funding**
21 **the costs of the remediation of discharges of hazardous substances,**
22 **including costs incurred for providing alternative sources of public**
23 **or private water supplies, when a water supply has been, or is**
24 **suspected of being, contaminated by a hazardous substance**
25 **discharge.**

26 Commencing January 1, 2004 and ending December 31, 2005,
27 fifty percent of the moneys dedicated pursuant to this subparagraph
28 (b) shall be appropriated for funding the upgrade, replacement, or
29 closure of underground storage tanks that store or were used to
30 store hazardous substances, and for the costs of remediating any
31 discharge therefrom, and fifty percent shall be appropriated for
32 funding the costs of the remediation of discharges of hazardous
33 substances, which costs may include costs incurred for providing
34 alternative sources of public or private water supplies, when a water
35 supply has been, or is suspected of being, contaminated by a
36 hazardous substance discharge.

37 Commencing January 1, 2006 and ending December 31, 2006,
38 forty percent of the moneys dedicated pursuant to this subparagraph
39 (b) shall be appropriated for funding the upgrade, replacement, or
40 closure of underground storage tanks that store or were used to
41 store hazardous substances, and for the costs of remediating any
42 discharge therefrom, and sixty percent shall be appropriated for
43 funding the costs of the remediation of discharges of hazardous
44 substances, which costs may include costs incurred for providing
45 alternative sources of public or private water supplies, when a water
46 supply has been, or is suspected of being, contaminated by a
47 hazardous substance discharge.

1 Commencing January 1, 2007 and ending December 31, 2021,
2 the moneys dedicated pursuant to this subparagraph (b) shall be
3 appropriated for funding the costs of the remediation of discharges
4 of hazardous substances, which costs may include costs incurred for
5 providing alternative sources of public or private water supplies,
6 when a water supply has been, or is suspected of being,
7 contaminated by a hazardous substance discharge; but if in any
8 fiscal year during that time the amount previously dedicated and
9 appropriated for funding loans or grants for the upgrade,
10 replacement, or closure of underground storage tanks that store or
11 were used to store hazardous substances, and for the costs of
12 remediating any discharge therefrom, and available for that purpose
13 but not expended, is less than \$20,000,000, then in the following
14 fiscal year, fifty-five percent of the monies dedicated pursuant to
15 this subparagraph (b) shall be appropriated for funding loans or
16 grants for underground storage tanks and only forty-five percent of
17 the monies dedicated pursuant to this subparagraph (b) shall be
18 appropriated for funding the costs of the remediation of discharges
19 of hazardous substances, which costs may include costs incurred for
20 providing alternative sources of public or private water supplies,
21 when a water supply has been, or is suspected of being,
22 contaminated by a hazardous substance discharge.

23 Commencing January 1, 2004, up to \$2,000,000.00 per year,
24 which shall be taken from the amount appropriated pursuant to this
25 subparagraph (b) for the costs of the remediation of discharges of
26 hazardous substances, may be expended for the costs of a State
27 underground storage tank inspection program, which costs may
28 include the direct but not indirect program administrative costs
29 incurred by the State for the employment of inspectors and a
30 compliance and enforcement staff, and the purchase of vehicles and
31 equipment necessary for the implementation thereof.】

32 All moneys derived from repayments of any loan issued from the
33 amount dedicated pursuant to this subparagraph **【(b)】** shall be
34 dedicated, and shall be appropriated from time to time by the
35 Legislature, only for the purposes authorized pursuant to this
36 subparagraph **【(b)】**. The dedication of moneys derived from loan
37 repayments shall not expire.

38 **【**Except for moneys that may be expended for the costs of a State
39 underground storage tank inspection program, and except for
40 amounts that may be appropriated from time to time by the
41 Legislature on or after January 1, 2006, but not to exceed
42 \$1,000,000 annually, to administer programs to provide loans and
43 grants for the upgrade, replacement, or closure of underground
44 storage tanks that store or were used to store hazardous substances,
45 **no】** No moneys appropriated pursuant to this subparagraph **【(b)】**
46 may be expended on any direct or indirect administrative costs of
47 the State or any of its departments, agencies, or authorities.

1 **【**Commencing January 1, 2006, funding for administrative costs
2 for programs to provide loans and grants for the upgrade,
3 replacement, or closure of underground storage tanks that store or
4 were used to store hazardous substances may be appropriated from
5 time to time by the Legislature from the amount dedicated pursuant
6 to this subparagraph (b) for those purposes in an amount not to
7 exceed \$1,000,000 in any year.**】**

8 No moneys appropriated pursuant to this subparagraph **【(b)】**
9 may be expended on any upgrade, replacement, or closure of any
10 underground storage tank, or for the remediation of any discharge
11 therefrom, for any underground storage tank owned by the State or
12 any of its departments, agencies, or authorities, or for costs incurred
13 by the State for the remediation of discharges of hazardous
14 substances.

15 **【**Commencing on January 1, 2022, the moneys dedicated
16 pursuant to this subparagraph (b) may be appropriated from time to
17 time by the Legislature: for providing funding, including the
18 provision of loans or grants, for the upgrade, replacement, or
19 closure of underground storage tanks that store or were used to
20 store hazardous substances, and for the costs of remediating any
21 discharge therefrom; for providing funding, including the provision
22 of loans or grants, for the costs of the remediation of discharges of
23 hazardous substances, which costs may include costs incurred for
24 providing alternative sources of public or private water supplies,
25 when a water supply has been, or is suspected of being,
26 contaminated by a hazardous substance discharge; or for the costs
27 of a State underground storage tank inspection program, in an
28 amount up to \$2,000,000.00 per year.

29 The Legislature may appropriate after January 1, 2006, an
30 amount not to exceed \$10,000,000, of any of the amounts
31 appropriated in any fiscal year ending before July 1, 2005, made for
32 the purpose of the provision of loans or grants, for the upgrade,
33 replacement, or closure of underground storage tanks that store or
34 were used to store hazardous substances, and for the costs of
35 remediating any discharge therefrom, and not expended for that
36 purpose prior to the end of the fiscal year ending on June 30, 2005,
37 for the purpose set forth in subparagraph (d) of this paragraph.

38 (c) ~~Twenty-eight~~ Seventy-five percent of the amount annually
39 credited pursuant to this **【paragraph】** subparagraph shall be
40 dedicated, and shall be appropriated from time to time by the
41 Legislature, only for paying or financing costs incurred by the State
42 for the remediation of discharges of hazardous substances, which
43 costs may include performing necessary operation and maintenance
44 activities relating to remedial actions and costs incurred for
45 providing alternative sources of public or private water supplies,
46 when a water supply has been, or is suspected of being,
47 contaminated by a hazardous substance discharge. **【**No moneys

1 appropriated pursuant to this subparagraph (c) may be expended for
2 any indirect administrative costs of the State, its departments,
3 agencies, or authorities. No more than nine percent of the moneys
4 annually credited pursuant to this paragraph, which shall be taken
5 from the amount dedicated pursuant to this subparagraph (c), may
6 be expended for any direct program administrative costs of the
7 State, its departments, agencies, or authorities.

8 (d) Commencing January 1, 2006 and ending December 31,
9 2015, seventeen percent of the amount annually credited pursuant to
10 this paragraph shall be dedicated, and shall be appropriated from
11 time to time by the Legislature, only for providing grants for the
12 costs of air pollution control equipment to reduce the levels of
13 particulate matter emissions from diesel-powered engines, funding
14 for other measures to reduce human exposure to those emissions,
15 and funding for those program administrative costs as provided in
16 this subparagraph. No more than \$1,150,000 per year of the amount
17 dedicated pursuant to this subparagraph (d) may be expended for
18 program administrative costs of the State, its departments, agencies,
19 or authorities for implementing the provisions of this subparagraph
20 (d), and for regulating particulate matter emissions from diesel-
21 powered engines.

22 Any amount dedicated and appropriated pursuant to this
23 subparagraph (d) but not expended prior to January 1, 2016 shall be
24 dedicated and may be appropriated from time to time by the
25 Legislature for the purposes authorized in subparagraph (c) of this
26 paragraph.

27 (e) Fifteen percent of the amount annually credited pursuant to
28 this paragraph shall be dedicated, and shall be appropriated from
29 time to time by the Legislature, only for providing funding,
30 including loans and grants, for the development of lands for
31 recreation and conservation purposes, and to satisfy any payments
32 relating to bonds, notes, or other obligations, including refunding
33 bonds, issued by an authority or similar entity established by law to
34 provide funding for the development of lands for recreation and
35 conservation purposes.

36 Commencing January 1, 2016, thirty-two percent of the amount
37 annually credited pursuant to this paragraph shall be dedicated, and
38 shall be appropriated from time to time by the Legislature, only for
39 providing funding, including loans and grants, for the development
40 of lands for recreation or conservation purposes, and to satisfy any
41 payments relating to bonds, notes, or other obligations, including
42 refunding bonds, issued by an authority or similar entity established
43 by law to provide funding, for the development of lands for
44 recreation or conservation purposes.

45 All moneys derived from repayments of any loan issued from the
46 amount dedicated pursuant to this subparagraph (e) shall be
47 dedicated, and shall be appropriated from time to time by the

1 Legislature, only for the purposes authorized pursuant to this
2 subparagraph (e).

3 No more than five percent per year of the amount dedicated
4 pursuant to this subparagraph (e) may be expended for program
5 administrative costs of the State, its departments, agencies, or
6 authorities for implementing the provisions of this subparagraph
7 (e).

8 The authority or other similar entity established by law as
9 described in this subparagraph (e) shall be the same authority or
10 entity established for the purposes of Article VIII, Section II,
11 paragraph 7 of the State Constitution.】

12 (cf: Article VIII, Section II, paragraph 6 amended effective
13 December 7, 2006)

14

15 2. When this proposed amendment to the Constitution is finally
16 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
17 shall be submitted to the people at the next general election
18 occurring more than three months after the final agreement and
19 shall be published at least once in at least one newspaper of each
20 county designated by the President of the Senate, the Speaker of the
21 General Assembly and the Secretary of State, not less than three
22 months prior to the general election.

23

24 3. This proposed amendment to the Constitution shall be
25 submitted to the people at that election in the following manner and
26 form:

27 There shall be printed on each official ballot to be used at the
28 general election, the following:

29 a. In every municipality in which voting machines are not used,
30 a legend which shall immediately precede the question as follows:

31 If you favor the proposition printed below make a cross (X), plus
32 (+), or check (✓) in the square opposite the word "Yes." If you are
33 opposed thereto make a cross (X), plus (+) or check (✓) in the
34 square opposite the word "No."

35 b. In every municipality the following question:

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	YES	<p>CONSTITUTIONAL AMENDMENT DEDICATING STATE FUNDS FOR OPEN SPACE, FARMLAND, AND HISTORIC PRESERVATION, AND CHANGING EXISTING DEDICATION FOR UNDERGROUND STORAGE TANKS AND HAZARDOUS SITE CLEANUPS</p> <p>Do you approve amending the Constitution to dedicate 6% of the Corporation Business Tax revenue each year for the next 30 years? The dedication would be for the preservation of open space, farmland, and historic sites. The amendment would end the current dedication of 4% of that revenue for environmental programs. In addition, the amendment dedicates natural resource damages and fines to fund underground storage tank removals and cleanups and polluted site cleanups?</p>
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	NO	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>This constitutional amendment would provide funding for Green Acres and “Blue Acres” projects. The projects preserve open space, farmland, and historic properties. The amendment would dedicate 6% of Corporation Business Tax revenue each year for the next 30 years for these purposes.</p> <p>The Green Acres program buys land that protects water supplies and preserves open space. The program funds parks, fish and wildlife habitat, and flood prone or affected areas. It also funds park improvements and facilities.</p> <p>“Blue Acres” refers to properties that have been damaged by storms or storm related flooding. The program also purchases properties that appear likely to incur such damage, or that may buffer or protect other lands from such damage. Structures on properties purchased from willing sellers are demolished, the debris is removed, and the land is preserved as open space.</p> <p>This amendment also would end the current dedication of 4% of Corporation Business Tax revenue. That dedication provides funds for water quality programs, public and private hazardous site cleanups, underground storage tank removal and cleanup, air pollution control equipment for diesel engines, and park improvements and facilities.</p> <p>Finally, this amendment would dedicate natural resource damages and fines collected from violations of environmental laws for underground storage tank removals and cleanups and State-funded hazardous site cleanups.</p>
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STATEMENT

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This constitutional amendment would dedicate 6% of Corporation Business Tax revenues annually for the next 30 years, from Fiscal Year 2016 through Fiscal Year 2045, to finance the State’s programs for open space preservation, farmland

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1 preservation, and historic preservation. The specific allocation for
2 each of these purposes would be established by law. The
3 amendment also allows for the dedicated monies to be used for
4 stewardship activities and administrative costs associated with the
5 programs.

6 The constitutional amendment also recognizes a special funding
7 category under open space preservation, referred to as the “Blue
8 Acres” program, for the acquisition, for recreation and conservation
9 purposes, of lands that have incurred flood or storm damage or are
10 likely to do so, or that may buffer or protect other properties from
11 flood or storm damage. Properties are purchased from willing
12 sellers only. The Blue Acres program is administered by the
13 Department of Environmental Protection’s Green Acres Program.

14 This proposed amendment to the State Constitution would
15 provide a dedicated, stable source of funding to continue the State’s
16 current programs for open space, including flood prone lands,
17 farmland preservation, and historic preservation implemented
18 pursuant to Article VIII, Section II, paragraph 7 of the State
19 Constitution, the “Garden State Preservation Trust Act,” P.L.1999,
20 c.152 (C.13:8C-1 et seq.), and various bond acts passed by the
21 voters of this State over the last 50 years.

22 The constitutional amendment would also cancel the current
23 constitutional dedication of 4% of Corporation Business Tax
24 revenues for remediation of discharges of hazardous substances,
25 funding loans and grants for underground storage tanks, financing
26 water quality programs, providing loans and grants for air pollution
27 control equipment to control emission from diesel-powered engines,
28 and funding for the development of lands for recreation and
29 conservation purposes. The amendment would instead dedicate
30 revenue annually derived from natural resource damages and fines
31 collected by the State from violations of environmental laws to
32 provide funding for loans and grants for the upgrade, replacement,
33 or closure of underground storage tanks that store or were used to
34 store hazardous substances and for the costs of remediating any
35 discharge therefrom and for State-funded remediation of discharges
36 of hazardous substances. The amendment would allocate 25% of
37 the fine revenue for underground storage tank programs and 75%
38 for State remediation of discharges of hazardous substances.

ASSEMBLY CONCURRENT RESOLUTION No. 130

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED MARCH 13, 2014

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

Assemblywoman L. GRACE SPENCER

District 29 (Essex)

Assemblyman GILBERT "WHIP" L. WILSON

District 5 (Camden and Gloucester)

Assemblywoman MILA M. JASEY

District 27 (Essex and Morris)

Assemblyman REED GUSCIORA

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Assemblymen Giblin, Fuentes, Eustace, Assemblywoman Riley, Assemblymen Benson, Mukherji, Assemblywomen Vainieri Huttle, Watson Coleman, Jimenez, Assemblymen Conaway, Garcia, Chivukula, Assemblywoman Tucker, Assemblymen Caputo, Wolfe, Assemblywoman Stender, Assemblymen S.Kean, Dancer, Clifton, Assemblywomen Angelini, Handlin, Casagrande, Schepisi, Assemblyman Wimberly, Assemblywoman Quijano and Assemblyman Burzichelli

SYNOPSIS

Amends Constitution to dedicate 6% of Corporation Business Tax revenues from FY2016 to FY2045 for open space, farmland, and historic preservation; ends dedication of 4% of Corporation Business Tax revenues for environmental programs; dedicates natural resource damages and environmental fine revenue to underground storage tank programs and State-funded hazardous discharge cleanups

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 9/12/2014)

1 A CONCURRENT RESOLUTION proposing to amend Article VIII,
2 Section II, paragraph 6 of the New Jersey Constitution.

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4 BE IT RESOLVED by the General Assembly of the State of New
5 Jersey (the Senate concurring):

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7 1. The following proposed amendment to the Constitution of
8 the State of New Jersey is agreed to:

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10 PROPOSED AMENDMENT

11

12 Amend Article VIII, Section II, paragraph 6 to read as follows:

13 6. **【There】** (a) Commencing July 1, 2015 until June 30, 2045,
14 there shall be credited annually to a special account in the General
15 Fund an amount equivalent to **【4%】** 6% of the revenue annually
16 derived from the tax imposed pursuant to the "Corporation Business
17 Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended
18 and supplemented, or any other State law of similar effect.

19 The amount annually credited pursuant to this **【paragraph】**
20 subparagraph shall be dedicated and shall be appropriated from time
21 to time by the Legislature only **【for the following purposes: paying**
22 **or financing costs incurred by the State for the remediation of**
23 **discharges of hazardous substances, which costs may include**
24 **performing necessary operation and maintenance activities relating**
25 **to remedial actions and costs incurred for providing alternative**
26 **sources of public or private water supplies, when a water supply has**
27 **been, or is suspected of being, contaminated by a hazardous**
28 **substance discharge; providing funding, including the provision of**
29 **loans or grants, for the upgrade, replacement, or closure of**
30 **underground storage tanks that store or were used to store**
31 **hazardous substances, and for the costs of remediating any**
32 **discharge therefrom; providing funding, including the provision of**
33 **loans or grants, for the costs of the remediation of discharges of**
34 **hazardous substances, which costs may include costs incurred for**
35 **providing alternative sources of public or private water supplies,**
36 **when a water supply has been, or is suspected of being,**
37 **contaminated by a hazardous substance discharge; for paying or**
38 **financing the cost of water quality point and nonpoint source**
39 **pollution monitoring, watershed based water resource planning and**
40 **management, and nonpoint source pollution prevention projects; for**
41 **providing grants for the costs of air pollution control equipment to**
42 **reduce the levels of particulate matter emissions from diesel-**
43 **powered engines, and for funding for other measures to reduce**
44 **human exposure to those emissions; and for providing funding,**
45 **including loans and grants, for the development of lands for**

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 recreation and conservation purposes, and to satisfy any payments
2 relating to bonds, notes, or other obligations, including refunding
3 bonds, issued by an authority or similar entity established by law to
4 provide funding for the development of lands for recreation and
5 conservation purposes] to provide funding, including loans or
6 grants, for: the preservation, including acquisition, development,
7 and stewardship, of lands for recreation and conservation purposes,
8 including lands that protect water supplies and lands that have
9 incurred flood or storm damage or are likely to do so, or that may
10 buffer or protect other properties from flood or storm damage; the
11 preservation and stewardship of farmland for agricultural or
12 horticultural use and production; historic preservation; and
13 administrative costs associated with each of those efforts .

14 It shall not be competent for the Legislature, under any pretense
15 whatever, to borrow, appropriate, or use the amount credited to the
16 special account pursuant to this [paragraph] subparagraph , or any
17 portion thereof, for any purpose or in any manner other than as
18 enumerated in this [paragraph] subparagraph. It shall not be
19 competent for the Legislature, under any pretense whatever, to
20 borrow, appropriate, or use the amount credited to the special
21 account pursuant to this [paragraph] subparagraph , or any portion
22 thereof, for the payment of the principal or interest on any general
23 obligation bond that was approved by the voters prior to this
24 [paragraph] subparagraph becoming part of this Constitution.

25 [(a) Fifteen percent of the amount annually credited pursuant to
26 this paragraph shall be dedicated, and shall be appropriated from
27 time to time by the Legislature, only for paying or financing the
28 cost of water quality point and nonpoint source pollution
29 monitoring, watershed based water resource planning and
30 management, and nonpoint source pollution prevention projects.]

31 (b) There shall be credited annually to a special account in the
32 General Fund an amount equivalent to the revenue annually derived
33 from natural resource damages collected by the State as defined by
34 law and all fines collected by the State from violations of
35 environmental laws as defined by law.

36 The amount annually credited pursuant to this subparagraph shall
37 be dedicated and shall be appropriated from time to time by the
38 Legislature only for the following purposes: providing funding,
39 including the provision of loans or grants, for the upgrade,
40 replacement, or closure of underground storage tanks that store or
41 were used to store hazardous substances, and for the costs of
42 remediating any discharge therefrom; and paying or financing costs
43 incurred by the State for the remediation of discharges of hazardous
44 substances, which costs may include performing necessary
45 operation and maintenance activities relating to remedial actions
46 and costs incurred for providing alternative sources of public or
47 private water supplies, when a water supply has been, or is

1 suspected of being, contaminated by a hazardous substance
2 discharge.

3 Twenty-five percent of the amount annually credited pursuant to
4 this **【paragraph】** subparagraph shall be dedicated, and shall be
5 appropriated from time to time by the Legislature, only for
6 providing funding, including the provision of loans or grants, for
7 the upgrade, replacement, or closure of underground storage tanks
8 that store or were used to store hazardous substances, and for the
9 costs of remediating any discharge therefrom, and for providing
10 funding, including the provision of loans or grants, for the costs of
11 the remediation of discharges of hazardous substances, which costs
12 may include costs incurred for providing alternative sources of
13 public or private water supplies, when a water supply has been, or is
14 suspected of being, contaminated by a hazardous substance
15 discharge. **【Of any amount dedicated pursuant to this subparagraph**
16 **(b) but not expended prior to January 1, 2004, fifty percent of that**
17 **amount shall be expended on funding for the upgrade, replacement,**
18 **or closure of underground storage tanks that store or were used to**
19 **store hazardous substances, and for the costs of remediating any**
20 **discharge therefrom, and fifty percent shall be expended on funding**
21 **the costs of the remediation of discharges of hazardous substances,**
22 **including costs incurred for providing alternative sources of public**
23 **or private water supplies, when a water supply has been, or is**
24 **suspected of being, contaminated by a hazardous substance**
25 **discharge.**

26 Commencing January 1, 2004 and ending December 31, 2005,
27 fifty percent of the moneys dedicated pursuant to this subparagraph
28 (b) shall be appropriated for funding the upgrade, replacement, or
29 closure of underground storage tanks that store or were used to
30 store hazardous substances, and for the costs of remediating any
31 discharge therefrom, and fifty percent shall be appropriated for
32 funding the costs of the remediation of discharges of hazardous
33 substances, which costs may include costs incurred for providing
34 alternative sources of public or private water supplies, when a water
35 supply has been, or is suspected of being, contaminated by a
36 hazardous substance discharge.

37 Commencing January 1, 2006 and ending December 31, 2006,
38 forty percent of the moneys dedicated pursuant to this subparagraph
39 (b) shall be appropriated for funding the upgrade, replacement, or
40 closure of underground storage tanks that store or were used to
41 store hazardous substances, and for the costs of remediating any
42 discharge therefrom, and sixty percent shall be appropriated for
43 funding the costs of the remediation of discharges of hazardous
44 substances, which costs may include costs incurred for providing
45 alternative sources of public or private water supplies, when a water
46 supply has been, or is suspected of being, contaminated by a
47 hazardous substance discharge.

1 Commencing January 1, 2007 and ending December 31, 2021,
2 the moneys dedicated pursuant to this subparagraph (b) shall be
3 appropriated for funding the costs of the remediation of discharges
4 of hazardous substances, which costs may include costs incurred for
5 providing alternative sources of public or private water supplies,
6 when a water supply has been, or is suspected of being,
7 contaminated by a hazardous substance discharge; but if in any
8 fiscal year during that time the amount previously dedicated and
9 appropriated for funding loans or grants for the upgrade,
10 replacement, or closure of underground storage tanks that store or
11 were used to store hazardous substances, and for the costs of
12 remediating any discharge therefrom, and available for that purpose
13 but not expended, is less than \$20,000,000, then in the following
14 fiscal year, fifty-five percent of the monies dedicated pursuant to
15 this subparagraph (b) shall be appropriated for funding loans or
16 grants for underground storage tanks and only forty-five percent of
17 the monies dedicated pursuant to this subparagraph (b) shall be
18 appropriated for funding the costs of the remediation of discharges
19 of hazardous substances, which costs may include costs incurred for
20 providing alternative sources of public or private water supplies,
21 when a water supply has been, or is suspected of being,
22 contaminated by a hazardous substance discharge.

23 Commencing January 1, 2004, up to \$2,000,000.00 per year,
24 which shall be taken from the amount appropriated pursuant to this
25 subparagraph (b) for the costs of the remediation of discharges of
26 hazardous substances, may be expended for the costs of a State
27 underground storage tank inspection program, which costs may
28 include the direct but not indirect program administrative costs
29 incurred by the State for the employment of inspectors and a
30 compliance and enforcement staff, and the purchase of vehicles and
31 equipment necessary for the implementation thereof.】

32 All moneys derived from repayments of any loan issued from the
33 amount dedicated pursuant to this subparagraph **[(b)]** shall be
34 dedicated, and shall be appropriated from time to time by the
35 Legislature, only for the purposes authorized pursuant to this
36 subparagraph **[(b)]**. The dedication of moneys derived from loan
37 repayments shall not expire.

38 **【**Except for moneys that may be expended for the costs of a State
39 underground storage tank inspection program, and except for
40 amounts that may be appropriated from time to time by the
41 Legislature on or after January 1, 2006, but not to exceed
42 \$1,000,000 annually, to administer programs to provide loans and
43 grants for the upgrade, replacement, or closure of underground
44 storage tanks that store or were used to store hazardous substances,
45 **no】** No moneys appropriated pursuant to this subparagraph **[(b)]**
46 may be expended on any direct or indirect administrative costs of
47 the State or any of its departments, agencies, or authorities.

1 **【**Commencing January 1, 2006, funding for administrative costs
2 for programs to provide loans and grants for the upgrade,
3 replacement, or closure of underground storage tanks that store or
4 were used to store hazardous substances may be appropriated from
5 time to time by the Legislature from the amount dedicated pursuant
6 to this subparagraph (b) for those purposes in an amount not to
7 exceed \$1,000,000 in any year.**】**

8 No moneys appropriated pursuant to this subparagraph **【(b)】**
9 may be expended on any upgrade, replacement, or closure of any
10 underground storage tank, or for the remediation of any discharge
11 therefrom, for any underground storage tank owned by the State or
12 any of its departments, agencies, or authorities, or for costs incurred
13 by the State for the remediation of discharges of hazardous
14 substances.

15 **【**Commencing on January 1, 2022, the moneys dedicated
16 pursuant to this subparagraph (b) may be appropriated from time to
17 time by the Legislature: for providing funding, including the
18 provision of loans or grants, for the upgrade, replacement, or
19 closure of underground storage tanks that store or were used to
20 store hazardous substances, and for the costs of remediating any
21 discharge therefrom; for providing funding, including the provision
22 of loans or grants, for the costs of the remediation of discharges of
23 hazardous substances, which costs may include costs incurred for
24 providing alternative sources of public or private water supplies,
25 when a water supply has been, or is suspected of being,
26 contaminated by a hazardous substance discharge; or for the costs
27 of a State underground storage tank inspection program, in an
28 amount up to \$2,000,000.00 per year.

29 The Legislature may appropriate after January 1, 2006, an
30 amount not to exceed \$10,000,000, of any of the amounts
31 appropriated in any fiscal year ending before July 1, 2005, made for
32 the purpose of the provision of loans or grants, for the upgrade,
33 replacement, or closure of underground storage tanks that store or
34 were used to store hazardous substances, and for the costs of
35 remediating any discharge therefrom, and not expended for that
36 purpose prior to the end of the fiscal year ending on June 30, 2005,
37 for the purpose set forth in subparagraph (d) of this paragraph.

38 (c) ~~Twenty-eight~~ Seventy-five percent of the amount annually
39 credited pursuant to this **【paragraph】** subparagraph shall be
40 dedicated, and shall be appropriated from time to time by the
41 Legislature, only for paying or financing costs incurred by the State
42 for the remediation of discharges of hazardous substances, which
43 costs may include performing necessary operation and maintenance
44 activities relating to remedial actions and costs incurred for
45 providing alternative sources of public or private water supplies,
46 when a water supply has been, or is suspected of being,
47 contaminated by a hazardous substance discharge. **【**No moneys

1 appropriated pursuant to this subparagraph (c) may be expended for
2 any indirect administrative costs of the State, its departments,
3 agencies, or authorities. No more than nine percent of the moneys
4 annually credited pursuant to this paragraph, which shall be taken
5 from the amount dedicated pursuant to this subparagraph (c), may
6 be expended for any direct program administrative costs of the
7 State, its departments, agencies, or authorities.

8 (d) Commencing January 1, 2006 and ending December 31,
9 2015, seventeen percent of the amount annually credited pursuant to
10 this paragraph shall be dedicated, and shall be appropriated from
11 time to time by the Legislature, only for providing grants for the
12 costs of air pollution control equipment to reduce the levels of
13 particulate matter emissions from diesel-powered engines, funding
14 for other measures to reduce human exposure to those emissions,
15 and funding for those program administrative costs as provided in
16 this subparagraph. No more than \$1,150,000 per year of the amount
17 dedicated pursuant to this subparagraph (d) may be expended for
18 program administrative costs of the State, its departments, agencies,
19 or authorities for implementing the provisions of this subparagraph
20 (d), and for regulating particulate matter emissions from diesel-
21 powered engines.

22 Any amount dedicated and appropriated pursuant to this
23 subparagraph (d) but not expended prior to January 1, 2016 shall be
24 dedicated and may be appropriated from time to time by the
25 Legislature for the purposes authorized in subparagraph (c) of this
26 paragraph.

27 (e) Fifteen percent of the amount annually credited pursuant to
28 this paragraph shall be dedicated, and shall be appropriated from
29 time to time by the Legislature, only for providing funding,
30 including loans and grants, for the development of lands for
31 recreation and conservation purposes, and to satisfy any payments
32 relating to bonds, notes, or other obligations, including refunding
33 bonds, issued by an authority or similar entity established by law to
34 provide funding for the development of lands for recreation and
35 conservation purposes.

36 Commencing January 1, 2016, thirty-two percent of the amount
37 annually credited pursuant to this paragraph shall be dedicated, and
38 shall be appropriated from time to time by the Legislature, only for
39 providing funding, including loans and grants, for the development
40 of lands for recreation or conservation purposes, and to satisfy any
41 payments relating to bonds, notes, or other obligations, including
42 refunding bonds, issued by an authority or similar entity established
43 by law to provide funding, for the development of lands for
44 recreation or conservation purposes.

45 All moneys derived from repayments of any loan issued from the
46 amount dedicated pursuant to this subparagraph (e) shall be
47 dedicated, and shall be appropriated from time to time by the

1 Legislature, only for the purposes authorized pursuant to this
2 subparagraph (e).

3 No more than five percent per year of the amount dedicated
4 pursuant to this subparagraph (e) may be expended for program
5 administrative costs of the State, its departments, agencies, or
6 authorities for implementing the provisions of this subparagraph
7 (e).

8 The authority or other similar entity established by law as
9 described in this subparagraph (e) shall be the same authority or
10 entity established for the purposes of Article VIII, Section II,
11 paragraph 7 of the State Constitution.】

12 (cf: Article VIII, Section II, paragraph 6 amended effective
13 December 7, 2006)

14

15 2. When this proposed amendment to the Constitution is finally
16 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
17 shall be submitted to the people at the next general election
18 occurring more than three months after the final agreement and
19 shall be published at least once in at least one newspaper of each
20 county designated by the President of the Senate, the Speaker of the
21 General Assembly and the Secretary of State, not less than three
22 months prior to the general election.

23

24 3. This proposed amendment to the Constitution shall be
25 submitted to the people at that election in the following manner and
26 form:

27 There shall be printed on each official ballot to be used at the
28 general election, the following:

29 a. In every municipality in which voting machines are not used,
30 a legend which shall immediately precede the question as follows:

31 If you favor the proposition printed below make a cross (X), plus
32 (+), or check (✓) in the square opposite the word "Yes." If you are
33 opposed thereto make a cross (X), plus (+) or check (✓) in the
34 square opposite the word "No."

35 b. In every municipality the following question:

1

	YES	<p>CONSTITUTIONAL AMENDMENT DEDICATING STATE FUNDS FOR OPEN SPACE, FARMLAND, AND HISTORIC PRESERVATION, AND CHANGING EXISTING DEDICATION FOR UNDERGROUND STORAGE TANKS AND HAZARDOUS SITE CLEANUPS</p> <p>Do you approve amending the Constitution to dedicate 6% of the Corporation Business Tax revenue each year for the next 30 years? The dedication would be for the preservation of open space, farmland, and historic sites. The amendment would end the current dedication of 4% of that revenue for environmental programs. In addition, the amendment dedicates natural resource damages and fines to fund underground storage tank removals and cleanups and polluted site cleanups?</p>
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	<p>NO</p>	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>This constitutional amendment would provide funding for Green Acres and “Blue Acres” projects. The projects preserve open space, farmland, and historic properties. The amendment would dedicate 6% of Corporation Business Tax revenue each year for the next 30 years for these purposes.</p> <p>The Green Acres program buys land that protects water supplies and preserves open space. The program funds parks, fish and wildlife habitat, and flood prone or affected areas. It also funds park improvements and facilities.</p> <p>“Blue Acres” refers to properties that have been damaged by storms or storm related flooding. The program also purchases properties that appear likely to incur such damage, or that may buffer or protect other lands from such damage. Structures on properties purchased from willing sellers are demolished, the debris is removed, and the land is preserved as open space.</p> <p>This amendment also would end the current dedication of 4% of Corporation Business Tax revenue. That dedication provides funds for water quality programs, public and private hazardous site cleanups, underground storage tank removal and cleanup, air pollution control equipment for diesel engines, and park improvements and facilities.</p> <p>Finally, this amendment would dedicate natural resource damages and fines collected from violations of environmental laws for underground storage tank removals and cleanups and State-funded hazardous site cleanups.</p>
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STATEMENT

This constitutional amendment would dedicate 6% of Corporation Business Tax revenues annually for the next 30 years, from Fiscal Year 2016 through Fiscal Year 2045, to finance the

1 State's programs for open space preservation, farmland
2 preservation, and historic preservation. The specific allocation for
3 each of these purposes would be established by law. The
4 amendment also allows for the dedicated monies to be used for
5 stewardship activities and administrative costs associated with the
6 programs.

7 The constitutional amendment also recognizes a special funding
8 category under open space preservation, referred to as the "Blue
9 Acres" program, for the acquisition, for recreation and conservation
10 purposes, of lands that have incurred flood or storm damage or are
11 likely to do so, or that may buffer or protect other properties from
12 flood or storm damage. Properties are purchased from willing
13 sellers only. The Blue Acres program is administered by the
14 Department of Environmental Protection's Green Acres Program.

15 This proposed amendment to the State Constitution would
16 provide a dedicated, stable source of funding to continue the State's
17 current programs for open space, including flood prone lands,
18 farmland preservation, and historic preservation implemented
19 pursuant to Article VIII, Section II, paragraph 7 of the State
20 Constitution, the "Garden State Preservation Trust Act," P.L.1999,
21 c.152 (C.13:8C-1 et seq.), and various bond acts passed by the
22 voters of this State over the last 50 years.

23 The constitutional amendment would also cancel the current
24 constitutional dedication of 4% of Corporation Business Tax
25 revenues for remediation of discharges of hazardous substances,
26 funding loans and grants for underground storage tanks, financing
27 water quality programs, providing loans and grants for air pollution
28 control equipment to control emission from diesel-powered engines,
29 and funding for the development of lands for recreation and
30 conservation purposes. The amendment would instead dedicate
31 revenue annually derived from natural resource damages and fines
32 collected by the State from violations of environmental laws to
33 provide funding for loans and grants for the upgrade, replacement,
34 or closure of underground storage tanks that store or were used to
35 store hazardous substances and for the costs of remediating any
36 discharge therefrom and for State-funded remediation of discharges
37 of hazardous substances. The amendment would allocate 25% of
38 the fine revenue for underground storage tank programs and 75%
39 for State remediation of discharges of hazardous substances.

SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATEMENT TO

SENATE CONCURRENT RESOLUTION No. 84

STATE OF NEW JERSEY

DATED: MARCH 17, 2014

The Senate Environment and Energy Committee favorably reports Senate Concurrent Resolution No. 84.

This constitutional amendment would dedicate 6% of Corporation Business Tax revenues annually for the next 30 years, from Fiscal Year 2016 through Fiscal Year 2045, to finance the State's programs for open space preservation, farmland preservation, and historic preservation. The specific allocation for each of these purposes would be established by law. The amendment also allows for the dedicated monies to be used for stewardship activities and administrative costs associated with the programs.

The constitutional amendment also recognizes a special funding category under open space preservation, referred to as the "Blue Acres" program, for the acquisition, for recreation and conservation purposes, of lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage. Properties are purchased from willing sellers only. The Blue Acres program is administered by the Department of Environmental Protection's Green Acres Program.

This proposed amendment to the State Constitution would provide a dedicated, stable source of funding to continue the State's current programs for open space, including flood prone lands, farmland preservation, and historic preservation implemented pursuant to Article VIII, Section II, paragraph 7 of the State Constitution, the "Garden State Preservation Trust Act," P.L.1999, c.152 (C.13:8C-1 et seq.), and various bond acts passed by the voters of this State over the last 50 years.

The constitutional amendment would also cancel the current constitutional dedication of 4% of Corporation Business Tax revenues for remediation of discharges of hazardous substances, funding loans and grants for underground storage tanks, financing water quality programs, providing loans and grants for air pollution control equipment to control emission from diesel-powered engines, and funding for the development of lands for recreation and conservation purposes. The amendment would instead dedicate revenue annually derived from natural resource damages and fines collected by the State from violations of environmental laws to provide funding for loans and grants for the upgrade, replacement, or closure of underground storage

tanks that store or were used to store hazardous substances and for the costs of remediating any discharge therefrom and for State-funded remediation of discharges of hazardous substances. The amendment would allocate 25% of the fines and natural resource damage revenue for underground storage tank programs and 75% for State remediation of discharges of hazardous substances.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION No. 84

STATE OF NEW JERSEY

DATED: JUNE 5, 2014

The Senate Budget and Appropriations Committee reports favorably a Senate Committee Substitute for Senate Concurrent Resolution No. 84.

The committee substitute proposes a constitutional amendment to change the amounts allocated to the various environmental programs funded by the existing dedication of 4% of the revenue annually collected from the Corporation Business Tax (CBT), and add a new allocation category, beginning on July 1, 2015. It would also raise the amount of the dedication from 4% to 6%, beginning on July 1, 2019. The revenues to be constitutionally dedicated by the committee substitute would be used: (1) to preserve and steward open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres); (2) for water resources programs and projects; (3) for polluted site cleanups; and (4) for underground tank removal and cleanup. Moneys dedicated by the proposed constitutional amendment to preserving open space or flood-prone areas may also be used for the development of those lands for recreation and conservation purposes. The committee substitute would prohibit use of any of the moneys dedicated by the proposed constitutional amendment for the purpose of paying the principal or interest on any general obligation bonds issued by the State prior or subsequent to adoption of the proposed constitutional amendment. Therefore, this proposed constitutional dedication of stable funding for various environmental purposes would be strictly a “pay as you go” program.

The committee substitute also proposes to amend the State Constitution to require that all moneys received by the State from leases and certain other uses of State-owned preserved open space be used only to preserve and steward open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres).

Current Constitutional Dedication

The current constitutional dedication of 4% of the Corporation Business Tax revenue helps pay for water resources programs and projects, polluted site cleanups, underground tank removal and

cleanup, air pollution equipment for diesel engines, and improvements to parks. Specifically, the Constitution now allocates the moneys from the dedication as follows:

- (1) 15% for water resources programs and projects;
- (2) 25% for hazardous substance discharge remediation programs (“brownfields,” for example), unless the previously dedicated underground storage tank fund balances fall below \$20 million in a fiscal year, then 55% of the 25% allocation must be appropriated for underground storage tank programs the following year;
- (3) 28% for hazardous substance discharge cleanup performed by the State (“publicly funded cleanups”);
- (4) 17% for diesel air pollution control programs until December 31, 2015; and
- (5) 15% for financing improvements and facilities for recreation and conservation purposes on parks and other preserved open space lands.

Further, under the current constitutional dedication, on January 1, 2016 the 17% allocation for diesel air pollution control programs (#4 above) expires and the moneys are reallocated to supplement the 15% dedication for financing improvements and facilities for recreation and conservation purposes on parks and other preserved open space lands, thereby increasing the dedication allocation for that purpose to a total of 32%. Also, under the current constitutional dedication, commencing January 1, 2022 the 25% allocation for hazardous substance discharge remediation programs and underground storage tank programs is continued but there are no longer any conditions or sub-allocations with respect to how the moneys are split between the two programs. Lastly, under the current constitutional dedication, up to 9% of the total amount dedicated may be used to pay for administrative costs of the State’s hazardous substance discharge program (#3 above).

In FY 2014, the adjusted appropriation from the constitutional dedication of 4% of the CBT revenue provided a total amount of \$103.1 million to fund the various environmental programs listed in the State Constitution to receive an allocation, as described above.

Proposed Constitutional Dedication FY 2016 through FY 2019

Specifically, for the period from FY 2016 through FY 2019, the committee substitute proposes to amend the State Constitution to continue to dedicate annually 4% of the CBT revenue for certain environmental programs, but to allocate the dedicated moneys as follows:

- (1) 5% for water resources programs and projects;
- (2) 10% for hazardous substance discharge remediation programs (“brownfields,” for example);

- (3) 9% for underground storage tank programs;
- (4) 5% for hazardous substance discharge cleanup performed by the State (“publicly funded cleanups”); and
- (5) 71% for the preservation and stewardship of open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres).

The proposed constitutional amendment also would no longer dedicate any funding to pay for administrative costs associated with the State’s hazardous substance discharge cleanup program.

Proposed Constitutional Dedication FY 2020 and Thereafter

Specifically, for the period commencing FY 2020 and thereafter, the committee substitute proposes to amend the State Constitution to raise the annual dedication of the CBT revenue for certain environmental programs from 4% to 6%, and to allocate the dedicated moneys as follows:

- (1) 5% for water resources programs and projects;
- (2) 7% for hazardous substance discharge remediation programs (“brownfields,” for example);
- (3) 5% for underground storage tank programs;
- (4) 5% for hazardous substance discharge cleanup performed by the State (“publicly funded cleanups”); and
- (5) 78% for the preservation and stewardship of open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres).

FISCAL IMPACT:

The most significant impact of the proposed constitutional amendment is to increase the amount dedicated to the several environmental purposes beginning in FY 2020, when the percentage of the Corporation Business Tax (CBT) dedication increases from 4% to 6%. Assuming an annual revenue yield from the CBT of \$2.5 billion for FY 2016 and each subsequent year, appropriations for the several environmental purposes will increase by \$50 million above the levels currently required by the State Constitution. Revenue from the CBT will undoubtedly vary from year to year, from the assumed amounts illustrated in the table below, so the actual change in the dedicated amounts will fluctuate proportionally. The proposed constitutional amendment also dedicates any revenue derived annually from leases and certain other uses of State-owned preserved open space to funding open space, farmland and historic preservation. No estimate of the revenue that would become dedicated by this provision is feasible, since those amounts are subject to fluctuation annually based on conditions that cannot readily be foreseen.

The proposed constitutional amendment also alters the distribution of dedicated funds among the several environmental purposes

beginning in Fiscal Year 2016. Assuming annual CBT revenue of \$2.5 billion, annual funding for open space, farmland and historic preservation will increase in FY 2016-2019 from \$32 million to \$71 million, and thereafter to \$117 million. Annual funding will decline for the other four authorized uses, by an aggregate annual amount of \$39 million for FY 2016-2019, and by an aggregate annual amount of \$35 million in FY 2020 and each year thereafter.

Impact of Constitutional Dedication of Corporation Business Tax under SCS for SCR 84 (2014)						
\$\$ in thousands						
Estimated CBT Revenue=\$2.5 billion						
	Current Constitutional Provisions		SCS for SCR 84 (2014)			
	FY 2016 et seq.		FY 2016-19 (4%)		FY 2020 et seq. (6%)	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Water Resources	\$ 15,000	15%	\$ 5,000	5%	\$ 7,500	5%
Hazardous Substance Discharge Remediation ("Brownfields"), Private Underground Storage Tank Remediation	\$ 25,000	25%	\$ 10,000	10%	\$ 10,500	7%
Hazardous Substance Discharge Cleanups ("Publicly Funded Cleanups")	\$ 28,000	28%	\$ 5,000	5%	\$ 7,500	5%
Diesel Risk Mitigation	\$ -	0%	\$ -	0%	\$ -	0%
Recreational Land Development and Conservation	\$ 32,000	32%	\$ -	0%	\$ -	0%
Open Space/Farmland/Historic Preservation	-		\$ 71,000	71%	\$ 117,000	78%
Total	\$ 100,000	100.0%	\$ 100,000	100.0%	\$ 150,000	100.0%

SENATE COMMITTEE SUBSTITUTE FOR
**SENATE CONCURRENT
RESOLUTION No. 84**

STATE OF NEW JERSEY
216th LEGISLATURE

ADOPTED JUNE 5, 2014

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator CHRISTOPHER "KIP" BATEMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:

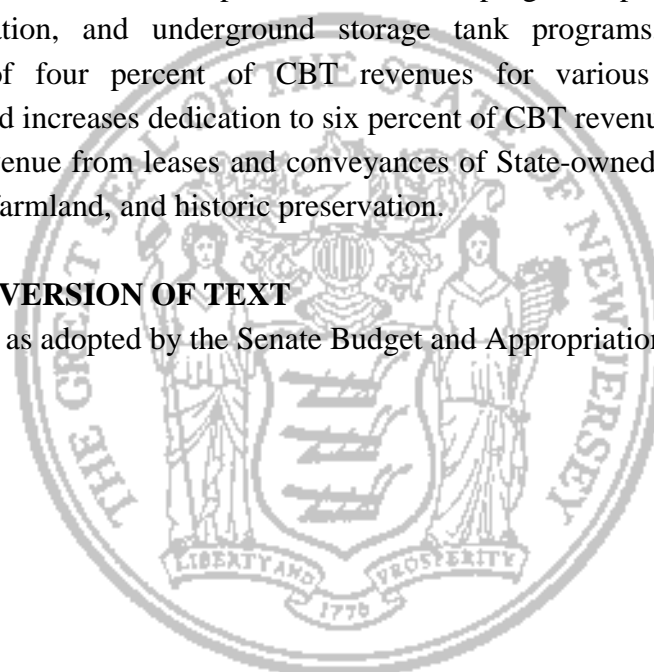
Senators Gordon and Greenstein

SYNOPSIS

Amends Constitution to dedicate four percent of CBT revenues to open space, farmland, and historic preservation, water programs, public and private site remediation, and underground storage tank programs, ends current dedication of four percent of CBT revenues for various environmental programs, and increases dedication to six percent of CBT revenues in 2019; and dedicates revenue from leases and conveyances of State-owned open space for open space, farmland, and historic preservation.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Budget and Appropriations Committee.



(Sponsorship Updated As Of: 6/27/2014)

1 A CONCURRENT RESOLUTION proposing to amend Article VIII,
2 Section II, paragraph 6 of the New Jersey Constitution.

3

4 BE IT RESOLVED by the Senate of the State of New Jersey (the
5 General Assembly concurring):

6

7 1. The following proposed amendment to the Constitution of
8 the State of New Jersey is agreed to:

9

10 PROPOSED AMENDMENT

11

12 Amend Article VIII, Section II, paragraph 6 to read as follows:

13 6. **【**There shall be credited annually to a special account in the
14 General Fund an amount equivalent to 4% of the revenue annually
15 derived from the tax imposed pursuant to the "Corporation Business
16 Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended
17 and supplemented, or any other State law of similar effect.

18 The amount annually credited pursuant to this paragraph shall be
19 dedicated and shall be appropriated from time to time by the
20 Legislature only for the following purposes: paying or financing
21 costs incurred by the State for the remediation of discharges of
22 hazardous substances, which costs may include performing
23 necessary operation and maintenance activities relating to remedial
24 actions and costs incurred for providing alternative sources of
25 public or private water supplies, when a water supply has been, or is
26 suspected of being, contaminated by a hazardous substance
27 discharge; providing funding, including the provision of loans or
28 grants, for the upgrade, replacement, or closure of underground
29 storage tanks that store or were used to store hazardous substances,
30 and for the costs of remediating any discharge therefrom; providing
31 funding, including the provision of loans or grants, for the costs of
32 the remediation of discharges of hazardous substances, which costs
33 may include costs incurred for providing alternative sources of
34 public or private water supplies, when a water supply has been, or is
35 suspected of being, contaminated by a hazardous substance
36 discharge; for paying or financing the cost of water quality point
37 and nonpoint source pollution monitoring, watershed based water
38 resource planning and management, and nonpoint source pollution
39 prevention projects; for providing grants for the costs of air
40 pollution control equipment to reduce the levels of particulate
41 matter emissions from diesel-powered engines, and for funding for
42 other measures to reduce human exposure to those emissions; and
43 for providing funding, including loans and grants, for the
44 development of lands for recreation and conservation purposes, and
45 to satisfy any payments relating to bonds, notes, or other

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 obligations, including refunding bonds, issued by an authority or
2 similar entity established by law to provide funding for the
3 development of lands for recreation and conservation purposes.

4 It shall not be competent for the Legislature, under any pretense
5 whatever, to borrow, appropriate, or use the amount credited to the
6 special account pursuant to this paragraph, or any portion thereof,
7 for any purpose or in any manner other than as enumerated in this
8 paragraph. It shall not be competent for the Legislature, under any
9 pretense whatever, to borrow, appropriate, or use the amount
10 credited to the special account pursuant to this paragraph, or any
11 portion thereof, for the payment of the principal or interest on any
12 general obligation bond that was approved by the voters prior to
13 this paragraph becoming part of this Constitution.

14 (a) Fifteen percent of the amount annually credited pursuant to
15 this paragraph shall be dedicated, and shall be appropriated from
16 time to time by the Legislature, only for paying or financing the
17 cost of water quality point and nonpoint source pollution
18 monitoring, watershed based water resource planning and
19 management, and nonpoint source pollution prevention projects.

20 (b) Twenty-five percent of the amount annually credited
21 pursuant to this paragraph shall be dedicated, and shall be
22 appropriated from time to time by the Legislature, only for
23 providing funding, including the provision of loans or grants, for
24 the upgrade, replacement, or closure of underground storage tanks
25 that store or were used to store hazardous substances, and for the
26 costs of remediating any discharge therefrom, and for providing
27 funding, including the provision of loans or grants, for the costs of
28 the remediation of discharges of hazardous substances, which costs
29 may include costs incurred for providing alternative sources of
30 public or private water supplies, when a water supply has been, or is
31 suspected of being, contaminated by a hazardous substance
32 discharge. Of any amount dedicated pursuant to this subparagraph
33 (b) but not expended prior to January 1, 2004, fifty percent of that
34 amount shall be expended on funding for the upgrade, replacement,
35 or closure of underground storage tanks that store or were used to
36 store hazardous substances, and for the costs of remediating any
37 discharge therefrom, and fifty percent shall be expended on funding
38 the costs of the remediation of discharges of hazardous substances,
39 including costs incurred for providing alternative sources of public
40 or private water supplies, when a water supply has been, or is
41 suspected of being, contaminated by a hazardous substance
42 discharge.

43 Commencing January 1, 2004 and ending December 31, 2005,
44 fifty percent of the moneys dedicated pursuant to this subparagraph
45 (b) shall be appropriated for funding the upgrade, replacement, or
46 closure of underground storage tanks that store or were used to
47 store hazardous substances, and for the costs of remediating any

1 discharge therefrom, and fifty percent shall be appropriated for
2 funding the costs of the remediation of discharges of hazardous
3 substances, which costs may include costs incurred for providing
4 alternative sources of public or private water supplies, when a water
5 supply has been, or is suspected of being, contaminated by a
6 hazardous substance discharge.

7 Commencing January 1, 2006 and ending December 31, 2006,
8 forty percent of the moneys dedicated pursuant to this subparagraph
9 (b) shall be appropriated for funding the upgrade, replacement, or
10 closure of underground storage tanks that store or were used to
11 store hazardous substances, and for the costs of remediating any
12 discharge therefrom, and sixty percent shall be appropriated for
13 funding the costs of the remediation of discharges of hazardous
14 substances, which costs may include costs incurred for providing
15 alternative sources of public or private water supplies, when a water
16 supply has been, or is suspected of being, contaminated by a
17 hazardous substance discharge.

18 Commencing January 1, 2007 and ending December 31, 2021,
19 the moneys dedicated pursuant to this subparagraph (b) shall be
20 appropriated for funding the costs of the remediation of discharges
21 of hazardous substances, which costs may include costs incurred for
22 providing alternative sources of public or private water supplies,
23 when a water supply has been, or is suspected of being,
24 contaminated by a hazardous substance discharge; but if in any
25 fiscal year during that time the amount previously dedicated and
26 appropriated for funding loans or grants for the upgrade,
27 replacement, or closure of underground storage tanks that store or
28 were used to store hazardous substances, and for the costs of
29 remediating any discharge therefrom, and available for that purpose
30 but not expended, is less than \$20,000,000, then in the following
31 fiscal year, fifty-five percent of the monies dedicated pursuant to
32 this subparagraph (b) shall be appropriated for funding loans or
33 grants for underground storage tanks and only forty-five percent of
34 the monies dedicated pursuant to this subparagraph (b) shall be
35 appropriated for funding the costs of the remediation of discharges
36 of hazardous substances, which costs may include costs incurred for
37 providing alternative sources of public or private water supplies,
38 when a water supply has been, or is suspected of being,
39 contaminated by a hazardous substance discharge.

40 Commencing January 1, 2004, up to \$2,000,000.00 per year,
41 which shall be taken from the amount appropriated pursuant to this
42 subparagraph (b) for the costs of the remediation of discharges of
43 hazardous substances, may be expended for the costs of a State
44 underground storage tank inspection program, which costs may
45 include the direct but not indirect program administrative costs
46 incurred by the State for the employment of inspectors and a

1 compliance and enforcement staff, and the purchase of vehicles and
2 equipment necessary for the implementation thereof.

3 All moneys derived from repayments of any loan issued from the
4 amount dedicated pursuant to this subparagraph (b) shall be
5 dedicated, and shall be appropriated from time to time by the
6 Legislature, only for the purposes authorized pursuant to this
7 subparagraph (b). The dedication of moneys derived from loan
8 repayments shall not expire.

9 Except for moneys that may be expended for the costs of a State
10 underground storage tank inspection program, and except for
11 amounts that may be appropriated from time to time by the
12 Legislature on or after January 1, 2006, but not to exceed
13 \$1,000,000 annually, to administer programs to provide loans and
14 grants for the upgrade, replacement, or closure of underground
15 storage tanks that store or were used to store hazardous substances,
16 no moneys appropriated pursuant to this subparagraph (b) may be
17 expended on any direct or indirect administrative costs of the State
18 or any of its departments, agencies, or authorities.

19 Commencing January 1, 2006, funding for administrative costs
20 for programs to provide loans and grants for the upgrade,
21 replacement, or closure of underground storage tanks that store or
22 were used to store hazardous substances may be appropriated from
23 time to time by the Legislature from the amount dedicated pursuant
24 to this subparagraph (b) for those purposes in an amount not to
25 exceed \$1,000,000 in any year.

26 No moneys appropriated pursuant to this subparagraph (b) may
27 be expended on any upgrade, replacement, or closure of any
28 underground storage tank, or for the remediation of any discharge
29 therefrom, for any underground storage tank owned by the State or
30 any of its departments, agencies, or authorities, or for costs incurred
31 by the State for the remediation of discharges of hazardous
32 substances.

33 Commencing on January 1, 2022, the moneys dedicated pursuant
34 to this subparagraph (b) may be appropriated from time to time by
35 the Legislature: for providing funding, including the provision of
36 loans or grants, for the upgrade, replacement, or closure of
37 underground storage tanks that store or were used to store
38 hazardous substances, and for the costs of remediating any
39 discharge therefrom; for providing funding, including the provision
40 of loans or grants, for the costs of the remediation of discharges of
41 hazardous substances, which costs may include costs incurred for
42 providing alternative sources of public or private water supplies,
43 when a water supply has been, or is suspected of being,
44 contaminated by a hazardous substance discharge; or for the costs
45 of a State underground storage tank inspection program, in an
46 amount up to \$2,000,000.00 per year.

1 The Legislature may appropriate after January 1, 2006, an
2 amount not to exceed \$10,000,000, of any of the amounts
3 appropriated in any fiscal year ending before July 1, 2005, made for
4 the purpose of the provision of loans or grants, for the upgrade,
5 replacement, or closure of underground storage tanks that store or
6 were used to store hazardous substances, and for the costs of
7 remediating any discharge therefrom, and not expended for that
8 purpose prior to the end of the fiscal year ending on June 30, 2005,
9 for the purpose set forth in subparagraph (d) of this paragraph.

10 (c) Twenty-eight percent of the amount annually credited
11 pursuant to this paragraph shall be dedicated, and shall be
12 appropriated from time to time by the Legislature, only for paying
13 or financing costs incurred by the State for the remediation of
14 discharges of hazardous substances, which costs may include
15 performing necessary operation and maintenance activities relating
16 to remedial actions and costs incurred for providing alternative
17 sources of public or private water supplies, when a water supply has
18 been, or is suspected of being, contaminated by a hazardous
19 substance discharge. No moneys appropriated pursuant to this
20 subparagraph (c) may be expended for any indirect administrative
21 costs of the State, its departments, agencies, or authorities. No
22 more than nine percent of the moneys annually credited pursuant to
23 this paragraph, which shall be taken from the amount dedicated
24 pursuant to this subparagraph (c), may be expended for any direct
25 program administrative costs of the State, its departments, agencies,
26 or authorities.

27 (d) Commencing January 1, 2006 and ending December 31,
28 2015, seventeen percent of the amount annually credited pursuant to
29 this paragraph shall be dedicated, and shall be appropriated from
30 time to time by the Legislature, only for providing grants for the
31 costs of air pollution control equipment to reduce the levels of
32 particulate matter emissions from diesel-powered engines, funding
33 for other measures to reduce human exposure to those emissions,
34 and funding for those program administrative costs as provided in
35 this subparagraph. No more than \$1,150,000 per year of the amount
36 dedicated pursuant to this subparagraph (d) may be expended for
37 program administrative costs of the State, its departments, agencies,
38 or authorities for implementing the provisions of this subparagraph
39 (d), and for regulating particulate matter emissions from diesel-
40 powered engines.

41 Any amount dedicated and appropriated pursuant to this
42 subparagraph (d) but not expended prior to January 1, 2016 shall be
43 dedicated and may be appropriated from time to time by the
44 Legislature for the purposes authorized in subparagraph (c) of this
45 paragraph.

46 (e) Fifteen percent of the amount annually credited pursuant to
47 this paragraph shall be dedicated, and shall be appropriated from

1 time to time by the Legislature, only for providing funding,
2 including loans and grants, for the development of lands for
3 recreation and conservation purposes, and to satisfy any payments
4 relating to bonds, notes, or other obligations, including refunding
5 bonds, issued by an authority or similar entity established by law to
6 provide funding for the development of lands for recreation and
7 conservation purposes.

8 Commencing January 1, 2016, thirty-two percent of the amount
9 annually credited pursuant to this paragraph shall be dedicated, and
10 shall be appropriated from time to time by the Legislature, only for
11 providing funding, including loans and grants, for the development
12 of lands for recreation or conservation purposes, and to satisfy any
13 payments relating to bonds, notes, or other obligations, including
14 refunding bonds, issued by an authority or similar entity established
15 by law to provide funding, for the development of lands for
16 recreation or conservation purposes.

17 All moneys derived from repayments of any loan issued from the
18 amount dedicated pursuant to this subparagraph (e) shall be
19 dedicated, and shall be appropriated from time to time by the
20 Legislature, only for the purposes authorized pursuant to this
21 subparagraph (e).

22 No more than five percent per year of the amount dedicated
23 pursuant to this subparagraph (e) may be expended for program
24 administrative costs of the State, its departments, agencies, or
25 authorities for implementing the provisions of this subparagraph
26 (e).

27 The authority or other similar entity established by law as
28 described in this subparagraph (e) shall be the same authority or
29 entity established for the purposes of Article VIII, Section II,
30 paragraph 7 of the State Constitution.】

31 (a) Commencing July 1, 2015 and ending June 30, 2019, there
32 shall be credited to a special account in the General Fund an amount
33 equivalent to four percent of the revenue annually derived from the
34 tax imposed pursuant to the "Corporation Business Tax Act
35 (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and
36 supplemented, or any other State law of similar effect.

37 Commencing July 1, 2019, there shall be credited to a special
38 account in the General Fund an amount equivalent to six percent of
39 the revenue annually derived from the tax imposed pursuant to the
40 "Corporation Business Tax Act (1945)," P.L.1945,
41 c.162 (C.54:10A-1 et seq.), as amended and supplemented, or any
42 other State law of similar effect.

43 The amount annually credited pursuant to this subparagraph shall
44 be dedicated and shall be appropriated from time to time by the
45 Legislature only for: providing funding, including loans or grants,
46 for the preservation, including acquisition, development, and
47 stewardship, of lands for recreation and conservation purposes,

1 including lands that protect water supplies and lands that have
2 incurred flood or storm damage or are likely to do so, or that may
3 buffer or protect other properties from flood or storm damage;
4 providing funding, including loans or grants, for the preservation
5 and stewardship of land for agricultural or horticultural use and
6 production; providing funding, including loans or grants for historic
7 preservation; paying administrative costs associated with each of
8 those efforts; paying or financing the cost of water quality point and
9 nonpoint source pollution monitoring, watershed based water
10 resource planning and management, and nonpoint source pollution
11 prevention projects; paying or financing costs incurred by the State
12 for the remediation of discharges of hazardous substances, which
13 costs may include performing necessary operation and maintenance
14 activities relating to remedial actions and costs incurred for
15 providing alternative sources of public or private water supplies,
16 when a water supply has been, or is suspected of being,
17 contaminated by a hazardous substance discharge; providing
18 funding, including loans or grants, for the upgrade, replacement, or
19 closure of underground storage tanks that store or were used to
20 store hazardous substances, and for the costs of remediating any
21 discharge therefrom; and providing funding, including loans and
22 grants, for the costs of the remediation of discharges of hazardous
23 substances, which costs may include costs incurred for providing
24 alternative sources of public or private water supplies, when a water
25 supply has been, or is suspected of being, contaminated by a
26 hazardous substance discharge.

27 It shall not be competent for the Legislature, under any pretense
28 whatever, to borrow, appropriate, or use the amount credited to the
29 special account pursuant to this paragraph, or any portion thereof,
30 for any purpose or in any manner other than as enumerated in this
31 paragraph. It shall not be competent for the Legislature, under any
32 pretense whatever, to borrow, appropriate, or use the amount
33 credited to the special account pursuant to this paragraph, or any
34 portion thereof, for the payment of the principal or interest on any
35 general obligation bond that was approved by the voters prior to or
36 subsequent to this paragraph becoming part of this Constitution.

37 All moneys derived from repayments of any loan issued from the
38 amount dedicated pursuant to this paragraph prior to July 1, 2015
39 for the development of lands for recreation or conservation
40 purposes shall be dedicated, and shall be appropriated from time to
41 time by the Legislature, only for the development of lands for
42 recreation or conservation purposes.

43 Commencing July 1, 2015 and ending June 30, 2019, seventy-
44 one percent of the amount annually credited pursuant to this
45 subparagraph shall be dedicated, and shall be appropriated from
46 time to time by the Legislature, only for: providing funding,
47 including loans or grants, for the preservation, including

1 acquisition, development, and stewardship, of lands for recreation
2 and conservation purposes, including lands that protect water
3 supplies and lands that have incurred flood or storm damage or are
4 likely to do so, or that may buffer or protect other properties from
5 flood or storm damage; providing funding, including loans or
6 grants, for the preservation and stewardship of land for agricultural
7 or horticultural use and production; providing funding, including
8 loans or grants, for historic preservation; and paying administrative
9 costs associated with each of those efforts.

10 Commencing July 1, 2019, seventy-eight percent of the amount
11 annually credited pursuant to this subparagraph shall be dedicated,
12 and shall be appropriated from time to time by the Legislature, only
13 for: providing funding, including loans or grants, for the
14 preservation, including acquisition, development, and stewardship,
15 of lands for recreation and conservation purposes, including lands
16 that protect water supplies and lands that have incurred flood or
17 storm damage or are likely to do so, or that may buffer or protect
18 other properties from flood or storm damage; providing funding,
19 including loans or grants, for the preservation and stewardship of
20 land for agricultural or horticultural use and production; providing
21 funding, including loans or grants, for historic preservation; and
22 paying administrative costs associated with each of those efforts.

23 All moneys derived from repayments of any loan issued from the
24 amount dedicated pursuant to this subparagraph for the
25 preservation, including acquisition, development, and stewardship,
26 of lands for recreation and conservation purposes, the preservation
27 and stewardship of land for agricultural or horticultural use and
28 production, or for historic preservation, and all income derived
29 from the investment of moneys in the special account established
30 pursuant to this paragraph, shall be dedicated, and shall be
31 appropriated from time to time by the Legislature only for the
32 preservation, including acquisition, development, and stewardship,
33 of lands for recreation and conservation purposes, the preservation
34 and stewardship of land for agricultural or horticultural use and
35 production, or for historic preservation, as authorized pursuant to
36 this subparagraph.

37 Commencing July 1, 2015, five percent of the amount annually
38 credited pursuant to this subparagraph shall be dedicated, and shall
39 be appropriated from time to time by the Legislature, only for
40 paying or financing the cost of water quality point and nonpoint
41 source pollution monitoring, watershed based water resource
42 planning and management, and nonpoint source pollution
43 prevention projects.

44 Commencing July 1, 2015, five percent of the amount annually
45 credited pursuant to this subparagraph shall be dedicated, and shall
46 be appropriated from time to time by the Legislature, only for
47 paying or financing the costs incurred by the State for the

1 remediation of discharges of hazardous substances, which costs
2 may include performing necessary operation and maintenance
3 activities relating to remedial actions and costs incurred for
4 providing alternative sources of public or private water supplies
5 when a water supply has been, or is suspected of being,
6 contaminated by a hazardous substance discharge.

7 No moneys appropriated pursuant to this subparagraph for the
8 remediation of discharges of hazardous substances may be
9 expended for any direct or indirect administrative costs of the State,
10 or any of its departments, agencies, or authorities.

11 Commencing July 1, 2015 and ending June 30, 2019, nine
12 percent of the amount annually credited pursuant to this
13 subparagraph shall be dedicated, and shall be appropriated from
14 time to time by the Legislature, only for providing funding,
15 including loans or grants, for the upgrade, replacement, or closure
16 of underground storage tanks that store or were used to store
17 hazardous substances, and for the costs of remediating any
18 discharge therefrom, and for providing funding, including loans or
19 grants, for the costs of the remediation of discharges of hazardous
20 substances, which costs may include costs incurred for providing
21 alternative sources of public or private water supplies when a water
22 supply has been, or is suspected of being, contaminated by a
23 hazardous substance discharge.

24 Commencing July 1, 2019, five percent of the amount annually
25 credited pursuant to this subparagraph shall be dedicated, and shall
26 be appropriated from time to time by the Legislature, only for
27 providing funding, including loans or grants, for the upgrade,
28 replacement, or closure of underground storage tanks that store or
29 were used to store hazardous substances, and for the costs of
30 remediating any discharge therefrom, and for providing funding,
31 including loans or grants, for the costs of the remediation of
32 discharges of hazardous substances, which costs may include costs
33 incurred for providing alternative sources of public or private water
34 supplies when a water supply has been, or is suspected of being,
35 contaminated by a hazardous substance discharge.

36 Commencing July 1, 2015, up to \$1,000,000 per year, which
37 shall be taken from the amount appropriated pursuant to this
38 subparagraph for underground storage tank programs, may be
39 expended for the costs of a State underground storage tank
40 inspection program, which costs may include the direct but not
41 indirect program administrative costs incurred by the State for the
42 employment of inspectors and a compliance and enforcement staff,
43 and the purchase of vehicles and equipment necessary for the
44 implementation thereof.

45 All moneys derived from repayments of any loan issued from the
46 amount dedicated pursuant to this paragraph prior to or after July 1,
47 2015 for underground storage tank programs shall be dedicated, and

1 shall be appropriated from time to time by the Legislature, only for
2 loans or grants for underground storage tank programs authorized
3 pursuant to this subparagraph. The dedication of moneys derived
4 from loan repayments shall not expire.

5 Except for moneys that may be expended for the costs of a State
6 underground storage tank inspection program, no moneys
7 appropriated pursuant to this subparagraph for underground storage
8 tank programs may be expended on any direct or indirect
9 administrative costs of the State or any of its departments, agencies,
10 or authorities.

11 No moneys appropriated at any time pursuant to this
12 subparagraph for underground storage tank programs may be
13 expended on any upgrade, replacement, or closure of any
14 underground storage tank, or for the remediation of any discharge
15 therefrom, for any underground storage tank owned by the State or
16 any of its departments, agencies, or authorities, or for costs incurred
17 by the State for the remediation of discharges of hazardous
18 substances therefrom.

19 Commencing July 1, 2015 and ending June 30, 2019, ten percent
20 of the amount annually credited pursuant to this subparagraph shall
21 be dedicated, and shall be appropriated from time to time by the
22 Legislature, only for providing funding, including loans or grants,
23 for the costs of the remediation of discharges of hazardous
24 substances, which costs may include costs incurred for providing
25 alternative sources of public or private water supplies, when a water
26 supply has been, or is suspected of being, contaminated by a
27 hazardous substance discharge.

28 Commencing July 1, 2019, seven percent of the amount annually
29 credited pursuant to this subparagraph shall be dedicated, and shall
30 be appropriated from time to time by the Legislature, only for
31 providing funding, including loans or grants, for the costs of the
32 remediation of discharges of hazardous substances, which costs
33 may include costs incurred for providing alternative sources of
34 public or private water supplies, when a water supply has been, or is
35 suspected of being, contaminated by a hazardous substance
36 discharge.

37 All moneys derived from repayments of any loan issued from the
38 amount dedicated pursuant to this paragraph prior to or after July 1,
39 2015 for hazardous substance discharge remediation shall be
40 dedicated, and shall be appropriated from time to time by the
41 Legislature, only for loans or grants for hazardous substance
42 discharge remediation authorized pursuant to this subparagraph.
43 The dedication of moneys derived from loan repayments shall not
44 expire.

45 No moneys appropriated pursuant to this subparagraph for
46 hazardous substance discharge remediation may be expended on

1 any direct or indirect administrative costs of the State or any of its
2 departments, agencies, or authorities.

3 (b) There shall be credited annually to a special account in the
4 General Fund an amount equivalent to the revenue annually derived
5 from leases and conveyances of lands acquired or developed by the
6 State for recreation and conservation purposes.

7 The amount annually credited pursuant to this subparagraph shall
8 be dedicated, and shall be appropriated from time to time by the
9 Legislature, only for providing funding, including loans or grants,
10 for the preservation, including acquisition, development, and
11 stewardship, of lands for recreation and conservation purposes,
12 including lands that protect water supplies and lands that have
13 incurred flood or storm damage or are likely to do so, or that may
14 buffer or protect other properties from flood or storm damage;
15 providing funding, including loans or grants, for the preservation
16 and stewardship of land for agricultural or horticultural use and
17 production; providing funding, including loans or grants for historic
18 preservation; and paying administrative costs associated with each
19 of those efforts.

20 All moneys derived from repayments of any loan issued from the
21 amount dedicated pursuant to this subparagraph shall be dedicated,
22 and shall be appropriated from time to time by the Legislature, only
23 for the purposes authorized pursuant to this subparagraph.

24 (cf: Article VIII, Section II, paragraph 6 amended effective
25 December 7, 2006)

26
27 2. When this proposed amendment to the Constitution is finally
28 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
29 shall be submitted to the people at the next general election
30 occurring more than three months after the final agreement and
31 shall be published at least once in at least one newspaper of each
32 county designated by the President of the Senate, the Speaker of the
33 General Assembly and the Secretary of State, not less than three
34 months prior to the general election.

35
36 3. This proposed amendment to the Constitution shall be
37 submitted to the people at that election in the following manner and
38 form:

39 There shall be printed on each official ballot to be used at the
40 general election, the following:

41 a. In every municipality in which voting machines are not used,
42 a legend which shall immediately precede the question as follows:

43 If you favor the proposition printed below make a cross (X), plus
44 (+), or check (✓) in the square opposite the word "Yes." If you are
45 opposed thereto make a cross (X), plus (+) or check (✓) in the
46 square opposite the word "No."

47 b. In every municipality the following question:

	<p>YES</p>	<p style="text-align: center;">CONSTITUTIONAL AMENDMENT DEDICATING STATE FUNDS FOR OPEN SPACE, FARMLAND, AND HISTORIC PRESERVATION, AND CHANGING EXISTING DEDICATION FOR WATER PROGRAMS, UNDERGROUND STORAGE TANKS, AND HAZARDOUS SITE CLEANUPS</p> <p>Do you approve amending the Constitution to dedicate certain State revenues each year for environmental programs?</p> <p>The Constitution now dedicates four percent of the money collected from the Corporation Business Tax to help pay for some environmental programs. This amendment raises the amount from four percent to six percent beginning on July 1, 2019.</p> <p>The amendment also changes, beginning July 1, 2015, some of the programs funded by the current dedication. The new dedication would be used mostly to preserve and steward open space, farmland, historic sites, and flood-prone areas. Funds would also be used to improve water quality, remove and clean up underground tanks, and clean up polluted sites. Lastly, the amendment dedicates money received from leases and other uses of State open space lands to pay for open space, farmland, and historic preservation.</p>
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	<p>NO</p>	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>This amendment would ensure stable funding for some of the State's environmental programs.</p> <p>The Constitution now dedicates four percent of the money collected from the Corporation Business Tax to help pay for some environmental programs. This amendment raises the amount from four percent to six percent beginning on July 1, 2019. It also changes the amounts allocated to some of the programs funded by the existing dedication beginning on July 1, 2015.</p> <p>The money from the new dedication would be used: (1) to preserve and care for open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres); (2) to improve water quality; (3) to pay for polluted site cleanups; and (4) for underground tank removal and cleanup.</p> <p>Lastly, the amendment requires that money received from leases and certain other uses of State-owned preserved open space be used to pay for open space, farmland, and historic preservation.</p> <p>The current dedication of Corporation Business Tax revenue helps pay for water quality programs, polluted site cleanups, underground tank removal and cleanup, air pollution equipment for diesel engines, and improvements to parks.</p> <p>Under the State's open space preservation programs, known as Green Acres and Blue Acres, land is bought to protect water supplies, create and maintain parks and fish and wildlife areas, and protect flood-prone areas. The Green Acres program also helps pay for improvements to parks.</p>
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SCHEDULE

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3 This Constitutional amendment shall, if approved, take effect on
4 July 1, next following the general election at which it was
5 approved.

LEGISLATIVE FISCAL ESTIMATE
SENATE COMMITTEE SUBSTITUTE FOR
SENATE CONCURRENT RESOLUTION No. 84
STATE OF NEW JERSEY
216th LEGISLATURE

DATED: AUGUST 11, 2014

SUMMARY

Synopsis: Amends Constitution to dedicate four percent of Corporation Business Tax (CBT) revenues to open space, farmland, and historic preservation, water programs, public and private site remediation, and underground storage tank programs, ends current dedication of four percent of CBT revenues for various environmental programs, and increases dedication to six percent of CBT revenues in 2019; and dedicates revenue from leases and conveyances of State-owned open space for open space, farmland, and historic preservation.

Type of Impact: Rededication of CBT revenue for environmental purposes within the State General Fund; increased tax revenue dedication for environmental purposes.

Agencies Affected: Department of Environmental Protection and Department of the Treasury.

Office of Legislative Services Estimate*

Fiscal Impact	Current Provisions	FY 2016-19 (4%)	FY 2020 et seq (6%)
Water Resources	\$15,000,000	\$5,000,000	\$7,500,000
Hazardous Substance Discharge Remediation (Brownfields), Private Underground Storage Tank Remediation	\$25,000,000	\$10,000,000	\$10,500,000
Hazardous Substance Discharge Cleanups (Publicly Funded Cleanups)	\$28,00,000	\$5,000,000	\$7,500,000
Diesel Risk Mitigation	\$0	\$0	\$0
Recreational Land Development and Conservation	\$32,000,000	\$0	\$0
Open Space, Farmland, and Historic Preservation	\$0	\$71,000,000	\$117,000,000
Total	\$100,000,000	\$100,000,000	\$150,000,000

*Assuming annual CBT revenue of \$2,500,000,000.



- The Office of Legislative Services (OLS) concludes that the most significant impact of this proposed constitutional amendment is to increase by 50% the amount dedicated to the several environmental purposes beginning in FY 2020, when the percentage of the Corporation Business Tax (CBT) dedication increases from 4% to 6%.
- The OLS notes that the proposed constitutional amendment also dedicates any revenue derived annually from leases and certain other uses of State-owned preserved open space to funding open space, farmland, and historic preservation.
- The OLS also notes that the amendment alters the distribution of dedicated funds among the several environmental purposes beginning in FY 2016, as illustrated above and described below.

BILL DESCRIPTION

Senate Committee Substitute for Senate Concurrent Resolution No. 84 of 2014 proposes a constitutional amendment to change the amounts allocated to the various environmental programs funded by the existing dedication of 4% of the revenue annually collected from the CBT, and add a new allocation category, beginning on July 1, 2015. It would also raise the amount of the dedication from 4% to 6%, beginning on July 1, 2019. The revenues to be constitutionally dedicated by the committee substitute would be used: (1) to preserve and steward open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres); (2) for water resources programs and projects; (3) for polluted site cleanups; and (4) for underground tank removal and cleanup. Moneys dedicated by the proposed constitutional amendment to preserving open space or flood-prone areas may also be used for the development of those lands for recreation and conservation purposes. The committee substitute would prohibit use of any of the moneys dedicated by the proposed constitutional amendment for the purpose of paying the principal or interest on any general obligation bonds issued by the State prior or subsequent to adoption of the proposed constitutional amendment. Therefore, this proposed constitutional dedication of stable funding for various environmental purposes would be strictly a “pay as you go” program.

The committee substitute also proposes to amend the State Constitution to require that all moneys received by the State from leases and certain other uses of State-owned preserved open space be used only to preserve and steward open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres).

Current Constitutional Dedication

The current constitutional dedication of 4% of the CBT revenue helps pay for water resources programs and projects, polluted site cleanups, underground tank removal and cleanup, air pollution equipment for diesel engines, and improvements to parks. Specifically, the Constitution now allocates the moneys from the dedication as follows:

- (1) 15% for water resources programs and projects;
- (2) 25% for hazardous substance discharge remediation programs (“brownfields,” for example), unless the previously dedicated underground storage tank fund balances fall below \$20 million in a fiscal year, then 55% of the 25% allocation must be appropriated for underground storage tank programs the following year;

(3) 28% for hazardous substance discharge cleanup performed by the State (“publicly funded cleanups”);

(4) 17% for diesel air pollution control programs until December 31, 2015; and

(5) 15% for financing improvements and facilities for recreation and conservation purposes on parks and other preserved open space lands.

Further, under the current constitutional dedication, on January 1, 2016 the 17% allocation for diesel air pollution control programs (#4 above) expires and the moneys are reallocated to supplement the 15% dedication for financing improvements and facilities for recreation and conservation purposes on parks and other preserved open space lands, thereby increasing the dedication allocation for that purpose to a total of 32%. Also, under the current constitutional dedication, commencing January 1, 2022, the 25% allocation for hazardous substance discharge remediation programs and underground storage tank programs is continued but there are no longer any conditions or sub-allocations with respect to how the moneys are split between the two programs. Lastly, under the current constitutional dedication, up to 9% of the total amount dedicated may be used to pay for administrative costs of the State’s hazardous substance discharge program (#3 above).

In FY 2014, the adjusted appropriation from the constitutional dedication of 4% of the CBT revenue provided a total amount of \$103.1 million to fund the various environmental programs listed in the State Constitution to receive an allocation, as described above.

Proposed Constitutional Dedication FY 2016 through FY 2019

Specifically, for the period from FY 2016 through FY 2019, the committee substitute proposes to amend the State Constitution to continue to dedicate annually 4% of the CBT revenue for certain environmental programs, but to allocate the dedicated moneys as follows:

(1) 5% for water resources programs and projects;

(2) 10% for hazardous substance discharge remediation programs (“brownfields,” for example);

(3) 9% for underground storage tank programs;

(4) 5% for hazardous substance discharge cleanup performed by the State (“publicly funded cleanups”); and

(5) 71% for the preservation and stewardship of open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres).

The proposed constitutional amendment also would no longer dedicate any funding to pay for administrative costs associated with the State’s hazardous substance discharge cleanup program.

Proposed Constitutional Dedication FY 2020 and Thereafter

Specifically, for the period commencing FY 2020 and thereafter, the committee substitute proposes to amend the State Constitution to raise the annual dedication of the CBT revenue for certain environmental programs from 4% to 6%, and to allocate the dedicated moneys as follows:

(1) 5% for water resources programs and projects;

(2) 7% for hazardous substance discharge remediation programs (“brownfields,” for example);

(3) 5% for underground storage tank programs;

(4) 5% for hazardous substance discharge cleanup performed by the State (“publicly funded cleanups”); and

(5) 78% for the preservation and stewardship of open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres).

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the most significant impact of this proposed constitutional amendment is to increase by 50% the amount dedicated to the several environmental purposes beginning in FY 2020, when the percentage of the CBT dedication increases from 4% to 6%. Assuming an annual revenue yield from the CBT of \$2.5 billion for FY 2016 and each subsequent year, appropriations for the several environmental purposes will increase by \$50 million above the levels currently required by the State Constitution. Revenue from the CBT will undoubtedly vary from year to year from the assumed amounts illustrated in the table included in this fiscal estimate, so the actual change in the dedicated amounts will fluctuate proportionally.

The OLS notes that the proposed constitutional amendment also dedicates any revenue derived annually from leases and certain other uses of State-owned preserved open space to funding open space, farmland, and historic preservation. No estimate of the revenue that would become dedicated by this provision is feasible, since those amounts are subject to fluctuation annually based on conditions that cannot readily be foreseen.

The OLS also notes that the proposed constitutional amendment alters the distribution of dedicated funds among the several environmental purposes beginning in FY 2016. Assuming annual CBT revenue of \$2.5 billion, annual funding for open space, farmland, and historic preservation will increase in FY 2016-2019 from \$32 million to \$71 million, and thereafter to \$117 million. Annual funding will decline for the other four authorized uses, by an aggregate annual amount of \$39 million for FY 2016-2019, and by an aggregate annual amount of \$35 million in FY 2020 and each year thereafter. Therefore, since the funding for these other environmental purposes would be reduced, less funding from dedicated CBT revenues may be available to pay the administrative costs for those programs.

Section: Environment, Agriculture, Energy and Natural Resources

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This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).