

58:4-11

LEGISLATIVE HISTORY CHECKLIST

Compiled by the NJ State Law Library

LAWS OF: 2001 **CHAPTER:** 360
NJSA: 58:4-11 (Dam, lake, and stream projects)
BILL NO: S1714 (Substituted for A2863)
SPONSOR(S): Littell and Bucco
DATE INTRODUCED: October 2, 2000
COMMITTEE: **ASSEMBLY:** Appropriations; Environment
 SENATE: Budget
AMENDED DURING PASSAGE: Yes
DATE OF PASSAGE: **ASSEMBLY:** June 28, 2001
 SENATE: November 26, 2001
DATE OF APPROVAL: January 6, 2002

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL Assembly Committee Substitute (1st reprint) enacted
(Amendments during passage denoted by superscript numbers)

S1714

SPONSORS STATEMENT: (begins on page 3 of original bill)	Yes	
COMMITTEE STATEMENT:	ASSEMBLY: Yes	6-25-2001(Appopr.) 5-3-2001(Environm't)
	SENATE: Yes	
FLOOR AMENDMENT STATEMENTS:	No	
LEGISLATIVE FISCAL ESTIMATE:	Yes	7-19-2001 10-3-2001

A2863

SPONSORS STATEMENT: (Begins on page 3 of original bill)	Yes	
	Bill and Sponsors Statement identical S1714	
COMMITTEE STATEMENT:	ASSEMBLY: Yes	5-3-2001(Environ't) 6-25-2001(Appopr.)
	Statements identical to statements on S1714	
	SENATE: No	
FLOOR AMENDMENT STATEMENTS:	No	
LEGISLATIVE FISCAL ESTIMATE:	Yes	
ASSEMBLY COMMITTEE SUBSTITUTE W/A3330:	Yes	
ASSEMBLY COMMITTEE SUBSTITUTE W/A3330 and A2862:	Yes	

A2862

SPONSORS STATEMENT: (Begins on page 3 of original bill)	Yes	
COMMITTEE STATEMENT:	ASSEMBLY: Yes	
	SENATE: No	
FLOOR AMENDMENT STATEMENTS:	No	
LEGISLATIVE FISCAL ESTIMATE:	Yes	
FINAL VERSION (first reprint):	Yes	

A3330

SPONSORS STATEMENT: (Begins on page 4 of original bill)	Yes	
COMMITTEE STATEMENT:	ASSEMBLY: No	
	SENATE: No	
FLOOR AMENDMENT STATEMENTS:	No	
LEGISLATIVE FISCAL ESTIMATE:	No	

VETO MESSAGE:	No	
GOVERNOR'S PRESS RELEASE ON SIGNING:	No	

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government
Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS:	No	
HEARINGS:	No	
NEWSPAPER ARTICLES:	No	

SENATE, No. 1714

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED OCTOBER 2, 2000

Sponsored by:

Senator ROBERT E. LITTELL

District 24 (Sussex, Hunterdon and Morris)

Senator ANTHONY R. BUCCO

District 25 (Morris)

Co-Sponsored by:

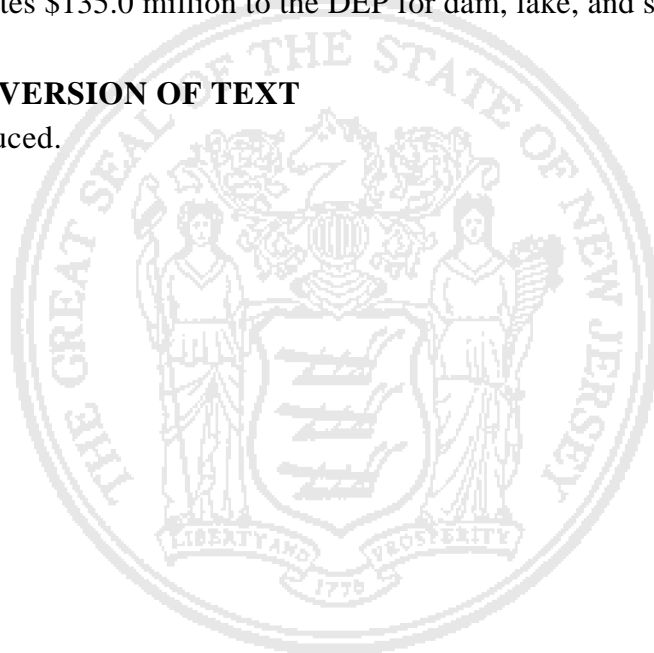
Senators DiFrancesco, Martin, Kyrillos, Bark, Singer, Inverso, Kavanaugh, Bennett, Kenny, Bryant, McNamara, Robertson, Sinagra, Rice, Bassano, Connors, Cafiero, Palaia, Ciesla, Matheussen, Turner, Kosco, Cardinale, Schluter, James and Gormley

SYNOPSIS

Appropriates \$135.0 million to the DEP for dam, lake, and stream projects.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning dam repair, lake dredging and stream cleaning,
2 and making an appropriation.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. The Legislature finds and declares that the condition of many
8 dams, lakes, and streams throughout the State have been deteriorating
9 at an alarming rate due to a chronic lack of maintenance which has
10 been exacerbated by unusually heavy amounts of rainfall during the
11 summer of 2000, particularly the storms occurring on August 12 and
12 August 13 of 2000 that created a state of emergency in several
13 counties.

14 The Legislature further finds and declares these conditions have led
15 to the collapse of dams, polluted lakes, stream flooding and property
16 damage to homes, businesses, lake communities and public utilities;
17 and that federal, State and local financial resources have not
18 adequately met the costs of remediating the sites and facilities affected
19 by these conditions.

20 The Legislature therefore determines that it is in the public interest
21 to provide additional funding for State programs that are responsible
22 for remediating or providing financial assistance to other public or
23 private entities to remediate the conditions described herein.

24
25 2. a. There is appropriated from the "Surplus Revenue Fund,"
26 established pursuant to P.L.1990, c.44 (C.52:9H-14 et seq.), to the
27 Department of Environmental Protection the sum of \$135,000,000 for
28 the purpose of supplementing the department's capital construction
29 programs that provide funding for dam restoration and repair; lake
30 dredging and restoration; and stream cleaning and desnagging.

31 b. Monies appropriated under this section may be used for State,
32 local or privately-owned projects and may be combined with other
33 State or non-state funding sources.

34 c. Monies appropriated under this section may be used by the
35 department to provide full or matching grants, loans bearing an
36 interest rate of not more than 2%, or other forms of assistance to
37 owners of private dams, lakes or streams, in accordance with criteria
38 for existing programs established under previous State bond acts,
39 legislative initiatives, or federal aid guidelines.

40 d. Loans awarded under this section to owners of private dams or
41 lake associations shall require local government units to act as co-
42 applicants to receive this assistance. The cost of payment of the
43 principal and interest on these loans shall be assessed against the real
44 estate benefited thereby in proportion to and not in excess of the
45 benefits conferred, and such assessment shall bear interest and
46 penalties from the same time and at the same rate as assessments for

1 local improvements in the municipality where they are imposed, and
2 from the date of confirmation shall be a first and paramount lien upon
3 the real estate assessed to the same extent, and be enforced and
4 collected in the same manner, as assessments for local improvements.

5 e. All monies appropriated under this section shall be allocated
6 over a period of not more than three years from the effective date of
7 this act.

8 f. The Department of Environmental Protection is authorized to
9 hire up to nine additional employees with educational backgrounds or
10 skills in engineering necessary to carry out the objectives of this act.
11 The salary costs for these staff positions during the first year of
12 employment shall be derived from the monies appropriated under
13 subsection a. of this section.

14
15 3. Within 60 days after the date of enactment of this act, the
16 Department of Environmental Protection shall submit a written report
17 to the Legislature detailing the disbursement of monies authorized
18 pursuant to this act.

19
20 4. This act shall take effect immediately.

21
22
23 STATEMENT

24
25 This bill appropriates \$135.0 million from the Surplus Revenue
26 Fund to the Department of Environmental Protection (DEP) to
27 provide substantial assistance to the department's capital construction
28 programs that address the repair and rehabilitation of dams, lakes and
29 streams throughout the State. The depletion of past or existing
30 funding sources for needed projects in these areas necessitate the
31 infusion of new State funding to deal with the deteriorating conditions
32 of these facilities and natural resources.

33 The program created herein is designed to provide the DEP with as
34 much flexibility as necessary to accomplish the bill's objectives,
35 including the authority to hire additional engineering staff. It is
36 estimated that the starting annual salary of each such staff person
37 would be approximately \$42,000.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 1714

STATE OF NEW JERSEY

DATED: NOVEMBER 9, 2000

The Senate Budget and Appropriations Committee reports favorably a committee substitute for Senate Bill No. 1714.

This substitute bill creates in the Department of Environmental Protection (DEP) a program for dam restoration and lake and stream remediation projects. It appropriates funding for the program and provides that the amount appropriated shall be allocated to such projects over a five-year period.

Project fund: establishment, purpose and funding. The substitute bill establishes in DEP a dedicated, nonlapsing fund, designated the "Dam, Lake and Stream Project Fund." Moneys in the fund would be used to supplement DEP's capital construction programs that fund dam restoration and repair, lake dredging and restoration, and stream cleaning and desnagging. The bill appropriates from the Surplus Revenue Fund (commonly referred to as the "Rainy Day Fund") to the Dam, Lake and Stream Project Fund the sum of \$135,000,000. These moneys are in turn appropriated under the bill for State, local or privately-owned projects and may be combined with other State or non-State funding sources. The department may use the moneys to provide loans bearing an interest rate of not more than 2% or other forms of assistance (but not grants) to owners of private dams, lakes or streams, in accordance with criteria for existing programs established under previous State bond acts, legislative initiatives, or federal aid guidelines.

Five-year allocation schedule. Moneys appropriated under the bill are to be allocated to projects over a period of five fiscal years, starting with the fiscal year of enactment, in such a manner that

(1) the amount allocated for each of those five fiscal years shall be at least \$25,000,000 but not more than \$30,000,000, and

(2) of the total amount (a) the amount allocated to dam restoration and repair shall be at least \$95,000,000 and not more than \$100,000,000, and (b) the amount allocated to lake dredging and restoration and to stream cleaning and desnagging shall be at least \$35,000,000 and not more than \$40,000,000.

Assessment for debt service on loans. Loans awarded under the bill to owners of private dams or lake associations would require local

government units to act as co-applicants. The cost of debt service on these loans would be assessed, in the same manner as provided for the assessment of local improvements generally under chapter 56 of Title 40 of the Revised Statutes, against the benefited real estate in proportion to the benefits conferred. This assessment would bear interest and penalties from the same time and at the same rate as assessments for local improvements in the municipality in which they are imposed, and would be a first lien on the real estate assessed and subject to collection and enforcement in the same manner as assessments for local improvements. The bill clarifies, however, that

- < No project for which loans are awarded to owners of private dams or lake associations shall be considered a municipal capital improvement, nor shall the amount of any such loan be considered part of the municipal capital budget of a municipality, and
- < No such loan shall be subject to the review or approval of the Local Finance Board in the Department of Community Affairs.

Hiring of new dam inspectors. The bill requires DEP to hire nine inspectors of dams in addition to those employed on October 1, 2000 (the day preceding the date on which the legislation was introduced in its initial form), and to keep all dam inspector positions -- both those staffed as of October 1 and those staffed by the nine new employees -- filled for the duration of the five-year allocation schedule described above. The salary costs for the nine additional dam inspectors during that five-year period shall be charged against the moneys appropriated under the bill and allocated to dam restoration and repair.

Report to JBOC. The bill requires DEP to submit, on or before October 1 of each year, a written annual report to the Joint Budget Oversight Committee on the projects to which funds in the Dam, Lake and Stream Project Fund have been allocated during the preceding State fiscal year; for each project, the names of the individuals, groups and political subdivisions to which awards under the project allocation were made; the amount awarded to each recipient; whether that amount was awarded as a grant or loan; and in the case of each loan, the terms of the loan.

FISCAL IMPACT

This bill appropriates from the Surplus Revenue Fund to the Dam, Lake and Stream Project Fund the sum of \$135,000,000.

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1714

STATE OF NEW JERSEY
209th LEGISLATURE

ADOPTED NOVEMBER 9, 2000

Sponsored by:

Senator ROBERT E. LITTELL

District 24 (Sussex, Hunterdon and Morris)

Senator ANTHONY R. BUCCO

District 25 (Morris)

Co-Sponsored by:

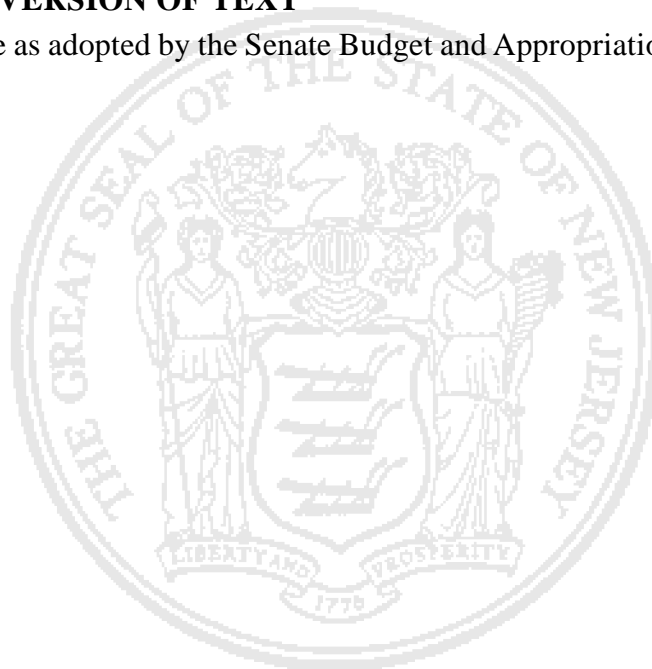
Senators DiFrancesco, Martin, Kyrillos, Bark, Singer, Inverso, Kavanaugh, Bennett, Kenny, Bryant, McNamara, Robertson, Sinagra, Rice, Bassano, Connors, Cafiero, Palaia, Ciesla, Matheussen, Turner, Kosco, Cardinale, Schluter, James, Gormley and Girgenti

SYNOPSIS

Appropriates \$135 million to the DEP for dam, lake, and stream projects.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Budget and Appropriations Committee.



(Sponsorship Updated As Of: 12/19/2000)

1 AN ACT concerning dam repair, lake dredging and stream cleaning,
2 supplementing Title 58 of the Revised Statutes, and making an
3 appropriation.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. The Legislature finds and declares that the condition of many
9 dams, lakes, and streams throughout the State has been deteriorating
10 at an alarming rate due to a chronic lack of maintenance, and that the
11 deterioration was exacerbated by unusually heavy amounts of rainfall
12 during the summer of 2000, particularly the storms occurring on
13 August 12 and August 13 that created a state of emergency in several
14 counties.

15 The Legislature further finds and declares that these conditions
16 have led to the collapse of dams, polluted lakes, stream flooding and
17 property damage to homes, businesses, lake communities and public
18 utilities; and that federal, State and local financial resources have not
19 met adequately the costs of remediating the sites and facilities affected
20 by these conditions.

21 The Legislature therefore determines that it is in the public interest
22 to provide additional funding for State programs that are responsible
23 for remediating, and for providing assistance to other public or private
24 entities to remediate, the conditions described herein.

25
26 2. a. There is established in the Department of Environmental
27 Protection a dedicated, nonlapsing fund, designated the "Dam, Lake
28 and Stream Project Fund." Moneys in the fund shall be used for the
29 purpose of supplementing the department's capital construction
30 programs that provide funding for dam restoration and repair, lake
31 dredging and restoration, and stream cleaning and desnagging, and to
32 fund the cost of dam inspection as prescribed under subsection f. of
33 this section. There is appropriated from the "Surplus Revenue Fund,"
34 established pursuant to P.L.1990, c.44 (C.52:9H-14 et seq.), to the
35 Dam, Lake and Stream Project Fund the sum of \$135,000,000.

36 b. Moneys in the Dam, Lake and Stream Project Fund are
37 appropriated for State, local or privately-owned projects and may be
38 combined with other State or non-State funding sources.

39 c. Moneys appropriated from the Dam, Lake and Stream Project
40 Fund may be used by the department to provide loans bearing an
41 interest rate of not more than 2% or other forms of assistance, other
42 than full or matching grants, to owners of private dams, lakes or
43 streams, in accordance with criteria for existing programs established
44 under previous State bond acts, legislative initiatives, or federal aid
45 guidelines.

1 d. (1) Loans awarded under this section to owners of private
2 dams or lake associations shall require local government units to act
3 as co-applicants. The cost of payment of the principal and interest on
4 these loans shall be assessed, in the same manner as provided for the
5 assessment of local improvements generally under chapter 56 of Title
6 40 of the Revised Statutes, against the real estate benefited thereby in
7 proportion to and not in excess of the benefits conferred, and such
8 assessment shall bear interest and penalties from the same time and at
9 the same rate as assessments for local improvements in the
10 municipality in which they are imposed, and from the date of
11 confirmation shall be a first and paramount lien upon the real estate
12 assessed to the same extent, and be enforced and collected in the same
13 manner, as assessments for local improvements.

14 (2) Notwithstanding the provisions of paragraph (1) of this
15 subsection or of any other law to the contrary, no project for which
16 loans to owners of private dams or lake associations are awarded
17 under this section shall be considered a municipal capital improvement,
18 nor shall the amount of any such loan be considered part of the
19 municipal capital budget, and no such loan shall be subject to the
20 review or approval of the Local Finance Board established under
21 P.L.1974, c.35 (C.52:27D-18.1).

22 e. The moneys appropriated under this section shall be allocated
23 over a period of five fiscal years commencing with the fiscal year of
24 enactment in such a manner that (1) the amount allocated for each of
25 those five fiscal years shall be at least \$25,000,000 but not more than
26 \$30,000,000, and (2) of the total amount of the sums so appropriated
27 (a) the amount allocated to dam restoration and repair shall be at least
28 \$95,000,000 and not more than \$100,000,000, and (b) the amount
29 allocated to lake dredging and restoration and to stream cleaning and
30 desnagging shall be at least \$35,000,000 and not more than
31 \$40,000,000.

32 f. In addition to the number of individuals employed as inspectors
33 of dams on October 1, 2000, the Department of Environmental
34 Protection is directed to employ nine additional individuals as
35 inspectors of dams and to keep all of the positions, including both
36 those in which individuals were employed as inspectors of dams on
37 October 1, 2000 and those to which the nine additional individuals
38 shall have been appointed thereafter, filled for the entire duration of
39 the five-year period prescribed under subsection e. of this section with
40 employees having educational backgrounds or skills in engineering
41 necessary to conduct the inspection of dams and otherwise to carry
42 out the objectives of this act. The salary costs for the nine additional
43 staff positions during that five-year period shall be charged against the
44 moneys appropriated under subsection a. of this section and allocated
45 under subparagraph (a) of paragraph (2) of subsection e. hereof.

1 3. On or before October 1, 2001, and on or before October 1 of
2 each succeeding year, the Department of Environmental Protection
3 shall submit a written report to the Joint Budget Oversight Committee,
4 or its successor, specifying the nature and location of each project to
5 which funds appropriated under this act shall have been allocated
6 during the preceding State fiscal year; for each project, the names of
7 the individuals, groups and political subdivisions to which the funds so
8 allocated shall have been awarded; the amount awarded to each
9 recipient; whether such amount shall have been awarded as a grant or
10 loan; and in the case of each loan, the terms thereof.

11

12 4. This act shall take effect immediately.

ASSEMBLY ENVIRONMENT COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 1714**

STATE OF NEW JERSEY

DATED: MAY 3, 2001

The Assembly Environment Committee reports favorably Senate Bill No. 1714 (SCS).

This bill creates in the Department of Environmental Protection (DEP) a program for dam restoration and lake and stream remediation projects. It appropriates funding for the program and provides that the amount appropriated shall be allocated to those projects over a five-year period.

The bill establishes in DEP a dedicated, nonlapsing fund, designated the "Dam, Lake and Stream Project Fund." Moneys in the fund would be used to supplement DEP's capital construction programs that fund dam restoration and repair, lake dredging and restoration, and stream cleaning and desnagging. The bill appropriates from the Surplus Revenue Fund (commonly referred to as the "Rainy Day Fund") to the Dam, Lake and Stream Project Fund the sum of \$135 million. These moneys are in turn appropriated under the bill for State, local or privately-owned projects and may be combined with other State or non-State funding sources. The department may use the moneys to provide loans bearing an interest rate of not more than 2% or other forms of assistance (but not grants) to owners of private dams, lakes or streams, in accordance with criteria for existing programs established under previous State bond acts, legislative initiatives, or federal aid guidelines.

Moneys appropriated under the bill are to be allocated to projects over a period of five fiscal years, starting with the fiscal year of enactment, in such a manner that

(1) the amount allocated for each of those five fiscal years shall be at least \$25 million but not more than \$30 million, and

(2) of the total amount (a) the amount allocated to dam restoration and repair shall be at least \$95 million and not more than \$100 million, and (b) the amount allocated to lake dredging and restoration and to stream cleaning and desnagging shall be at least \$35 million and not more than \$40 million.

Loans awarded under the bill to owners of private dams or lake associations would require local government units to act as co-applicants. The cost of debt service on these loans would be assessed,

in the same manner as provided for the assessment of local improvements generally under chapter 56 of Title 40 of the Revised Statutes, against the benefited real estate in proportion to the benefits conferred. This assessment would bear interest and penalties from the same time and at the same rate as assessments for local improvements in the municipality in which they are imposed, and would be a first lien on the real estate assessed and subject to collection and enforcement in the same manner as assessments for local improvements. The bill clarifies, however, that (1) no project for which loans are awarded to owners of private dams or lake associations shall be considered a municipal capital improvement, nor shall the amount of any such loan be considered part of the municipal capital budget of a municipality, and (2) no such loan shall be subject to the review or approval of the Local Finance Board in the Department of Community Affairs.

The bill also requires DEP to hire nine inspectors of dams in addition to those employed on October 1, 2000 (the day preceding the date on which the legislation was introduced in its initial form), and to keep all dam inspector positions -- both those staffed as of October 1 and those staffed by the nine new employees -- filled for the duration of the five-year allocation schedule described above. The salary costs for the nine additional dam inspectors during that five-year period shall be charged against the moneys appropriated under the bill and allocated to dam restoration and repair.

Finally, the bill requires DEP to submit, on or before October 1 of each year, a written annual report to the Joint Budget Oversight Committee on the projects to which funds in the Dam, Lake and Stream Project Fund have been allocated during the preceding State fiscal year. The report would specify: the names of the individuals, groups and political subdivisions to which awards under the project allocation were made; the amount awarded to each recipient; whether that amount was awarded as a grant or loan; and in the case of each loan, the terms of the loan.

As reported by the committee, this bill is identical to the Assembly Committee Substitute for Assembly Bill Nos. 2863 and 3330 as also reported by the committee.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 1714**

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 25, 2001

The Assembly Appropriations Committee reports favorably Senate Bill No. 1714 (SCS) with committee amendments.

Senate Bill No. 1714 (SCS), as amended, creates in the Department of Environmental Protection (DEP) a program for dam restoration and lake and stream remediation projects. It appropriates funding for the program and provides that the amount appropriated shall be allocated to those projects over a five-year period.

Project fund: establishment, purpose and funding. The bill establishes in DEP a dedicated, nonlapsing fund, designated the "Dam, Lake and Stream Project Fund." Moneys in the fund will be used to supplement DEP's capital construction programs that fund dam restoration and repair, lake dredging and restoration, and stream cleaning and desnagging. The bill appropriates from the Surplus Revenue Fund (commonly referred to as the "Rainy Day Fund") to the Dam, Lake and Stream Project Fund the sum of \$135,000,000. These moneys are in turn appropriated under the bill for State, local or privately-owned projects and may be combined with other State or non-State funding sources. The DEP may use the moneys to provide loans bearing an interest rate of not more than 2% or other forms of assistance (but not grants) to owners of private dams, lakes or streams, in accordance with criteria for existing programs established under previous State bond acts, legislative initiatives, or federal aid guidelines.

Five-year allocation schedule. Moneys appropriated under the bill are to be allocated to projects over a period of five fiscal years, starting with the fiscal year of enactment, in such a manner that

(1) the amount allocated for each of those five fiscal years shall be at least \$25,000,000 but not more than \$30,000,000, and

(2) of the total amount (a) the amount allocated to dam restoration and repair shall be at least \$90,000,000 and not more than \$95,000,000, (b) the amount allocated to lake dredging and restoration and to stream cleaning and desnagging shall be at least \$30,000,000 and not more than \$35,000,000, and (c) the amount

allocated to the Department of Environmental Protection for repair of department-owned dams shall be at least \$10,000,000 and not more than \$15,000,000.

Assessment for debt service on loans. Loans awarded under the bill to owners of private dams or lake associations will require local government units to act as co-applicants. The cost of debt service on these loans will be assessed, in the same manner as provided for the assessment of local improvements generally under chapter 56 of Title 40 of the Revised Statutes, against the benefited real estate in proportion to the benefits conferred. This assessment will bear interest and penalties from the same time and at the same rate as assessments for local improvements in a municipality in which they are imposed, and will be a first lien on the real estate assessed and subject to collection and enforcement in the same manner as assessments for local improvements. The bill clarifies, however, that

- < No project for which loans are awarded to owners of private dams or lake associations shall be considered a municipal capital improvement, nor shall the amount of any such loan be considered part of the municipal capital budget of a municipality, and
- < No such loan shall be subject to the review or approval of the Local Finance Board in the Department of Community Affairs.

Hiring of new dam inspectors. The bill requires DEP to hire nine inspectors of dams in addition to those employed on October 1, 2000 (the day preceding the date on which the legislation was introduced in its initial form), and to keep all dam inspector positions -- both those staffed as of October 1 and those staffed by the nine new employees -- filled for the duration of the five-year allocation schedule described above. The salary costs for the nine additional dam inspectors during that five-year period shall be charged against the moneys appropriated under the bill and allocated to dam restoration and repair.

Report to JBOC. The bill requires DEP to submit, on or before October 1 of each year, a written annual report to the Joint Budget Oversight Committee on the projects to which funds in the Dam, Lake and Stream Project Fund have been allocated during the preceding State fiscal year; for each project, the names of the individuals, groups and political subdivisions to which awards under the project allocation were made; the amount awarded to each recipient; whether that amount was awarded as a grant or loan; and in the case of each loan, the terms of the loan.

As amended and reported by the committee, this bill is identical to the Assembly Committee Substitute for Assembly Bill Nos. 2863/3330 (ACS) and 2862, as also reported by the committee.

FISCAL IMPACT

This bill appropriates from the Surplus Revenue Fund to the Dam, Lake and Stream Project Fund the sum of \$135,000,000.

COMMITTEE AMENDMENTS:

The amendments change the allocation of the Dam, Lake and Stream Project Fund by reducing the amount allocated to dam restoration and repair from \$95 million - \$100 million to \$90 million - \$95 million; reducing the amount allocated to lake dredging and restoration and to stream cleaning and desnagging from \$35 million - \$40 million to \$30 million - \$35 million; and creating a new allocation of \$10 million - \$15 million to the DEP for repair of department-owned dams.

[First Reprint]

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1714

STATE OF NEW JERSEY
209th LEGISLATURE

ADOPTED NOVEMBER 9, 2000

Sponsored by:

Senator ROBERT E. LITTELL

District 24 (Sussex, Hunterdon and Morris)

Senator ANTHONY R. BUCCO

District 25 (Morris)

Co-Sponsored by:

Co-Sponsored by:

Senators DiFrancesco, Martin, Kyrillos, Bark, Singer, Inverso, Kavanaugh, Bennett, Kenny, Bryant, McNamara, Robertson, Sinagra, Rice, Bassano, Connors, Cafiero, Palaia, Ciesla, Matheussen, Turner, Kosco, Cardinale, Schluter, James, Gormley, Girgenti, Assemblymen Gregg, Merkt, Garrett, Collins, Carroll, Lance, Blee, Gibson, Zecker, Assemblywoman Murphy, Assemblymen Felice, Greenwald, Arnone, Assemblywoman Myers, Assemblyman Kelly, Assemblywoman Heck, Assemblyman DeCroce, Assemblywoman Vandervalk, Assemblymen Rooney and Thompson

SYNOPSIS

Appropriates \$135 million to the DEP for dam, lake, and stream projects.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on June 25, 2001, with amendments.

(Sponsorship Updated As Of: 6/29/2001)

1 AN ACT concerning dam repair, lake dredging and stream cleaning,
2 supplementing Title 58 of the Revised Statutes, and making an
3 appropriation.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7

8 1. The Legislature finds and declares that the condition of many
9 dams, lakes, and streams throughout the State has been deteriorating
10 at an alarming rate due to a chronic lack of maintenance, and that the
11 deterioration was exacerbated by unusually heavy amounts of rainfall
12 during the summer of 2000, particularly the storms occurring on
13 August 12 and August 13 that created a state of emergency in several
14 counties.

15 The Legislature further finds and declares that these conditions
16 have led to the collapse of dams, polluted lakes, stream flooding and
17 property damage to homes, businesses, lake communities and public
18 utilities; and that federal, State and local financial resources have not
19 met adequately the costs of remediating the sites and facilities affected
20 by these conditions.

21 The Legislature therefore determines that it is in the public interest
22 to provide additional funding for State programs that are responsible
23 for remediating, and for providing assistance to other public or private
24 entities to remediate, the conditions described herein.

25

26 2. a. There is established in the Department of Environmental
27 Protection a dedicated, nonlapsing fund, designated the "Dam, Lake
28 and Stream Project Fund." Moneys in the fund shall be used for the
29 purpose of supplementing the department's capital construction
30 programs that provide funding for dam restoration and repair, lake
31 dredging and restoration, and stream cleaning and desnagging, and to
32 fund the cost of dam inspection as prescribed under subsection f. of
33 this section. There is appropriated from the "Surplus Revenue Fund,"
34 established pursuant to P.L.1990, c.44 (C.52:9H-14 et seq.), to the
35 Dam, Lake and Stream Project Fund the sum of \$135,000,000.

36 b. Moneys in the Dam, Lake and Stream Project Fund are
37 appropriated for State, local or privately-owned projects and may be
38 combined with other State or non-State funding sources.

39 c. Moneys appropriated from the Dam, Lake and Stream Project
40 Fund may be used by the department to provide loans bearing an
41 interest rate of not more than 2% or other forms of assistance, other
42 than full or matching grants, to owners of private dams, lakes or

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted June 25, 2001.

1 streams, in accordance with criteria for existing programs established
2 under previous State bond acts, legislative initiatives, or federal aid
3 guidelines.

4 d. (1) Loans awarded under this section to owners of private
5 dams or lake associations shall require local government units to act
6 as co-applicants. The cost of payment of the principal and interest on
7 these loans shall be assessed, in the same manner as provided for the
8 assessment of local improvements generally under chapter 56 of Title
9 40 of the Revised Statutes, against the real estate benefited thereby in
10 proportion to and not in excess of the benefits conferred, and such
11 assessment shall bear interest and penalties from the same time and at
12 the same rate as assessments for local improvements in the
13 municipality in which they are imposed, and from the date of
14 confirmation shall be a first and paramount lien upon the real estate
15 assessed to the same extent, and be enforced and collected in the same
16 manner, as assessments for local improvements.

17 (2) Notwithstanding the provisions of paragraph (1) of this
18 subsection or of any other law to the contrary, no project for which
19 loans to owners of private dams or lake associations are awarded
20 under this section shall be considered a municipal capital improvement,
21 nor shall the amount of any such loan be considered part of the
22 municipal capital budget, and no such loan shall be subject to the
23 review or approval of the Local Finance Board established under
24 P.L.1974, c.35 (C.52:27D-18.1).

25 e. The moneys appropriated under this section shall be allocated
26 over a period of five fiscal years commencing with the fiscal year of
27 enactment in such a manner that (1) the amount allocated for each of
28 those five fiscal years shall be at least \$25,000,000 but not more than
29 \$30,000,000, and (2) of the total amount of the sums so appropriated
30 (a) the amount allocated to dam restoration and repair shall be at least
31 ¹[\$95,000,000] \$90,000,000¹ and not more than ¹[\$100,000,000]
32 \$95,000,000¹, ¹[and]¹ (b) the amount allocated to lake dredging and
33 restoration and to stream cleaning and desnagging shall be at least
34 ¹[\$35,000,000] \$30,000,000¹ and not more than ¹[\$40,000,000]
35 \$35,000,000, and (c) the amount allocated to the Department of
36 Environmental Protection for repair of department-owned dams shall
37 be at least \$10,000,000 and not more than \$15,000,000¹.

38 f. In addition to the number of individuals employed as inspectors
39 of dams on October 1, 2000, the Department of Environmental
40 Protection is directed to employ nine additional individuals as
41 inspectors of dams and to keep all of the positions, including both
42 those in which individuals were employed as inspectors of dams on
43 October 1, 2000 and those to which the nine additional individuals
44 shall have been appointed thereafter, filled for the entire duration of
45 the five-year period prescribed under subsection e. of this section with
46 employees having educational backgrounds or skills in engineering

1 necessary to conduct the inspection of dams and otherwise to carry
2 out the objectives of this act. The salary costs for the nine additional
3 staff positions during that five-year period shall be charged against the
4 moneys appropriated under subsection a. of this section and allocated
5 under subparagraph (a) of paragraph (2) of subsection e. hereof.

6

7 3. On or before October 1, 2001, and on or before October 1 of
8 each succeeding year, the Department of Environmental Protection
9 shall submit a written report to the Joint Budget Oversight Committee,
10 or its successor, specifying the nature and location of each project to
11 which funds appropriated under this act shall have been allocated
12 during the preceding State fiscal year; for each project, the names of
13 the individuals, groups and political subdivisions to which the funds so
14 allocated shall have been awarded; the amount awarded to each
15 recipient; whether such amount shall have been awarded as a grant or
16 loan; and in the case of each loan, the terms thereof.

17

18 4. This act shall take effect immediately.

[CORRECTED COPY]

LEGISLATIVE FISCAL ESTIMATE
 [First Reprint]
 SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1714
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: OCTOBER 3, 2001

SUMMARY

Synopsis: Appropriates \$135 million to the DEP for dam, lake, and stream projects.

Type of Impact: Reduction in Surplus Revenue Fund.

Agencies Affected: Department of Environmental Protection and various local governments.

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3	Year 4	Year 5
State Cost	\$25,000,000 to \$30,000,000 per year for five years See comments below				

- ! The bill establishes a five-year, \$135 million assistance program in the Department of Environmental Protection (DEP) to repair State, local or privately-owned dams, lakes and streams. Annual minimum and maximum allocation levels are provided.
- ! The bill's funding is derived from the Surplus Revenue Fund and is appropriated to a newly-established Dam, Lake and Stream Project Fund in the DEP to finance these projects.
- ! Privately-owned dams, lakes or streams could receive low-interest loans. Loan repayments and interest could be reused for future project loans.
- ! Although the bill directs the DEP to hire nine additional dam inspectors to supplement current dam safety staff, the DEP has already hired such staff with special funds provided for this purpose in the FY 2002 Appropriations Act.

BILL DESCRIPTION

Senate Committee Substitute (1R) for Senate Bill No. 1714 of 2000 creates in the Department of Environmental Protection (DEP) a five-year funding program for dam restoration, lake and stream remediation projects. These projects would be supported by an appropriation of \$135 million from the Surplus Revenue Fund (commonly referred to as the "Rainy Day Fund") to a new dedicated, nonlapsing fund in the DEP called the Dam, Lake and Stream Project Fund. It is the bill's intention that these monies be used to supplement, rather than replace, other DEP capital construction programs that fund dam restoration and repair, lake dredging and restoration, and stream cleaning and desnagging.

The bill provides that the \$135 million appropriation be used for State, local or privately-owned projects, and that it may be combined with other State or non-State funding sources. Monies may be used to provide loans bearing an interest rate of not more than 2 percent or other forms of assistance (but not grants) to owners of private dams, lakes or streams, in accordance with criteria for existing programs established under previous State bond acts, legislative initiatives, or federal aid guidelines. The bill allocates the total appropriation over a period of five fiscal years, starting with the fiscal year of enactment, as follows:

- (1) allocations in each fiscal year must be between \$25 million and \$30 million;
- (2) of the \$135 million, the five-year total allocated to dam restoration and repair must be between \$90 million and \$95 million;
- (3) of the \$135 million, the five-year total allocated to lake dredging and restoration and to stream cleaning and desnagging must be between \$30 million and \$35 million; and
- (4) of the \$135 million, the five-year total allocated for repair of DEP-owned dams must be between \$10 million and \$15 million.

The bill also directs the DEP to hire nine dam inspectors in addition to those employed on October 1, 2000, and to keep all dam inspector positions filled for the duration of the five-year allocation schedule described above. The salary costs for the nine additional dam inspectors during the five-year period would be charged against the monies appropriated under the bill that are allocated to dam restoration and repair projects. However, it should be noted that special funding was provided to the DEP in the FY 2002 Appropriations Act for this purpose, and nine additional dam safety employees have subsequently been hired.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

In this Corrected Copy Fiscal Estimate for the First Reprint of the Senate Committee Substitute for S-1714, the Office of Legislative Services (OLS) estimates that the bill's appropriation would meet a significant portion of the total costs projected to repair all of the State's high and significant hazard dams in need of immediate attention. The DEP has publicly stated that 62 high hazard dams need repairs or rehabilitation totaling \$35 million. It has also

stated that 335 significant hazard dams require repair or rehabilitation totaling \$135 million. It should be noted that some of these costs, over and above the two dam-related allocations, could be met in the future through the reuse of loan repayments and interest earnings derived from revolving loan fund established by the bill. The distribution of monies for grants versus loans cannot be determined at this time.

With respect to low hazard dam projects, as well as lake and stream projects, the OLS cannot estimate potential project costs over the next five years due to the absence of relevant data from the DEP or other sources. With respect to the hiring of additional dam safety inspectors, special funding was provided for this purpose in the FY 2002 Appropriations Act. Assuming that similar funding will continue to be provided from the General Fund in FY 2003 and thereafter, there would be no need to charge these salary costs against the monies appropriated under the bill.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

LEGISLATIVE FISCAL ESTIMATE
 [First Reprint]
 SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1714
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: JULY 19, 2001

SUMMARY

Synopsis: Appropriates \$135 million to the DEP for dam, lake, and stream projects.

Type of Impact: Reduction in Surplus Revenue Fund.

Agencies Affected: Department of Environmental Protection (DEP) and various local governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$25,000,000 to \$30,000,000	\$25,000,000 to \$30,000,000	\$25,000,000 to \$30,000,000

- ! The bill establishes a five-year, \$135 million assistance program in the Department of Environmental Protection (DEP) to repair State, local or privately-owned dams, lakes and streams. Annual minimum and maximum allocation levels are provided.
- ! The bill's funding is derived from the Surplus Revenue Fund and is appropriated to a newly-established Dam, Lake and Stream Project Fund in the DEP to finance these projects.
- ! Privately-owned dams, lakes or streams could receive grants or low-interest loans. Loan repayments and interest could be reused for future project loans.
- ! The bill directs the DEP to hire nine additional dam inspectors to supplement current dam safety staff for the five-year program period.

BILL DESCRIPTION

Senate Committee Substitute (1R) for Senate Bill No. 1714 of 2000 creates in the Department of Environmental Protection (DEP) a five-year funding program for dam restoration, lake and stream remediation projects. These projects would be supported by an appropriation

of \$135 million from the Surplus Revenue Fund (commonly referred to as the "Rainy Day Fund") to a new dedicated, nonlapsing fund in the DEP called the Dam, Lake and Stream Project Fund. It is the bill's intention that these monies be used to supplement, rather than replace, other DEP capital construction programs that fund dam restoration and repair, lake dredging and restoration, and stream cleaning and desnagging.

The bill provides that the \$135 million appropriation be used for State, local or privately-owned projects, and that it may be combined with other State or non-State funding sources. Monies may be used to provide loans bearing an interest rate of not more than 2 percent or other forms of assistance (but not grants) to owners of private dams, lakes or streams, in accordance with criteria for existing programs established under previous State bond acts, legislative initiatives, or federal aid guidelines. The bill allocates the total appropriation over a period of five fiscal years, starting with the fiscal year of enactment, as follows:

(1) allocations in each fiscal year must be between \$25 million and \$30 million;

(2) of the \$135 million, the five-year total allocated to dam restoration and repair must be between \$95 million and \$100 million; and

(3) of the \$135 million, the five-year total allocated to lake dredging and restoration and to stream cleaning and desnagging must be between \$35 million and \$40 million.

The bill also directs the DEP to hire nine dam inspectors in addition to those employed on October 1, 2000, and to keep all dam inspector positions filled for the duration of the five-year allocation schedule described above. The salary costs for the nine additional dam inspectors during the five-year period would be charged against the monies appropriated under the bill that are allocated to dam restoration and repair projects.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) estimates that the bill's appropriation would meet a significant portion of the total costs projected to repair all of the State's high and significant hazard dams in need of immediate attention. The DEP has publicly stated that 62 high hazard dams need repairs or rehabilitation totaling \$35 million. It has also stated that 335 significant hazard dams require repair or rehabilitation totaling \$135 million. It should be noted that some of these costs, over and above the designated allocation of \$95 to \$100 million, could be met in the future through the reuse of loan repayments and interest earnings derived from revolving loan fund established by the bill. The distribution of monies for grants versus loans cannot be determined at this time.

With respect to low hazard dam projects, as well as lake and stream projects, the OLS cannot estimate potential project costs over the next five years due to the absence of relevant data from the DEP or other sources. The OLS does estimate that the cost of hiring and retaining nine new dam inspectors would require approximately \$600,000 annually. This amount is based on an average salary of \$45,000 plus fringe benefits and annual cost-of-living increases.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY, No. 2863

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED OCTOBER 12, 2000

Sponsored by:

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

Assemblyman RICK MERKT

District 25 (Morris)

Co-Sponsored by:

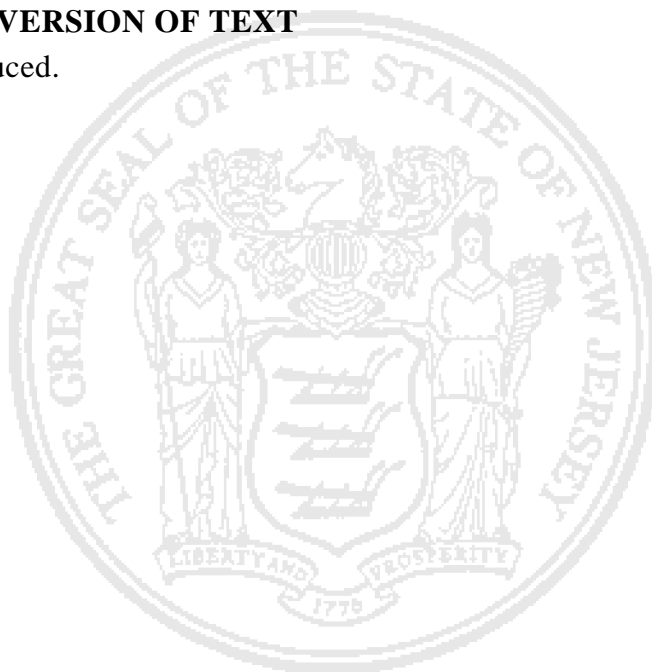
**Assemblymen Carroll, Lance, Blee, Gibson, Zecker, Assemblywoman
Murphy, Assemblyman Felice and Greenwald**

SYNOPSIS

Appropriates \$135.0 million to the DEP for dam, lake, and stream projects.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/19/2001)

1 AN ACT concerning dam repair, lake dredging and stream cleaning,
2 and making an appropriation.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. The Legislature finds and declares that the condition of many
8 dams, lakes, and streams throughout the State have been deteriorating
9 at an alarming rate due to a chronic lack of maintenance which has
10 been exacerbated by unusually heavy amounts of rainfall during the
11 summer of 2000, particularly the storms occurring on August 12 and
12 August 13 of 2000 that created a state of emergency in several
13 counties.

14 The Legislature further finds and declares these conditions have led
15 to the collapse of dams, polluted lakes, stream flooding and property
16 damage to homes, businesses, lake communities and public utilities;
17 and that federal, State and local financial resources have not
18 adequately met the costs of remediating the sites and facilities affected
19 by these conditions.

20 The Legislature therefore determines that it is in the public interest
21 to provide additional funding for State programs that are responsible
22 for remediating or providing financial assistance to other public or
23 private entities to remediate the conditions described herein.

24
25 2. a. There is appropriated from the "Surplus Revenue Fund,"
26 established pursuant to P.L.1990, c.44 (C.52:9H-14 et seq.), to the
27 Department of Environmental Protection the sum of \$135,000,000 for
28 the purpose of supplementing the department's capital construction
29 programs that provide funding for dam restoration and repair; lake
30 dredging and restoration; and stream cleaning and desnagging.

31 b. Monies appropriated under this section may be used for State,
32 local or privately-owned projects and may be combined with other
33 State or non-state funding sources.

34 c. Monies appropriated under this section may be used by the
35 department to provide full or matching grants, loans bearing an
36 interest rate of not more than 2%, or other forms of assistance to
37 owners of private dams, lakes or streams, in accordance with criteria
38 for existing programs established under previous State bond acts,
39 legislative initiatives, or federal aid guidelines.

40 d. Loans awarded under this section to owners of private dams or
41 lake associations shall require local government units to act as co-
42 applicants to receive this assistance. The cost of payment of the
43 principal and interest on these loans shall be assessed against the real
44 estate benefited thereby in proportion to and not in excess of the
45 benefits conferred, and such assessment shall bear interest and
46 penalties from the same time and at the same rate as assessments for

1 local improvements in the municipality where they are imposed, and
2 from the date of confirmation shall be a first and paramount lien upon
3 the real estate assessed to the same extent, and be enforced and
4 collected in the same manner, as assessments for local improvements.

5 e. All monies appropriated under this section shall be allocated
6 over a period of not more than three years from the effective date of
7 this act.

8 f. The Department of Environmental Protection is authorized to
9 hire up to nine additional employees with educational backgrounds or
10 skills in engineering necessary to carry out the objectives of this act.
11 The salary costs for these staff positions during the first year of
12 employment shall be derived from the monies appropriated under
13 subsection a. of this section.

14
15 3. Within 60 days after the date of enactment of this act, the
16 Department of Environmental Protection shall submit a written report
17 to the Legislature detailing the disbursement of monies authorized
18 pursuant to this act.

19
20 4. This act shall take effect immediately.

21
22
23 STATEMENT

24
25 This bill appropriates \$135.0 million from the Surplus Revenue
26 Fund to the Department of Environmental Protection (DEP) to
27 provide substantial assistance to the department's capital construction
28 programs that address the repair and rehabilitation of dams, lakes and
29 streams throughout the State. The depletion of past or existing
30 funding sources for needed projects in these areas necessitate the
31 infusion of new State funding to deal with the deteriorating conditions
32 of these facilities and natural resources.

33 The program created herein is designed to provide the DEP with as
34 much flexibility as necessary to accomplish the bill's objectives,
35 including the authority to hire additional engineering staff. It is
36 estimated that the starting annual salary of each such staff person
37 would be approximately \$42,000.

ASSEMBLY, No. 3330

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MARCH 22, 2001

Sponsored by:

Assemblyman E. SCOTT GARRETT

District 24 (Sussex, Hunterdon and Morris)

Assemblyman RICK MERKT

District 25 (Morris)

SYNOPSIS

Creates program and provides assistance for repair and remediation of significant and low level hazard dams.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 4/20/2001)

1 AN ACT concerning dam repair and remediation, supplementing Titles
2 52 and 58 of the Revised Statutes, and making an appropriation.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. The Legislature finds and declares:

8 a. The severe weather during the summer of 2000, particularly the
9 storms occurring on August 12 and August 13 that created a state of
10 emergency in several counties, resulted in damage to many significant
11 and low level dams which were already in deteriorated condition. The
12 noticeable weakening, possible collapse and collapse of some of these
13 dams in turn caused polluted lakes, stream flooding and property
14 damage to homes, businesses, lake communities and public utilities.

15 b. Although State funding has been provided to repair high hazard
16 dams, the lack of local or State funding for the repair of significant or
17 low level dams has caused the condition of these dams to remain
18 unabated.

19 c. The repair of significant or low level dams in these communities
20 will serve to preserve the quality of life in communities served by these
21 dams, including helping to maintain any watershed created by those
22 dams and by controlling soil erosion in the region.

23 d. The provision of a program and State funding for the repair of
24 significant and low level dams is declared to be in the interest of the
25 public health, safety and welfare.

26
27 2. a. There is established in the Department of Community Affairs
28 a grant assistance program for the remediation of significant or low
29 level dams. The program shall be made available to private
30 communities or municipalities wishing to remediate conditions of
31 significant or low level dams located in the community which were
32 damaged in the storms occurring on August 12, 2000 and August 13,
33 2000, and inspected within 45 days of the storm by the Division of
34 Dam Safety in the Department of Environmental Protection. The
35 Commissioner of Community Affairs shall establish the procedures for
36 applying for the grants and allowing financial assistance under this
37 program on such forms and in such manner as the commissioner shall
38 determine, provided, however, at a minimum, that the application
39 forms shall require the following information:

40 (1) Dam name and number;

41 (2) Owner or owners of record of the property on which the dam is
42 located, including information necessary to contact the owner,
43 location of the property, including the county, municipality, and tax
44 map block and lot number of the property involved;

- 1 (3) Dates of inspection, and information on who conducted the
2 inspection, including any dates of inspection by the Division of Dam
3 Safety in the Department of Environmental Protection, and dates of
4 reports made to owners;
 - 5 (4) Information on damage assessment, made by the Division of Dam
6 Safety or by a licensed engineer if required and reported to the owner;
 - 7 (5) A list of repairs necessary to meet recommendations of the
8 Division of Dam Safety or to meet the recommendations of a licensed
9 engineer;
 - 10 (6) The estimated costs of the repairs being recommended in
11 accordance with dam safety standards promulgated as of June 2000
12 and three bids from eligible contractors; and
 - 13 (7) The estimated time of repair, included possible start and finish
14 dates, as well as a listing of DEP permits which will be required.
- 15 b. The Commissioner of Community Affairs shall establish a deadline
16 for applications to be filed under this program, and shall determine the
17 priority and amounts of the grants to be issued, and whenever possible
18 will issue the grant in the full amount of the lowest bid which will
19 repair the dam to dam safety standards promulgated as of June 2000
20 and to the recommendations of the Division of Dam Safety concerning
21 the assessed damage, but in no event shall the total amount of all
22 grants be greater than the amount of funding appropriated for this
23 purpose under section 4 of P.L. , c.
24 (C.)(now before the Legislature as this bill).
 - 25 c. Eligible costs under the program shall include all aspects of dam
26 repair or decommissioning, including, but not limited to, costs related
27 to engineering, inspection, consultation or acquisition.
 - 28 d. The Commissioner of Community Affairs shall notify the
29 Commissioner of Environmental Protection of any grants provided
30 under this section, including the name of the recipient, the location of
31 the dam and amount of the grant.
 - 32 e. The Commissioner of Community Affairs shall notify the
33 municipality and the county in which the dam is located of the intent
34 to repair the dam pursuant to P.L. , c. (C.)(now before the
35 Legislature as this bill), including any proposed wetlands
36 encroachment and stream encroachment.
- 37
- 38 3. The Department of Environmental Protection shall process on an
39 expedited basis and within 25 days of notification from the
40 Commissioner of Community Affairs of a pending grant approval, the
41 requests for permits for dam repair or remediation projects authorized
42 pursuant to P.L. , c. (C.)(now before the Legislature as this
43 bill).

1 4. There is appropriated from the General Fund to the Department
2 of Community Affairs the sum of \$800,000 for the purpose of funding
3 the grant program established under section 2 of P.L. , c.
4 (C.)(now before the Legislature as this bill).

5
6 5. This act shall take effect immediately.

7
8
9 STATEMENT

10
11 This bill establishes in the Department of Community Affairs a grant
12 assistance program for the remediation of significant or low level dams
13 which were damaged by flooding in the storms during the period of
14 August 12th to 13th of the summer of 2000. The bill appropriates a
15 total of \$800,000 for the purpose of funding grants to municipalities
16 and private communities in which significant or low level dams which
17 were storm-damaged are located. The Commissioner of Community
18 Affairs will establish the application procedures for the grants, and the
19 amounts of the grants, and will prioritize the projects to be funded for
20 remediation or repair.

21 The State has provided funding in the past for the repair of high
22 hazard dams, but has not provided any assistance for the repair of
23 significant and low level dams. Because the repair of these dams will
24 serve to preserve the quality of life in many communities, including
25 helping to maintain any water shed created by those dams and by
26 controlling soil erosion in the region, the bill declares that the program
27 and funding for the repair or remediation of these dams are in the
28 public interest.

29 The Department of Environmental Protection is directed by the bill
30 to process requests related to the repair projects funded under the bill,
31 such as permits, inspections and approvals, on an expedited basis.

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 2863 and 3330

STATE OF NEW JERSEY
209th LEGISLATURE

ADOPTED MAY 3, 2001

Sponsored by:

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

Assemblyman RICK MERKT

District 25 (Morris)

Assemblyman E. SCOTT GARRETT

District 24 (Sussex, Hunterdon and Morris)

Co-Sponsored by:

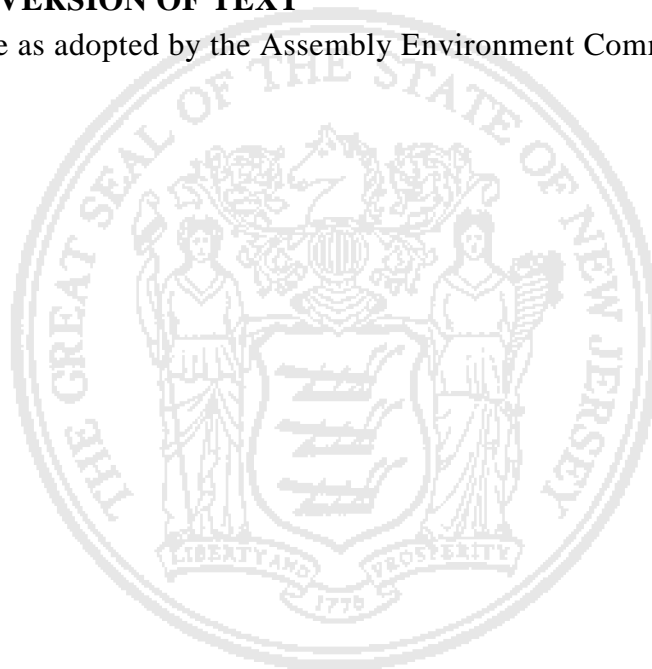
**Assemblymen Carroll, Lance, Blee, Gibson, Zecker, Felice, Greenwald and
Arnone**

SYNOPSIS

Appropriates \$135 million to the DEP for dam, lake, and stream projects.

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Environment Committee.



(Sponsorship Updated As Of: 6/5/2001)

1 AN ACT concerning dam repair, lake dredging and stream cleaning,
2 supplementing Title 58 of the Revised Statutes, and making an
3 appropriation.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. The Legislature finds and declares that the condition of many
9 dams, lakes, and streams throughout the State has been deteriorating
10 at an alarming rate due to a chronic lack of maintenance, and that the
11 deterioration was exacerbated by unusually heavy amounts of rainfall
12 during the summer of 2000, particularly the storms occurring on
13 August 12 and August 13 that created a state of emergency in several
14 counties.

15 The Legislature further finds and declares that these conditions
16 have led to the collapse of dams, polluted lakes, stream flooding and
17 property damage to homes, businesses, lake communities and public
18 utilities; and that federal, State and local financial resources have not
19 met adequately the costs of remediating the sites and facilities affected
20 by these conditions.

21 The Legislature therefore determines that it is in the public interest
22 to provide additional funding for State programs that are responsible
23 for remediating, and for providing assistance to other public or private
24 entities to remediate, the conditions described herein.

25
26 2. a. There is established in the Department of Environmental
27 Protection a dedicated, nonlapsing fund, designated the "Dam, Lake
28 and Stream Project Fund." Moneys in the fund shall be used for the
29 purpose of supplementing the department's capital construction
30 programs that provide funding for dam restoration and repair, lake
31 dredging and restoration, and stream cleaning and desnagging, and to
32 fund the cost of dam inspection as prescribed under subsection f. of
33 this section. There is appropriated from the "Surplus Revenue Fund,"
34 established pursuant to P.L.1990, c.44 (C.52:9H-14 et seq.), to the
35 Dam, Lake and Stream Project Fund the sum of \$135,000,000.

36 b. Moneys in the Dam, Lake and Stream Project Fund are
37 appropriated for State, local or privately-owned projects and may be
38 combined with other State or non-State funding sources.

39 c. Moneys appropriated from the Dam, Lake and Stream Project
40 Fund may be used by the department to provide loans bearing an
41 interest rate of not more than 2% or other forms of assistance, other
42 than full or matching grants, to owners of private dams, lakes or
43 streams, in accordance with criteria for existing programs established
44 under previous State bond acts, legislative initiatives, or federal aid
45 guidelines.

1 d. (1) Loans awarded under this section to owners of private
2 dams or lake associations shall require local government units to act
3 as co-applicants. The cost of payment of the principal and interest on
4 these loans shall be assessed, in the same manner as provided for the
5 assessment of local improvements generally under chapter 56 of Title
6 40 of the Revised Statutes, against the real estate benefited thereby in
7 proportion to and not in excess of the benefits conferred, and such
8 assessment shall bear interest and penalties from the same time and at
9 the same rate as assessments for local improvements in the
10 municipality in which they are imposed, and from the date of
11 confirmation shall be a first and paramount lien upon the real estate
12 assessed to the same extent, and be enforced and collected in the same
13 manner, as assessments for local improvements.

14 (2) Notwithstanding the provisions of paragraph (1) of this
15 subsection or of any other law to the contrary, no project for which
16 loans to owners of private dams or lake associations are awarded
17 under this section shall be considered a municipal capital improvement,
18 nor shall the amount of any such loan be considered part of the
19 municipal capital budget, and no such loan shall be subject to the
20 review or approval of the Local Finance Board established under
21 P.L.1974, c.35 (C.52:27D-18.1).

22 e. The moneys appropriated under this section shall be allocated
23 over a period of five fiscal years commencing with the fiscal year of
24 enactment in such a manner that (1) the amount allocated for each of
25 those five fiscal years shall be at least \$25,000,000 but not more than
26 \$30,000,000, and (2) of the total amount of the sums so appropriated
27 (a) the amount allocated to dam restoration and repair shall be at least
28 \$95,000,000 and not more than \$100,000,000, and (b) the amount
29 allocated to lake dredging and restoration and to stream cleaning and
30 desnagging shall be at least \$35,000,000 and not more than
31 \$40,000,000.

32 f. In addition to the number of individuals employed as inspectors
33 of dams on October 1, 2000, the Department of Environmental
34 Protection is directed to employ nine additional individuals as
35 inspectors of dams and to keep all of the positions, including both
36 those in which individuals were employed as inspectors of dams on
37 October 1, 2000 and those to which the nine additional individuals
38 shall have been appointed thereafter, filled for the entire duration of
39 the five-year period prescribed under subsection e. of this section with
40 employees having educational backgrounds or skills in engineering
41 necessary to conduct the inspection of dams and otherwise to carry
42 out the objectives of this act. The salary costs for the nine additional
43 staff positions during that five-year period shall be charged against the
44 moneys appropriated under subsection a. of this section and allocated
45 under subparagraph (a) of paragraph (2) of subsection e. hereof.

1 3. On or before October 1, 2001, and on or before October 1 of
2 each succeeding year, the Department of Environmental Protection
3 shall submit a written report to the Joint Budget Oversight Committee,
4 or its successor, specifying the nature and location of each project to
5 which funds appropriated under this act shall have been allocated
6 during the preceding State fiscal year; for each project, the names of
7 the individuals, groups and political subdivisions to which the funds so
8 allocated shall have been awarded; the amount awarded to each
9 recipient; whether such amount shall have been awarded as a grant or
10 loan; and in the case of each loan, the terms thereof.

11

12 4. This act shall take effect immediately.

ASSEMBLY ENVIRONMENT COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, Nos. 2863 and A3330**

STATE OF NEW JERSEY

DATED: MAY 3, 2001

The Assembly Environment Committee reports favorably an Assembly Committee Substitute for Assembly Bill Nos. 2863 and 3330.

This committee substitute creates in the Department of Environmental Protection (DEP) a program for dam restoration and lake and stream remediation projects. It appropriates funding for the program and provides that the amount appropriated shall be allocated to those projects over a five-year period.

The committee substitute establishes in DEP a dedicated, nonlapsing fund, designated the "Dam, Lake and Stream Project Fund." Moneys in the fund would be used to supplement DEP's capital construction programs that fund dam restoration and repair, lake dredging and restoration, and stream cleaning and desnagging. The committee substitute appropriates from the Surplus Revenue Fund (commonly referred to as the "Rainy Day Fund") to the Dam, Lake and Stream Project Fund the sum of \$135 million. These moneys are in turn appropriated under the committee substitute for State, local or privately-owned projects and may be combined with other State or non-State funding sources. The department may use the moneys to provide loans bearing an interest rate of not more than 2% or other forms of assistance (but not grants) to owners of private dams, lakes or streams, in accordance with criteria for existing programs established under previous State bond acts, legislative initiatives, or federal aid guidelines.

Moneys appropriated under the committee substitute are to be allocated to projects over a period of five fiscal years, starting with the fiscal year of enactment, in such a manner that

(1) the amount allocated for each of those five fiscal years shall be at least \$25 million but not more than \$30 million, and

(2) of the total amount (a) the amount allocated to dam restoration and repair shall be at least \$95 million and not more than \$100 million, and (b) the amount allocated to lake dredging and restoration and to stream cleaning and desnagging shall be at least \$35 million and not more than \$40 million.

Loans awarded under the committee substitute to owners of private dams or lake associations would require local government units to act as co-applicants. The cost of debt service on these loans would be assessed, in the same manner as provided for the assessment of local improvements generally under chapter 56 of Title 40 of the Revised Statutes, against the benefited real estate in proportion to the benefits conferred. This assessment would bear interest and penalties from the same time and at the same rate as assessments for local improvements in the municipality in which they are imposed, and would be a first lien on the real estate assessed and subject to collection and enforcement in the same manner as assessments for local improvements. The committee substitute clarifies, however, that (1) no project for which loans are awarded to owners of private dams or lake associations shall be considered a municipal capital improvement, nor shall the amount of any such loan be considered part of the municipal capital budget of a municipality, and (2) no such loan shall be subject to the review or approval of the Local Finance Board in the Department of Community Affairs.

The committee substitute also requires DEP to hire nine inspectors of dams in addition to those employed on October 1, 2000 (the day preceding the date on which the legislation was introduced in its initial form), and to keep all dam inspector positions -- both those staffed as of October 1 and those staffed by the nine new employees -- filled for the duration of the five-year allocation schedule described above. The salary costs for the nine additional dam inspectors during that five-year period shall be charged against the moneys appropriated under the committee substitute and allocated to dam restoration and repair.

Finally, the committee substitute requires DEP to submit, on or before October 1 of each year, a written annual report to the Joint Budget Oversight Committee on the projects to which funds in the Dam, Lake and Stream Project Fund have been allocated during the preceding State fiscal year. The report would specify: the names of the individuals, groups and political subdivisions to which awards under the project allocation were made; the amount awarded to each recipient; whether that amount was awarded as a grant or loan; and in the case of each loan, the terms of the loan.

As reported by the committee, this committee substitute is identical to the Senate Committee Substitute for Senate Bill No. 1714 of 2000 as also reported by the committee.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 2863 and 3330
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: JULY 11, 2001

SUMMARY

Synopsis: Appropriates \$135 million to the DEP for dam, lake, and stream projects.

Type of Impact: Reduction in Surplus Revenue Fund.

Agencies Affected: Department of Environmental Protection (DEP) and various local governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$25,000,000 to \$30,000,000	\$25,000,000 to \$30,000,000	\$25,000,000 to \$30,000,000

- ! The bill establishes a five-year, \$135 million assistance program in the Department of Environmental Protection (DEP) to repair State, local or privately-owned dams, lakes and streams. Annual minimum and maximum allocation levels are provided.
- ! The bill's funding is derived from the Surplus Revenue Fund and is appropriated to a newly-established Dam, Lake and Stream Project Fund in the DEP to finance these projects.
- ! Privately-owned dams, lakes or streams could receive grants or low-interest loans. Loan repayments and interest could be reused for future project loans.
- ! The bill directs the DEP to hire nine additional dam inspectors to supplement current dam safety staff for the five-year program period.

BILL DESCRIPTION

Assembly Committee Substitute for Assembly Bill No. 2863 of 2000 and Assembly Bill No. 3330 of 2001 creates in the Department of Environmental Protection (DEP) a five-year funding program for dam restoration, lake and stream remediation projects. These projects would be supported by an appropriation of \$135 million from the Surplus Revenue Fund (commonly

referred to as the "Rainy Day Fund") to a new dedicated, nonlapsing fund in the DEP called the Dam, Lake and Stream Project Fund. Legislative intent would have these monies used to supplement, rather than replace, other DEP capital construction programs that fund dam restoration and repair, lake dredging and restoration, and stream cleaning and desnagging.

The bill provides that the \$135 million appropriation be used for State, local or privately-owned projects, and that it may be combined with other State or non-State funding sources. Monies may be used to provide loans bearing an interest rate of not more than 2 percent or other forms of assistance (but not grants) to owners of private dams, lakes or streams, in accordance with criteria for existing programs established under previous State bond acts, legislative initiatives, or federal aid guidelines. The bill allocates the total appropriation over a period of five fiscal years, starting with the fiscal year of enactment, as follows:

(1) allocations in each fiscal year must be between \$25 million and \$30 million;

(2) of the \$135 million, the five-year total allocated to dam restoration and repair must be between \$95 million and \$100 million; and

(3) of the \$135 million, the five-year total allocated to lake dredging and restoration and to stream cleaning and desnagging must be between \$35 million and \$40 million.

The bill also directs the DEP to hire nine dam inspectors in addition to those employed on October 1, 2000, and to keep all dam inspector positions filled for the duration of the five-year allocation schedule described above. The salary costs for the nine additional dam inspectors during the five-year period would be charged against the monies appropriated under the bill that are allocated to dam restoration and repair projects.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) estimates that the bill's appropriation would meet a significant portion of the total costs projected to repair all of the State's high and significant hazard dams in need of immediate attention. The DEP has publicly stated that 62 high hazard dams need repairs or rehabilitation totaling \$35 million. It has also stated that 335 significant hazard dams require repair or rehabilitation totaling \$135 million. It should be noted that some of these costs, over and above the designated allocation of \$95 to \$100 million, could be met in the future through the reuse of loan repayments and interest earnings derived from revolving loan fund established by the bill. The distribution of monies for grants versus loans cannot be determined at this time.

With respect to low hazard dam projects, as well as lake and stream projects, the OLS cannot estimate potential project costs over the next five years due to the absence of relevant data from the DEP or other sources. **The OLS does estimate that the cost of hiring and retaining nine new dam inspectors would require approximately \$600,000 annually. This amount is based on an average salary of \$45,000 plus fringe benefits and annual cost-of-living increases.**

ACS for A2863

3

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY, No. 2862

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED OCTOBER 12, 2000

Sponsored by:

Assemblyman JACK COLLINS

District 3 (Salem, Cumberland and Gloucester)

Assemblyman RICK MERKT

District 25 (Morris)

Co-Sponsored by:

Assemblywoman Myers, Assemblymen Lance, Felice, Kelly

Assemblywoman Heck, Assemblymen Garrett, Gregg, DeCroce,

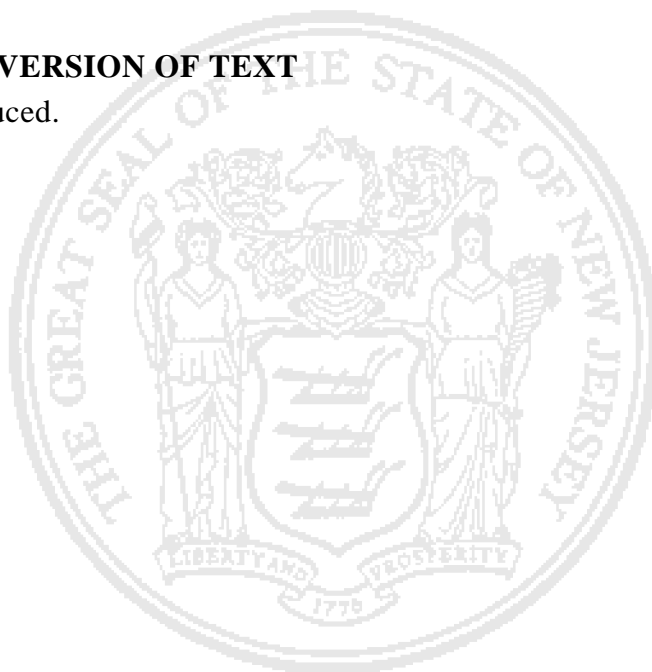
Assemblywoman Vandervalk, Assemblymen Rooney, Gibson and Zecker

SYNOPSIS

Appropriates \$50 million to the DEP for dam repair assistance and dam safety enhancement.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing a multi-year program in the Department of
2 Environmental Protection to provide funding for dam repair
3 projects, enhancement of State dam inspection functions, and
4 making appropriations for these purposes.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. a. There is appropriated to the Department of Environmental
10 Protection from the General Fund \$50,000,000 for the purpose of
11 financing the costs of repairing and rehabilitating dams designated by
12 the Department of Environmental Protection as being in need of such
13 attention. This sum shall be appropriated pursuant to the provisions
14 of subsection e. of this section. It shall include administrative costs
15 and shall be allocated to those projects included on a Dam Repair Plan,
16 as developed by the Department of Environmental Protection and
17 reviewed by the State Commission on Capital Budgeting and Planning.

18 b. The sum appropriated under subsection a. of this section shall
19 be made available to finance the cost of rehabilitating dams owned by
20 the State, local government units, and private parties. Funds shall be
21 awarded to eligible local government units in the form of nonmatching
22 grants and to eligible private dam owners, as co-applicants with local
23 government units, in the form of loans. Local government units are
24 authorized to apply for, receive and administer nonmatching grants on
25 behalf of dams whose ownership is unclear.

26 c. Loans awarded under subsection b. of this section shall bear an
27 annual rate of interest of 2% and shall be for a term of not more than
28 20 years. Repayments shall be used for new dam rehabilitation
29 projects or for the maintenance costs of previously funded projects.
30 Grant and loan amounts for each project shall be determined by the
31 Department of Environmental Protection.

32 d. Except as otherwise provided pursuant to subsection c. of this
33 section, loans under subsection b. of this section shall be awarded and
34 administered by the Department of Environmental Protection pursuant
35 to the rules and regulations governing the existing revolving loan
36 program for dam restoration projects created and funded under the
37 "Green Acres, Clean Water, Farmland and Historic Preservation Bond
38 Act of 1992," P.L.1992, c.88.

39 e. All monies appropriated under this section shall be allocated over
40 a period of not more than two years from the effective date of this act.

41

42 2. There is appropriated to the Department of Environmental
43 Protection from the General Fund \$300,000 to augment the budget
44 and staff of the departmental units responsible for carrying out
45 mandated and enhanced dam inspection and safety review activities.
46 Dam safety reviews shall be enhanced to include determinations

1 concerning the consistency of current dam classifications with the
2 State's current level of land-based development.

3

4 3. This act shall take effect immediately.

5

6

7

STATEMENT

8

9 This bill establishes a two-year, \$50 million financial aid program
10 in the Department of Environmental Protection (DEP) that is similar
11 to the program established to repair high hazard dams under P.L.1999,
12 c.347. The program established herein, however, would provide
13 financial assistance for dam repair or rehabilitation for all dams
14 throughout the State, regardless of classification . The bill provides
15 full funding for State-owned dams as well as dams owned by or under
16 the jurisdiction of other public entities. Private dam owners would be
17 eligible to receive low-interest loans.

18 The bill also appropriates \$300,000 to the DEP to provide
19 additional funding to its dam safety and inspection program. This is
20 partly in response to the increased level of reviews anticipated by the
21 department as a result of the recent mass mailing to dam owners,
22 reminding them of their responsibility for inspecting these structures.
23 Enforcement of this State-mandated responsibility was prompted by
24 the collapse of several privately-owned, low hazard dams during the
25 summer of 2000.

ASSEMBLY ENVIRONMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2862

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 9, 2000

The Assembly Environment Committee reports favorably and with committee amendments Assembly Bill No. 2862.

The bill establishes a two-year, \$50 million financial aid program in the Department of Environmental Protection that is similar to the program established to repair high hazard dams under P.L.1999, c.347. However, the program established by the bill would provide financial assistance for dam repair or rehabilitation for all dams throughout the State, regardless of classification. The bill provides full funding for State-owned dams as well as dams owned by or under the jurisdiction of other public entities. Private dam owners would be eligible to receive low-interest loans.

The bill also appropriates \$300,000 to the Department of Environmental Protection to provide additional funding to its dam safety and inspection program. This is partly in response to the increased level of reviews anticipated by the department as a result of the recent mass mailing to dam owners, reminding them of their responsibility for inspecting these structures. Enforcement of this State-mandated responsibility was prompted by the collapse of several privately-owned, low hazard dams during the summer of 2000.

The committee amendments make technical corrections to the bill.

[First Reprint]

ASSEMBLY, No. 2862

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED OCTOBER 12, 2000

Sponsored by:

Assemblyman JACK COLLINS

District 3 (Salem, Cumberland and Gloucester)

Assemblyman RICK MERKT

District 25 (Morris)

Co-Sponsored by:

Assemblywoman Myers, Assemblymen Lance, Felice, Kelly

Assemblywoman Heck, Assemblymen Garrett, Gregg, DeCroce,

Assemblywoman Vandervalk, Assemblymen Rooney, Gibson, Zecker and

Assemblywoman Murphy

SYNOPSIS

Appropriates \$50 million to the DEP for dam repair assistance and dam safety enhancement.

CURRENT VERSION OF TEXT

As reported by the Assembly Environment Committee on November 9, 2000, with amendments.

(Sponsorship Updated As Of: 12/8/2000)

1 AN ACT establishing a multi-year program in the Department of
 2 Environmental Protection to provide funding for dam repair
 3 projects ¹[.] and¹ enhancement of State dam inspection functions,
 4 and making appropriations for these purposes.

5
 6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 7 *of New Jersey:*

8
 9 1. a. There is appropriated to the Department of Environmental
 10 Protection from the General Fund ¹the sum of¹ \$50,000,000 for the
 11 purpose of financing the costs of repairing and rehabilitating dams
 12 designated by the Department of Environmental Protection as being in
 13 need of such attention. This sum shall be appropriated pursuant to the
 14 provisions of subsection e. of this section. It shall include
 15 administrative costs and shall be allocated to those projects included
 16 on a Dam Repair Plan, as developed by the Department of
 17 Environmental Protection and reviewed by the ¹[State] New Jersey¹
 18 Commission on Capital Budgeting and Planning.

19 b. The sum appropriated under subsection a. of this section shall
 20 be made available to finance the cost of rehabilitating dams owned by
 21 the State, local government units, and private parties. Funds shall be
 22 awarded to eligible local government units in the form of nonmatching
 23 grants and to eligible private dam owners, as co-applicants with local
 24 government units, in the form of loans. Local government units are
 25 authorized to apply for, receive and administer nonmatching grants on
 26 behalf of dams whose ownership is unclear.

27 c. Loans awarded under subsection b. of this section shall bear an
 28 annual rate of interest of 2% and shall be for a term of not more than
 29 20 years. Repayments shall be used for new dam rehabilitation
 30 projects or for the maintenance costs of previously funded projects.
 31 Grant and loan amounts for each project shall be determined by the
 32 Department of Environmental Protection.

33 d. Except as otherwise provided pursuant to subsection c. of this
 34 section, loans under subsection b. of this section shall be awarded and
 35 administered by the Department of Environmental Protection pursuant
 36 to the rules and regulations governing the existing revolving loan
 37 program for dam restoration projects created and funded under the
 38 "Green Acres, Clean Water, Farmland and Historic Preservation Bond
 39 Act of 1992," P.L.1992, c.88.

40 e. All monies appropriated under this section shall be allocated over
 41 a period of not more than two years from the effective date of this act.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AEN committee amendments adopted November 9, 2000.

- 1 2. There is appropriated to the Department of Environmental
2 Protection from the General Fund ¹the sum of¹ \$300,000 to augment
3 the budget and staff of the departmental units responsible for carrying
4 out mandated and enhanced dam inspection and safety review
5 activities. Dam safety reviews shall be enhanced to include
6 determinations concerning the consistency of current dam
7 classifications with the State's current level of land-based
8 development.
9
- 10 3. This act shall take effect immediately.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 2862

STATE OF NEW JERSEY

209th LEGISLATURE

DATED: DECEMBER 15, 2000

SUMMARY

Synopsis: Appropriates \$50 million to the DEP for dam repair assistance and dam safety enhancement.

Type of Impact: Expenditure increase from the General Fund.

Agencies Affected: Department of Environmental Protection (DEP) and various local governments.

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Cost	\$25,150,000	\$25,150,000	\$0
Local Cost	\$0	\$0	\$0

- ! The bill establishes a \$50 million assistance program in the Department of Environmental Protection (DEP) to repair and rehabilitate dams owned by public and private entities.
- ! Publicly-owned dams could receive nonmatching grants while privately-owned dams could receive low-interest loans; loan repayments and interest would be reused for future loans.
- ! The DEP has classified 62 high hazard dams and 335 significant hazard dams to be in need of immediate repair, with total repair costs estimated at \$170 million.
- ! The bill appropriates \$300,000 to the DEP's dam safety units to supplement staff and resources to provide for increased dam safety inspections and reviews.

BILL DESCRIPTION

Assembly Bill No. 2862 (1R) of 2000 establishes a two-year, \$50 million financial aid program in the Department of Environmental Protection (DEP) that is similar to the program established to repair high hazard dams under P.L.1999, c.347. The program established herein, however, would provide financial assistance for dam repair or rehabilitation for both high hazard and significant hazard dams throughout the State . The bill provides full funding for State-

owned dams as well as dams owned by or under the jurisdiction of other public entities. Private dam owners would be eligible to receive low-interest loans, with repayments deposited into a revolving fund for reuse as loans or for maintenance costs of previously funded projects.

The bill also appropriates \$300,000 to the DEP to augment its dam safety and inspection program. This is partly in response to the increased level of reviews anticipated by the department resulting from a recent notification to dam owners regarding their responsibility for inspecting these structures. Enhanced enforcement of this State-mandated responsibility was prompted by the collapse of several privately-owned, low hazard dams during the summer of 2000.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) estimates that the bill's appropriation would only partially meet the total costs incurred to repair all of the State's high hazard and significant hazard dams in need of immediate attention. The DEP has publicly stated that 62 high hazard dams need repairs or rehabilitation totaling \$35 million. It has also stated that 335 significant hazard dams require repair or rehabilitation totaling \$135 million. It should be noted that some of these costs, over and above the \$50 million appropriation, will be met in the future through the reuse of loan repayments and interest earnings derived from revolving loan fund established by the bill. The distribution of monies for grants versus loans cannot be determined at this time.

While the OLS assumes that the assistance program will distribute the \$50 million appropriation equally over the two-year period provided under the bill, this may not occur because there is no such allocation percentage requirement. Likewise, the \$300,000 appropriation for the dam safety program staff is not required to be distributed equally over the two-year period. The OLS estimates that \$300,000 should be sufficient to hire additional staff and resources to carry out the anticipated increase in dam safety inspections, but additional funding will be needed after two years to continue this increased level of service.

Last, affected municipalities will not incur mandatory costs under the bill because they are not required to provide matching funds to receive grants.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 2863, 3330 (ACS)
and 2862

STATE OF NEW JERSEY
209th LEGISLATURE

ADOPTED JUNE 25, 2001

Sponsored by:

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

Assemblyman RICK MERKT

District 25 (Morris)

Assemblyman E. SCOTT GARRETT

District 24 (Sussex, Hunterdon and Morris)

Assemblyman JACK COLLINS

District 3 (Salem, Cumberland and Gloucester)

Co-Sponsored by:

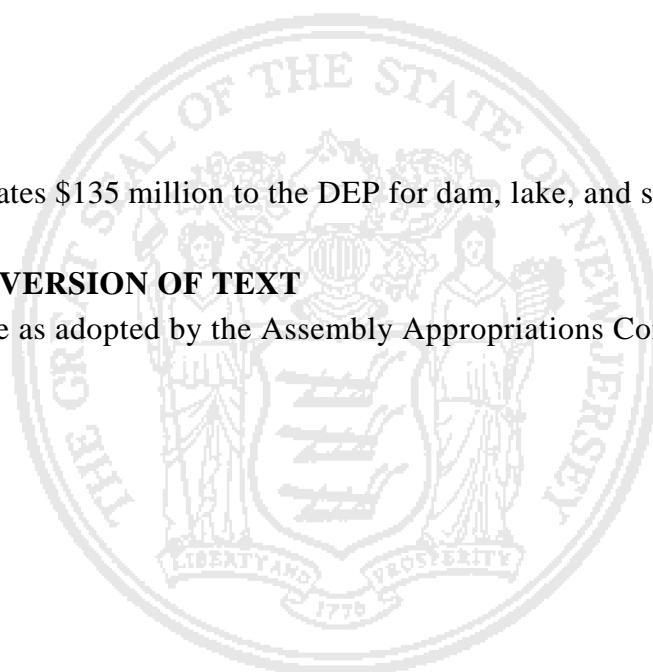
**Assemblymen Carroll, Lance, Blee, Gibson, Zecker, Assemblywoman
Murphy, Assemblymen Felice, Greenwald, Arnone, Assemblywoman
Myers, Assemblyman Kelly, Assemblywoman Heck, Assemblyman
DeCroce, Assemblywoman Vandervalk, Assemblymen Rooney and
Thompson**

SYNOPSIS

Appropriates \$135 million to the DEP for dam, lake, and stream projects.

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Appropriations Committee.



(Sponsorship Updated As Of: 6/29/2001)

1 AN ACT concerning dam repair, lake dredging and stream cleaning,
2 supplementing Title 58 of the Revised Statutes, and making an
3 appropriation.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. The Legislature finds and declares that the condition of many
9 dams, lakes, and streams throughout the State has been deteriorating
10 at an alarming rate due to a chronic lack of maintenance, and that the
11 deterioration was exacerbated by unusually heavy amounts of rainfall
12 during the summer of 2000, particularly the storms occurring on
13 August 12 and August 13 that created a state of emergency in several
14 counties.

15 The Legislature further finds and declares that these conditions
16 have led to the collapse of dams, polluted lakes, stream flooding and
17 property damage to homes, businesses, lake communities and public
18 utilities; and that federal, State and local financial resources have not
19 met adequately the costs of remediating the sites and facilities affected
20 by these conditions.

21 The Legislature therefore determines that it is in the public interest
22 to provide additional funding for State programs that are responsible
23 for remediating, and for providing assistance to other public or private
24 entities to remediate, the conditions described herein.

25
26 2. a. There is established in the Department of Environmental
27 Protection a dedicated, nonlapsing fund, designated the "Dam, Lake
28 and Stream Project Fund." Moneys in the fund shall be used for the
29 purpose of supplementing the department's capital construction
30 programs that provide funding for dam restoration and repair, lake
31 dredging and restoration, and stream cleaning and desnagging, and to
32 fund the cost of dam inspection as prescribed under subsection f. of
33 this section. There is appropriated from the "Surplus Revenue Fund,"
34 established pursuant to P.L.1990, c.44 (C.52:9H-14 et seq.), to the
35 Dam, Lake and Stream Project Fund the sum of \$135,000,000.

36 b. Moneys in the Dam, Lake and Stream Project Fund are
37 appropriated for State, local or privately-owned projects and may be
38 combined with other State or non-State funding sources.

39 c. Moneys appropriated from the Dam, Lake and Stream Project
40 Fund may be used by the department to provide loans bearing an
41 interest rate of not more than 2% or other forms of assistance, other
42 than full or matching grants, to owners of private dams, lakes or
43 streams, in accordance with criteria for existing programs established
44 under previous State bond acts, legislative initiatives, or federal aid
45 guidelines

46 d. (1) Loans awarded under this section to owners of private

1 dams or lake associations shall require local government units to act
2 as co-applicants. The cost of payment of the principal and interest on
3 these loans shall be assessed, in the same manner as provided for the
4 assessment of local improvements generally under chapter 56 of Title
5 40 of the Revised Statutes, against the real estate benefited thereby in
6 proportion to and not in excess of the benefits conferred, and such
7 assessment shall bear interest and penalties from the same time and at
8 the same rate as assessments for local improvements in the
9 municipality in which they are imposed, and from the date of
10 confirmation shall be a first and paramount lien upon the real estate
11 assessed to the same extent, and be enforced and collected in the same
12 manner, as assessments for local improvements.

13 (2) Notwithstanding the provisions of paragraph (1) of this
14 subsection or of any other law to the contrary, no project for which
15 loans to owners of private dams or lake associations are awarded
16 under this section shall be considered a municipal capital improvement,
17 nor shall the amount of any such loan be considered part of the
18 municipal capital budget, and no such loan shall be subject to the
19 review or approval of the Local Finance Board established under
20 P.L.1974, c.35 (C.52:27D-18.1).

21 e. The moneys appropriated under this section shall be allocated
22 over a period of five fiscal years commencing with the fiscal year of
23 enactment in such a manner that (1) the amount allocated for each of
24 those five fiscal years shall be at least \$25,000,000 but not more than
25 \$30,000,000, and (2) of the total amount of the sums so appropriated
26 (a) the amount allocated to dam restoration and repair shall be at least
27 \$90,000,000 and not more than \$95,000,000, (b) the amount allocated
28 to lake dredging and restoration and to stream cleaning and
29 desnagging shall be at least \$30,000,000 and not more than
30 \$35,000,000, and (c) the amount allocated to the Department of
31 Environmental Protection for repair of department-owned dams shall
32 be at least \$10,000,000 and not more than \$15,000,000.

33 f. In addition to the number of individuals employed as inspectors
34 of dams on October 1, 2000, the Department of Environmental
35 Protection is directed to employ nine additional individuals as
36 inspectors of dams and to keep all of the positions, including both
37 those in which individuals were employed as inspectors of dams on
38 October 1, 2000 and those to which the nine additional individuals
39 shall have been appointed thereafter, filled for the entire duration of
40 the five-year period prescribed under subsection e. of this section with
41 employees having educational backgrounds or skills in engineering
42 necessary to conduct the inspection of dams and otherwise to carry
43 out the objectives of this act. The salary costs for the nine additional
44 staff positions during that five-year period shall be charged against the
45 moneys appropriated under subsection a. of this section and allocated
46 under subparagraph (a) of paragraph (2) of subsection e. hereof

1 3. On or before October 1, 2001, and on or before October 1 of
2 each succeeding year, the Department of Environmental Protection
3 shall submit a written report to the Joint Budget Oversight Committee,
4 or its successor, specifying the nature and location of each project to
5 which funds appropriated under this act shall have been allocated
6 during the preceding State fiscal year; for each project, the names of
7 the individuals, groups and political subdivisions to which the funds so
8 allocated shall have been awarded; the amount awarded to each
9 recipient; whether such amount shall have been awarded as a grant or
10 loan; and in the case of each loan, the terms thereof.

11

12 4. This act shall take effect immediately.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, Nos. 2863, 3330 (ACS) and 2862

STATE OF NEW JERSEY

DATED: JUNE 25, 2001

The Assembly Appropriations Committee reports favorably an Assembly Committee Substitute for Assembly Bill Nos. 2863, 3330 (ACS) and 2862.

This Assembly committee substitute for Assembly Bill Nos. 2863, 3330 (ACS) and 2862 creates in the Department of Environmental Protection (DEP) a program for dam restoration and lake and stream remediation projects. It appropriates funding for the program and provides that the amount appropriated shall be allocated to those projects over a five-year period.

Project fund: establishment, purpose and funding. The substitute establishes in DEP a dedicated, nonlapsing fund, designated the "Dam, Lake and Stream Project Fund." Moneys in the fund will be used to supplement DEP's capital construction programs that fund dam restoration and repair, lake dredging and restoration, and stream cleaning and desnagging. The substitute appropriates from the Surplus Revenue Fund (commonly referred to as the "Rainy Day Fund") to the Dam, Lake and Stream Project Fund the sum of \$135,000,000. These moneys are in turn appropriated under the substitute for State, local or privately-owned projects and may be combined with other State or non-State funding sources. The DEP may use the moneys to provide loans bearing an interest rate of not more than 2% or other forms of assistance (but not grants) to owners of private dams, lakes or streams, in accordance with criteria for existing programs established under previous State bond acts, legislative initiatives, or federal aid guidelines.

Five-year allocation schedule. Moneys appropriated under the substitute are to be allocated to projects over a period of five fiscal years, starting with the fiscal year of enactment, in such a manner that

(1) the amount allocated for each of those five fiscal years shall be at least \$25,000,000 but not more than \$30,000,000, and

(2) of the total amount (a) the amount allocated to dam restoration and repair shall be at least \$90,000,000 and not more than \$95,000,000, (b) the amount allocated to lake dredging and restoration and to stream cleaning and desnagging shall be at least \$30,000,000 and not more than \$35,000,000, and (c) the amount

allocated to the Department of Environmental Protection for repair of department-owned dams shall be at least \$10,000,000 and not more than \$15,000,000.

Assessment for debt service on loans. Loans awarded under the substitute to owners of private dams or lake associations will require local government units to act as co-applicants. The cost of debt service on these loans will be assessed, in the same manner as provided for the assessment of local improvements generally under chapter 56 of Title 40 of the Revised Statutes, against the benefited real estate in proportion to the benefits conferred. This assessment will bear interest and penalties from the same time and at the same rate as assessments for local improvements in a municipality in which they are imposed, and will be a first lien on the real estate assessed and subject to collection and enforcement in the same manner as assessments for local improvements. The substitute clarifies, however, that

- < No project for which loans are awarded to owners of private dams or lake associations shall be considered a municipal capital improvement, nor shall the amount of any such loan be considered part of the municipal capital budget of a municipality, and
- < No such loan shall be subject to the review or approval of the Local Finance Board in the Department of Community Affairs.

Hiring of new dam inspectors. The substitute requires DEP to hire nine inspectors of dams in addition to those employed on October 1, 2000 (the day preceding the date on which the legislation was introduced in its initial form), and to keep all dam inspector positions -- both those staffed as of October 1 and those staffed by the nine new employees -- filled for the duration of the five-year allocation schedule described above. The salary costs for the nine additional dam inspectors during that five-year period shall be charged against the moneys appropriated under the substitute and allocated to dam restoration and repair.

Report to JBOC. The substitute requires DEP to submit, on or before October 1 of each year, a written annual report to the Joint Budget Oversight Committee on the projects to which funds in the Dam, Lake and Stream Project Fund have been allocated during the preceding State fiscal year; for each project, the names of the individuals, groups and political subdivisions to which awards under the project allocation were made; the amount awarded to each recipient; whether that amount was awarded as a grant or loan; and in the case of each loan, the terms of the loan.

As reported by the committee, this substitute is identical to the Senate Bill No. 1714 (SCS), as amended and reported by the committee.

FISCAL IMPACT:

This substitute appropriates from the Surplus Revenue Fund to the Dam, Lake and Stream Project Fund the sum of \$135,000,000.

P.L. 2001, CHAPTER 360, *approved January 6, 2002*
Senate Committee Substitute (*First Reprint*) for
Senate, No. 1714

1 AN ACT concerning dam repair, lake dredging and stream cleaning,
2 supplementing Title 58 of the Revised Statutes, and making an
3 appropriation.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. The Legislature finds and declares that the condition of many
9 dams, lakes, and streams throughout the State has been deteriorating
10 at an alarming rate due to a chronic lack of maintenance, and that the
11 deterioration was exacerbated by unusually heavy amounts of rainfall
12 during the summer of 2000, particularly the storms occurring on
13 August 12 and August 13 that created a state of emergency in several
14 counties.

15 The Legislature further finds and declares that these conditions
16 have led to the collapse of dams, polluted lakes, stream flooding and
17 property damage to homes, businesses, lake communities and public
18 utilities; and that federal, State and local financial resources have not
19 met adequately the costs of remediating the sites and facilities affected
20 by these conditions.

21 The Legislature therefore determines that it is in the public interest
22 to provide additional funding for State programs that are responsible
23 for remediating, and for providing assistance to other public or private
24 entities to remediate, the conditions described herein.

25
26 2. a. There is established in the Department of Environmental
27 Protection a dedicated, nonlapsing fund, designated the "Dam, Lake
28 and Stream Project Fund." Moneys in the fund shall be used for the
29 purpose of supplementing the department's capital construction
30 programs that provide funding for dam restoration and repair, lake
31 dredging and restoration, and stream cleaning and desnagging, and to
32 fund the cost of dam inspection as prescribed under subsection f. of
33 this section. There is appropriated from the "Surplus Revenue Fund,"
34 established pursuant to P.L.1990, c.44 (C.52:9H-14 et seq.), to the
35 Dam, Lake and Stream Project Fund the sum of ²[\$135,000,000]
36 \$6,730,000 ².

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted June 25, 2001.

² Governor's line-item veto changes of January 7, 2002.

1 b. Moneys in the Dam, Lake and Stream Project Fund are
2 appropriated for State, local or privately-owned projects and may be
3 combined with other State or non-State funding sources.

4 c. Moneys appropriated from the Dam, Lake and Stream Project
5 Fund may be used by the department to provide loans bearing an
6 interest rate of not more than 2% or other forms of assistance, other
7 than full or matching grants, to owners of private dams, lakes or
8 streams, in accordance with criteria for existing programs established
9 under previous State bond acts, legislative initiatives, or federal aid
10 guidelines.

11 d. (1) Loans awarded under this section to owners of private
12 dams or lake associations shall require local government units to act
13 as co-applicants. The cost of payment of the principal and interest on
14 these loans shall be assessed, in the same manner as provided for the
15 assessment of local improvements generally under chapter 56 of Title
16 40 of the Revised Statutes, against the real estate benefited thereby in
17 proportion to and not in excess of the benefits conferred, and such
18 assessment shall bear interest and penalties from the same time and at
19 the same rate as assessments for local improvements in the
20 municipality in which they are imposed, and from the date of
21 confirmation shall be a first and paramount lien upon the real estate
22 assessed to the same extent, and be enforced and collected in the same
23 manner, as assessments for local improvements.

24 (2) Notwithstanding the provisions of paragraph (1) of this
25 subsection or of any other law to the contrary, no project for which
26 loans to owners of private dams or lake associations are awarded
27 under this section shall be considered a municipal capital improvement,
28 nor shall the amount of any such loan be considered part of the
29 municipal capital budget, and no such loan shall be subject to the
30 review or approval of the Local Finance Board established under
31 P.L.1974, c.35 (C.52:27D-18.1).

32 e. The moneys appropriated under this section shall be allocated
33 ² [over a period of five fiscal years]² commencing with the fiscal year
34 of enactment in such a manner that ² [(1) the amount allocated for
35 each of those five fiscal years shall be at least \$25,000,000 but not
36 more than \$30,000,000, and (2) of the total amount of the sums so
37 appropriated]² (a) the amount allocated to dam restoration and repair
38 shall be ² [at least ¹[\$95,000,000] \$90,000,000¹ and not more than
39 ¹[\$100,000,000] \$95,000,000 ¹, ¹[and]¹] \$4,730,000 ² (b) the
40 amount allocated to lake dredging and restoration and to stream
41 cleaning and desnagging shall be ²[at least [\$35,000,000]
42 \$30,000,000¹ and not more than ¹[\$40,000,000] \$35,000,000.
43 \$2,000,000 ² and (c) the amount allocated to the Department of
44 Environmental Protection for repair of department-owned dams shall
45 be ² [at least \$10,000,000 and not more than \$15,000,000] ¹ \$0.00².

46 f. In addition to the number of individuals employed as inspectors

1 of dams on October 1, 2000, the Department of Environmental
2 Protection is directed to employ nine additional individuals as
3 inspectors of dams and to keep all of the positions, including both
4 those in which individuals were employed as inspectors of dams on
5 October 1, 2000 and those to which the nine additional individuals
6 shall have been appointed thereafter, ² [filled for the entire duration
7 of the five-year period prescribed under subsection e. of this section]²
8 with employees having educational backgrounds or skills in
9 engineering necessary to conduct the inspection of dams and otherwise
10 to carry out the objectives of this act. The salary costs for the nine
11 additional staff positions ²[during that five-year period]² shall be
12 charged against the moneys appropriated under subsection a. of this
13 section and allocated under subparagraph (a) of paragraph (2) of
14 subsection e. hereof.

15

16 3. On or before October 1, 2001, and on or before October 1 of
17 each succeeding year, the Department of Environmental Protection
18 shall submit a written report to the Joint Budget Oversight Committee,
19 or its successor, specifying the nature and location of each project to
20 which funds appropriated under this act shall have been allocated
21 during the preceding State fiscal year; for each project, the names of
22 the individuals, groups and political subdivisions to which the funds so
23 allocated shall have been awarded; the amount awarded to each
24 recipient; whether such amount shall have been awarded as a grant or
25 loan; and in the case of each loan, the terms thereof.

26

27 4. This act shall take effect immediately.

28

29

30

31

32 _____
33 Appropriates \$135 million to the DEP for dam, lake, and stream
projects.

CHAPTER 360

AN ACT concerning dam repair, lake dredging and stream cleaning, supplementing Title 58 of the Revised Statutes, and making an appropriation.

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

C.58:4-11 Findings, declarations relative to dam repair, lake dredging and stream cleaning.

1. The Legislature finds and declares that the condition of many dams, lakes, and streams throughout the State has been deteriorating at an alarming rate due to a chronic lack of maintenance, and that the deterioration was exacerbated by unusually heavy amounts of rainfall during the summer of 2000, particularly the storms occurring on August 12 and August 13 that created a state of emergency in several counties.

The Legislature further finds and declares that these conditions have led to the collapse of dams, polluted lakes, stream flooding and property damage to homes, businesses, lake communities and public utilities; and that federal, State and local financial resources have not met adequately the costs of remediating the sites and facilities affected by these conditions.

The Legislature therefore determines that it is in the public interest to provide additional funding for State programs that are responsible for remediating, and for providing assistance to other public or private entities to remediate, the conditions described herein.

C.58:4-12 "Dam, Lake and Stream Project Fund."

2. a. There is established in the Department of Environmental Protection a dedicated, nonlapsing fund, designated the "Dam, Lake and Stream Project Fund." Moneys in the fund shall be used for the purpose of supplementing the department's capital construction programs that provide funding for dam restoration and repair, lake dredging and restoration, and stream cleaning and desnagging, and to fund the cost of dam inspection as prescribed under subsection f. of this section. There is appropriated from the "Surplus Revenue Fund," established pursuant to P.L.1990, c.44 (C.52:9H-14 et seq.), to the Dam, Lake and Stream Project Fund the sum of \$6,730,000.

b. Moneys in the Dam, Lake and Stream Project Fund are appropriated for State, local or privately-owned projects and may be combined with other State or non-State funding sources.

c. Moneys appropriated from the Dam, Lake and Stream Project Fund may be used by the department to provide loans bearing an interest rate of not more than 2% or other forms of assistance, other than full or matching grants, to owners of private dams, lakes or streams, in accordance with criteria for existing programs established under previous State bond acts, legislative initiatives, or federal aid guidelines.

d. (1) Loans awarded under this section to owners of private dams or lake associations shall require local government units to act as co-applicants. The cost of payment of the principal and interest on these loans shall be assessed, in the same manner as provided for the assessment of local improvements generally under chapter 56 of Title 40 of the Revised Statutes, against the real estate benefited thereby in proportion to and not in excess of the benefits conferred, and such assessment shall bear interest and penalties from the same time and at the same rate as assessments for local improvements in the municipality in which they are imposed, and from the date of confirmation shall be a first and paramount lien upon the real estate assessed to the same extent, and be enforced and collected in the same manner, as assessments for local improvements.

(2) Notwithstanding the provisions of paragraph (1) of this subsection or of any other law to the contrary, no project for which loans to owners of private dams or lake associations are awarded under this section shall be considered a municipal capital improvement, nor shall the amount of any such loan be considered part of the municipal capital budget, and no such loan shall be subject to the review or approval of the Local Finance Board established under P.L.1974, c.35 (C.52:27D-18.1).

e. The moneys appropriated under this section shall be allocated commencing with the fiscal year of enactment in such a manner that (a) the amount allocated to dam restoration and repair shall be \$4,730,000 (b) the amount allocated to lake dredging and restoration and to stream cleaning and desnagging shall be \$2,000,000 and (c) the amount allocated to the Department of Environmental Protection for repair of department-owned dams shall be \$0.00.

f. In addition to the number of individuals employed as inspectors of dams on October 1,

2000, the Department of Environmental Protection is directed to employ nine additional individuals as inspectors of dams and to keep all of the positions, including both those in which individuals were employed as inspectors of dams on October 1, 2000 and those to which the nine additional individuals shall have been appointed thereafter, with employees having educational backgrounds or skills in engineering necessary to conduct the inspection of dams and otherwise to carry out the objectives of this act. The salary costs for the nine additional staff positions shall be charged against the moneys appropriated under subsection a. of this section and allocated under subparagraph (a) of paragraph (2) of subsection e. hereof.

C.58:4-13 Annual report.

3. On or before October 1, 2001, and on or before October 1 of each succeeding year, the Department of Environmental Protection shall submit a written report to the Joint Budget Oversight Committee, or its successor, specifying the nature and location of each project to which funds appropriated under this act shall have been allocated during the preceding State fiscal year; for each project, the names of the individuals, groups and political subdivisions to which the funds so allocated shall have been awarded; the amount awarded to each recipient; whether such amount shall have been awarded as a grant or loan; and in the case of each loan, the terms thereof.

4. This act shall take effect immediately.

Approved January 6, 2002.