

## LEGISLATIVE HISTORY CHECKLIST

**NJSA:** 54:10A-5.1 and 54:10A-5.2 "Hazardous Discharge Site Cleanup Fund--provide for annual appropriation)

**LAWS OF:** 1986 **CHAPTER** 144

**BILL NO:** A2699/A2700

**Sponsor(s):** Bennett, and others

**Date Introduced:** May 22, 1986

**Committee: Assembly:** Environmental, Quality; Appropriations

**Senate:** -----

**Amended during passage:** Yes Substituent for S2011 (not attached since identical to A2699). Assembly committee substitute for A2699/A2700 (2nd OCR) enacted.

**Date of Passage: Assembly:** October 23, 1986

**Senate:** October 23, 1986

**Date of Approval:** November 12, 1986

**Following statements are attached if available:**

**Sponsor statement:** Yes

**Committee statement: Assembly** Yes 9-11-86 and 9-15-86

**Senate** No

**Fiscal Note:** No

**Veto Message:** No

**Message on Signing:** No

**Following were printed:**

**Reports:** No

**Hearings:** Yes

974.90 New Jersey. Legislature. General Assembly. Environmental Quality  
P777 Committee. Public hearing, held 7-29-86, 8-25-86.  
1986d Kearny and Mt. Holly, 1986

See newspaper clipping file in New Jersey Reference Department under "New Jersey-Hazardous Wastes-clean-up--1986".

144 86  
11-12-86

[SECOND OFFICIAL COPY REPRINT]  
ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, Nos. 2699 and 2700**

**STATE OF NEW JERSEY**

ADOPTED SEPTEMBER 11, 1986

Sponsored by Assemblymen BENNETT, SINGER, Assemblywoman  
Donovan and Assemblyman Smith

AN ACT to increase the revenue available \***[**to the "Hazardous Discharge Site Cleanup Fund" by**]**\* *for hazardous discharge site cleanup*,\* imposing a surtax upon corporations under the Corporation Business Tax Act, and supplementing P. L. 1945, c. 162 (C. 54:10A-1 et seq.).

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. In addition to the franchise tax paid by each taxpayer under  
2 subsection (c) of section 5 of P. L. 1945, c. 162 (C. 54:10A-5),  
3 every taxpayer shall be assessed and shall pay a surtax equal  
4 to a percentage rate established pursuant to section 2 of this  
5 1986 supplementary act applied to its entire net income or such  
6 portion thereof as may be allocable to this State as provided in  
7 section 6 of P. L. 1945, c. 162 (C. 54:10A-6). The surtax imposed  
8 under this section shall be due and payable in accordance with  
9 section 15 of P. L. 1945, c. 162 (C. 54:10A-15). The surtax shall  
10 be administered pursuant to the provisions of P. L. 1945, c. 162  
11 (C. 54:10A-1 et seq.)\***[**, but all amounts collected from the surtax  
12 and penalties attributable thereto shall be credited to the "Hazardous Discharge Site Cleanup Fund" established pursuant to  
13 section 1 of P. L. 1985, c. 247 (C. 58:10-23.34)**]**\*.

1 2. The Director of the Division of Taxation, in the Department  
2 of the Treasury shall, on or before May 30, 1988 and on or before  
3 May 30 annually thereafter, review the *\*\*most recent annual\*\**  
4 revenue collections *\*\*[*for the immediately preceding calendar

**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 printed in italics thus is new matter.**

**Matter enclosed in asterisks or stars has been adopted as follows:**

**\*—Assembly committee amendments adopted September 15, 1986.**

**\*\*—Assembly amendments adopted October 20, 1986.**

5 year]\*\* in order to estimate the revenue collections from the fran-  
 6 chise tax paid pursuant to subsection (c) of section 5 of P. L. 1945,  
 7 c. 162 (C. 54:10A-5), attributable solely to changes in federal in-  
 8 come tax laws effectuated by the "Tax Reform Act of 1986," Pub. L.  
 9 . . . . (now pending before the Congress as H. R. 3838), which esti-  
 10 mate shall be made in multiples of \$1,000,000.00. The director on or  
 11 before May 30, 1988 and on or before May 30 annually thereafter,  
 12 shall provide a certification of the estimate of these revenues to  
 13 the Legislature. The surtax rate in section 1 of this 1986 supple-  
 14 mentary act shall be determined pursuant to the following formula :

$$15 \quad **[R = .5\% \times ((60,000,000 - FA) / 60,000,000)]**$$

$$16 \quad **R = .5\% \times ((CA - FA) / 60,000,000)**$$

17 where: R is the surtax percentage rate, which shall not be less  
 18 than zero; \*\*[and,]\*\* FA is the corporate business tax revenue  
 19 amount, estimated by the director, attributable solely to changes  
 20 in federal income tax laws effectuated by the "Tax Reform Act of  
 21 1986," Pub. L. . . (now pending before the Congress as H. R.  
 22 3838)\*\*; and, CA is equal to 40,000,000 for the first certification  
 23 year, 45,000,000 for the second certification year, 50,000,000 for the  
 24 third certification year, 45,000,000 for the fourth certification year,  
 25 and 45,000,000 for the fifth certification year\*\*.

26 The rate of surtax determined shall only be for the report  
 27 covering the accounting or privilege period \*\*[or part thereof]\*\*  
 28 ending on or after \*\*[December]\*\* \*\*July\*\* 31 of the calendar  
 29 year \*\*[next succeeding the calendar year]\*\* in which the certifica-  
 30 tion is made *\*\*but no later than June 30 of the calendar year next*  
 31 *succeeding the calendar year in which the certification was made\*\**.

1 *\*\*3. The Director of the Division of Taxation in the Department*  
 2 *of the Treasury shall, pursuant to the "Administrative Procedure*  
 3 *Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.), adopt such rules and*  
 4 *regulations as may be necessary to effectuate the purpose of this*  
 5 *act.\*\**

1 **\*\*[3.]\*\*** **\*\*4.\*\*** Except as otherwise provided in this section,  
 2 commencing July 1, 1987 and annually thereafter until June 30,  
 3 1992, an amount of **\*\*[\$60,000,000.00]\*\*** **\*\*\$40,000,000.00 for fiscal**  
 4 **year 1988, \$45,000,000.00 for fiscal year 1989, \$50,000,000.00 for**  
 5 **fiscal year 1990, \$45,000,000.00 for fiscal year 1991 and \$45,000,000.00**  
 6 **for fiscal year 1992\*\*** \* [of revenue collected from the franchise  
 7 tax paid pursuant to subsection (c) of section 5 of P. L. 1945, c. 162  
 8 (C. 54:10A-5)]\* *\*\*from the General Fund\** shall be credited an-  
 9 nually to the "Hazardous Discharge Site Cleanup Fund" estab-  
 10 lished pursuant to section 1 of P. L. 1985, c. 247 (C.  
 11 58:10-23.34). **\*\*[This]\*\*** **\*\*The\*\*** amount of **\*\*[\$60,000,000.00]\*\***

12 *\*\*\$40,000,000.00 for fiscal year 1988, \$45,000,000.00 for fiscal year*  
 13 *1989, \$50,000,000.00 for fiscal year 1990, \$45,000,000.00 for fiscal*  
 14 *year 1991 and \$45,000,000.00 for fiscal year 1992\*\** shall be an-  
 15 nually reduced by the amount of surtax collected pursuant to sec-  
 16 tions 1 and 2 of this 1986 supplementary act. It is the intent of  
 17 the Legislature that this act assures the annual appropriation of at  
 18 least **\*\*[\$60,000,000.00]\*\*** *\*\*\$40,000,000.00 for fiscal year 1988,*  
 19 *\$45,000,000.00 for fiscal year 1989, \$50,000,000.00 for fiscal year*  
 20 *1990, \$45,000,000.00 for fiscal year 1991 and \$45,000,000.00 for fiscal*  
 21 *year 1992\*\** to the "Hazardous Discharge Site Cleanup Fund" for  
 22 the purpose of providing a stable funding source for hazardous  
 23 discharge cleanup.

1 **\*\*[4.]\*\*** **\*\*5.\*\*** This act shall take effect immediately but shall  
 2 remain inoperative until the enactment of P. L. 1986, c. . . . (now  
 3 before the Legislature as Senate Bill No. 2012 Sca of 1986 *\*or*  
 4 *Assembly Bill No. 2701 of 1986\**) and P. L. 1986, c. . . . (C. . . . .)  
 5 (now before the Legislature as Assembly Bill No. 2698 ACS) **\*\*[**,  
 6 and the surtax imposed in section 1 shall apply to account or  
 7 privilege periods or parts thereof ending after December 31,  
 8 1988**\*\*]**. This act shall expire commencing with accounting or  
 9 privilege periods or parts thereof ending after **\*\*[December 31]\*\***  
 10 **\*\*June 30\*\***, 1993.

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TAXATION—BUSINESS AND UTILITIES

Creates a surtax on the corporate business tax and increases revenue available for hazardous discharge cleanup.

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ASSEMBLY, No. 2699  
STATE OF NEW JERSEY

INTRODUCED MAY 22, 1986

By Assemblyman BENNETT

AN ACT concerning the funding of hazardous discharge cleanup  
and amending P. L. 1985, c. 247.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. Section 1 of P. L. 1985, c. 247, (C. 58:10-23.34) is amended to  
2 read as follows:

3 1. a. There is established in the Department of Environmental  
4 Protection a fund to be known as the "Hazardous Discharge Site  
5 Cleanup Fund." All interest earned on moneys in the fund shall be  
6 credited to the fund. Moneys in the fund shall be used by the De-  
7 partment of Environmental Protection for the purposes of prepar-  
8 ing feasibility studies, engineering designs, and undertaking other  
9 work necessary to the cleanup or mitigation of hazardous discharge  
10 sites in this State included on the National Priorities List of  
11 hazardous discharge sites adopted by the federal Environmental  
12 Protection Agency pursuant to the "Comprehensive Environmental  
13 Response, Compensation, and Liability Act of 1980," Pub. L. 96-510  
14 (42 U. S. C. § 9601 et seq.) or other hazardous discharge sites  
15 approved by the department.

16 b. Any moneys received by the department from the federal  
17 government or from responsible parties as reimbursement for costs  
18 incurred by the department in connection with the cleanup of a  
19 hazardous discharge site on the federal National Priorities List  
20 shall be deposited *in the fund* by the department for additional haz-  
21 ardous discharge cleanup activities.

22 *c. The Legislature shall annually appropriate \$50,000,000.00 from*  
23 *the General Fund to the department to be deposited in the "Haz-*  
24 *ardous Discharge Site Cleanup Fund."*

1 2. This act shall take effect immediately.

**Matter printed in italics thus is new matter.**

## STATEMENT

This bill amends the legislation which established the "Hazardous Discharge Site Cleanup Fund" to provide for an annual appropriation from the General Fund to the fund in the amount of \$50,000,000.00. The "annualization" of this appropriation is designed to introduce predictability into the funding of hazardous discharge cleanup.

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HAZARDOUS WASTE (CLEANUP)

Directs the Legislature to annually appropriate \$50 million from General Fund to "Hazardous Discharge Site Cleanup Fund."

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ASSEMBLY, No. 2700  
STATE OF NEW JERSEY

INTRODUCED MAY 22, 1986

By Assemblyman BENNETT

AN ACT to increase the corporation business tax and amending  
P. L. 1945, c. 162.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. Section 5 of P. L. 1945, c. 162 (C. 54:10A-5) is amended to  
2 read as follows:

3 5. The franchise tax to be annually assessed to and paid by each  
4 taxpayer shall be the sum of the amount computed under subsec-  
5 tion (a) hereof, or in the alternative to the amount computed under  
6 subsection (a) hereof, the amount computed under subsection (f)  
7 hereof, and the amount computed under subsection (c) *and sub-*  
8 *section (g)* hereof:

9 (a) That portion of its entire net worth as may be allocable to  
10 this State as provided in section 6, multiplied by the following  
11 rates: 2 mill per dollar on the first \$100,000,000.00 of allocated  
12 net worth;  $\frac{1}{10}$  of a mill per dollar on the second \$100,000,000.00;  
13  $\frac{1}{10}$  of a mill per dollar on the third \$100,000,000.00; and  $\frac{1}{10}$  of a  
14 mill per dollar on all amounts of allocated net worth in excess of  
15 \$300,000,000.00; provided, however, that with respect to reports  
16 covering accounting or privilege periods set forth below, the rate  
17 shall be that percentage of the rate set forth in this subsection for  
18 the appropriate year:

Accounting or Privilege Periods Beginning on or After:	The Percentage of the Rate to be Imposed Shall Be:
19 April 1, 1983	75%
20 July 1, 1984	50%
21 July 1, 1985	25%
22 July 1, 1986	0

23 (b) (Deleted by amendment, P. L. 1968, c. 250, s. 2.)

**Matter printed in italics thus is new matter.**

24 (c)  $3\frac{1}{4}\%$  of its entire net income or such portion thereof as may  
25 be allocable to this State as provided in section 6; provided, how-  
26 ever, that with respect to reports covering accounting or privilege  
27 periods or parts thereof ending after December 31, 1967, the rate  
28 shall be  $4\frac{1}{4}\%$ ; and that with respect to reports covering account-  
29 ing or privilege periods or parts thereof ending after December 31,  
30 1971, the rate shall be  $5\frac{1}{2}\%$ ; and that with respect to reports cov-  
31 ering accounting or privilege periods or parts thereof ending after  
32 December 31, 1974, the rate shall be  $7\frac{1}{2}\%$ ; and that with respect  
33 to reports covering accounting or privilege periods or parts thereof  
34 ending after December 31, 1979, the rate shall be 9%.

35 (d) Provided, however, that the franchise tax to be annually  
36 assessed to and paid by any investment company or real estate  
37 investment trust, which has elected to report as such and has filed  
38 its return in the form and within the time provided in this act and  
39 the rules and regulations promulgated in connection therewith,  
40 shall, in the case of an investment company, be measured by 25%  
41 of its entire net income and 25% of its entire net worth, and in the  
42 case of a real estate investment trust, by 4% of its entire net in-  
43 come and 15% of its entire net worth, at the rates hereinbefore  
44 set forth for the computation of tax on net income and net worth,  
45 respectively, but in no case less than \$250.00, and further provided,  
46 however, that the franchise tax to be annually assessed to and paid  
47 by a regulated investment company which for a period covered by  
48 its report satisfies the requirements of Chapter 1, Subchapter M,  
49 Part I, Section 852 (a) of the federal Internal Revenue Code shall  
50 be \$250.00.

51 (e) The tax assessed to any taxpayer pursuant to this section  
52 shall not be less than \$25.00 in the case of a domestic corporation,  
53 \$50.00 in the case of a foreign corporation, or \$250.00 in the case  
54 of an investment company or regulated investment company.

55 (f) In lieu of the portion of the tax based on net worth and to  
56 be computed under subsection (a) of this section, any taxpayer,  
57 the value of whose total assets everywhere, less reasonable reserves  
58 for depreciation, as of the close of the period covered by its report,  
59 amounts to less than \$150,000.00, may elect to pay the tax shown  
60 in a table which shall be promulgated by the director.

61 (g) *.5% of its entire net income or such portion thereof as may*  
62 *be allocable to this State as provided in section 6 of P. L. 1945, c.*  
63 *162 (C. 54:10A-6). No tax revenues shall be collected pursuant to*  
64 *this subsection after January 1, 1992.*

1 2. This act shall take effect immediately, and shall apply to  
2 accounting or privilege periods beginning on or after December  
3 31, 1986.



## STATEMENT

This bill would increase the rate of the tax on net income imposed pursuant to the "Corporation Business Tax Act (1945)," from the current rate of 9% to 9.5%. It is estimated that the tax imposed by this bill would generate approximately \$50,000,000.00 per year.

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HAZARDOUS WASTE (CLEANUP)

Raises the Corporation Business Tax from 9% to 9½%.

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ASSEMBLY COMMITTEE ON ENVIRONMENTAL QUALITY

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR

**ASSEMBLY, Nos. 2699 and 2700**

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 11, 1986

This bill provides a funding program which would be used to finance the cleanup of the States' hazardous discharge sites. Beginning in Fiscal Year 1988, and continued until Fiscal Year 1992, an amount of \$60 million would be credited annually to the "Hazardous Discharge Site Cleanup Fund." The moneys for the fund would be increased revenue the State receives in corporation business tax due to the federal "Tax Reform Act of 1986." In the event that \$60 million additional is not produced, a corporate business surtax would be imposed to supplement the additional moneys needed to produce \$60 million.

The New Jersey corporation business tax definition of "entire net income" is tied to the federal corporation tax definition of "taxable income." Most changes to increase the federal tax base will correspondingly increase the New Jersey corporate tax base. While federal reforms would lower federal corporate tax rates, New Jersey's corporate tax rate would remain at 9%. This would result in an increase in the New Jersey corporation business tax collections. This bill allows for the Director of the Division of Taxation to review revenue collections to estimate the amount attributable to changes in federal income tax laws. Once this revenue is estimated, the amount would be applied to a formula that determines the surtax percentage rate. This rate would decline to zero if it is estimated that \$60 million additional are attributable to changes in the federal tax law. If corporate tax changes account for less than \$60 million additional, a surtax would go into effect for the next succeeding calendar year to supplement revenue collections.

This bill is part of a package of bills which when considered together would provide a stable funding source for the cleanup of hazardous discharges over the next five years. The package would raise approximately \$600 million: \$200 million from a general obligation bond act; \$300 million from the Corporation Business Tax; and, \$90 million from the "Spill Compensation and Control Tax." This package is the result of negotiations among varied interests in an effort to strike a balance between increasing the share that the business community directly contributes to the massive effort required to cleanup hazardous waste sites throughout the State, and the desire to make the contribution by both the business and public sectors as equitable as possible.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR

**ASSEMBLY, Nos. 2699 and 2700**

with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 15, 1986

The Assembly Appropriations Committee favorably reports the Assembly Committee Substitute for Assembly Bill Nos. 2699 and 2700 with amendments.

This bill as amended provides a funding program which would be used to finance the cleanup of the State's hazardous discharge sites. Beginning in Fiscal Year 1988, and continuing until Fiscal Year 1992, an amount of \$60 million would be credited annually to the "Hazardous Discharge Site Cleanup Fund." The moneys for the fund would be appropriated from General Fund revenue that the State receives in increased corporation business tax due to the federal "Tax Reform Act of 1986." In the event that \$60 million is not produced, a corporate business surtax would be imposed to supplement the additional moneys needed to produce \$60 million.

The New Jersey corporation business tax definition of "entire net income" is tied to the federal corporation tax definition of "taxable income." Most changes to increase the federal tax base will respectively increase the New Jersey corporate tax base. While federal reforms would lower federal corporate tax rates, New Jersey's corporate tax rate would remain at 9%. This would result in an increase in the New Jersey corporation business tax collections. This bill allows for the Director of the Division of Taxation to review revenue collections to estimate the amount attributable to changes in federal income tax laws. Once this revenue is estimated, the amount is applied to a formula that determines the surtax percentage rate. This rate would decline to zero if \$60 million is estimated as being attributable to changes in the federal tax law. If less than \$60 million is estimated, a surtax would go into effect for the next succeeding calendar year, in order to supplement revenue collections.

**FISCAL IMPACT:**

The bill allows for \$60 million of revenue to annually be credited to the "Hazardous Discharge Site Cleanup Fund" for five years beginning with fiscal year 1988.

**COMMITTEE AMENDMENTS:**

The committee amendments sever the direct connection between moneys raised under the surtax and moneys used for hazardous discharge site cleanup, whereby obviating the preemption by the federal Super Fund of 1981, (Comprehensive Environmental Response, Compensation and Liability Act, Pub. L. 92-217).

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## NEWS RELEASE

CN-001  
Contact: JOHN SAMERJAN  
609-292-8956 OR 292-6000 EXT. 207

TRENTON, N.J. 08625  
Release: WED., NOV. 12, 1986

Governor Thomas H. Kean today signed the two legislative components of a hazardous waste clean-up proposal, allocating \$335 million to be used over the next five years as part of a broad clean-up effort of the State's toxic dump sites.

The funds will be added to \$200 million in bond issue resources approved by the voters on Election Day; \$500 million anticipated from the Federal Superfund program, and \$450 million in money recovered from responsible parties.

The total to be expended to clean up the 228 identified toxic dump sites in the State is \$1.5 billion.

The bills signed today, A-1888 and A-1889, were sponsored by Assemblyman John Bennett, R-Monmouth.

A-1888 increases by 15 percent the current tax on chemical and petroleum stocks under the State's Soil Contamination and Control Act. It is expected to produce \$22 million per year for the next five years -- a total of \$110 million.

A-1889 dedicates a portion of the State's Corporation Business Tax starting in 1988, to the clean-up program. It is expected the State will receive a so-called "windfall" in corporate tax revenues as a result of the Federal tax reform act.

Under the legislation signed today, a total of \$255 million will be allocated from this "windfall" beginning in 1988.

-more-

A-2698 and A-2699 Signed  
Page 2  
November 12, 1986

The legislation also provides for a standby surtax on the corporation business tax should the anticipated "windfall" income fall below the sums currently anticipated. The surtax would be triggered to cover any potential shortfall in revenue.

Attached is a statement from Governor Kean concerning the Legislation.

=                    =                    =                    =

Today I am signing legislation to provide major new funding for cleanups of hazardous waste sites in New Jersey. The cleanup of these sites, as quickly and safely as possible, has been and continues to be one of the highest priorities of my administration. This bill and the \$200 million bond act provide a financing mechanism for the state's share of over \$1.5 billion in cleanup activity over the next five years. I sincerely hope this goal is achieved.

Our commitment to progress and excellence in meeting the challenge of hazardous waste cleanup is clear. New Jersey has more sites on the Superfund national priorities list than any other state - not because we have more problems; but because we have chosen to face up to those problems. And our willingness to face those problems is now beginning to pay off. New Jersey consistently leads the nation in capturing federal cleanup dollars because we have taken the time and spent the money to investigate sites and to design solutions. In addition, we are succeeding more and more frequently in convincing polluters to fund cleanups themselves. In both of these ways, we reduce the need for state spending.

We believe we can continue our progress in these two areas. Reauthorization of the federal Superfund means that federal funding, \$9 billion in total over the next 5 years, will continue. This renewed federal commitment and new, more flexible settlement procedures in Superfund should drive even more private party cleanups.

Long term State funding of cleanups is just as critical. Without funding certainty, program planning cannot continue effectively, and private polluters are less likely to clean up their sites.

I congratulate the Legislature for their strong commitment to funding the cleanup of hazardous waste. The bill before me today is the result of a bipartisan effort in which industry and environmental groups participated. Through a long process of compromise and negotiation a long-term funding plan was developed.

However, some problems remain. In providing state funds for cleanup, I had two major goals. The first was to provide certainty that state funding needs and commitments would be met. The second was to distribute the costs of cleanup equitably among those most responsible for the problem. The legislation before me does not meet either of these goals to my total satisfaction.

This bill provides for the expenditure of \$45 million annually from enhanced revenues which might result from federal tax reform. By providing that this major portion of each year's funding must come from general appropriations, the package leaves us with the uncertainty of the annual budget process, and drastically limits our flexibility to respond to the many competing demands for funding, such as education, housing and aid to cities.

Further, by presenting me with a program which relies heavily upon general revenues and bonds, and which includes only slightly enhanced Solid Fund revenues, the Legislature has apportioned the major share of the burden to the general taxpayers of this State and only a minor share to responsible industries. I believe these costs could be distributed more fairly.

In our negotiations the legislative package was modified to reflect our goals of certainty and fairness. The Legislature has agreed to pursue several steps to meet the goals of decreasing the general public's share of costs and reducing reliance upon annual appropriations.



Four agreements were reached to move the package in these directions.

1. We will be working with the Legislature and industry in developing proposals to revise the Spill Fund. The Chamber of Commerce has agreed to convene an industry task force to work with us. We intend to look for ways to broaden the base of this tax and increase revenues substantially, and welcome the input and cooperation from industry on this effort. Restructuring of this tax would increase certainty and reduce the reliance upon the general fund.

2. All fines and penalties paid for violations of hazardous waste laws will now be deposited into the cleanup fund instead of the general fund. This directly links violations with the need for cleanup. Also, a fee will be charged for privately funded cleanups to cover the costs incurred by the State.

3. Industry must continue to reduce the generation of hazardous waste. Senator Gormley has introduced legislation calling for development of standards and goals for waste minimization, and of a mechanism whereby failure to meet these goals would result in a corporate tax surcharge. We will work closely with him to refine that legislation.

4. A hazardous waste permit fee system will be established under which those who generate, treat, store or transport will be required to pay for their permits, commensurate with the amount of state regulatory oversight their activity requires. The enactment of such legislation would reduce the drain on the general fund by \$6 million annually.

■ By modifying the Legislature's original package these ways, we have moved in a positive direction and an important goal has been reached.