13:8C-43 to 13:8C-57

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2016 **CHAPTER**: 12

NJSA: 13:8C-43 to 13:8C-57 (Revises State's open space, farmland, and historic preservation programs;

implements 2014 constitutional dedication of CBT revenues for certain

environmental purposes)

BILL NO: S2456 (Substituted for A4017)

SPONSOR(S) Smith and others

DATE INTRODUCED: June 27, 2016

COMMITTEE: ASSEMBLY: ---

SENATE: ---

AMENDED DURING PASSAGE: No.

DATE OF PASSAGE: ASSEMBLY: June 27, 2016

SENATE: June 27, 2016

DATE OF APPROVAL: June 30, 2016

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced version of bill enacted)

S2456

SPONSOR'S STATEMENT: (Begins on page 20 of introduced bill) Yes

COMMITTEE STATEMENT: ASSEMBLY: No

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

A4017

SPONSOR'S STATEMENT: (Begins on page 20 of introduced bill)

Yes

COMMITTEE STATEMENT: ASSEMBLY: No

SENATE: No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

(continued)

| VETO MESSAGE: | No |
|---|-------|
| GOVERNOR'S PRESS RELEASE ON SIGNING: | Yes |
| FOLLOWING WERE PRINTED: To check for circulating copies, contact New Jersey State Government | |
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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

OTHER: Yes

Committee meeting of Senate Environment and Energy Committee: the Committee will hear testimony from invited guests and the public on electronic waste recycling; also, a draft bill allocating funding for open space, farmland, and historic preservation will be distributed and committee members will have a policy discussion on that issue; the following bill will be considered: Senate bill 2424 [February 9, 2015, Trenton, New Jersey] / meeting recorded and transcribed by the Office of Legislative Services, Public Information Office, Hearing Unit. 974.90 N284, 2015

Public hearing before Senate Environment and Energy Committee: the Committee will hear testimony from the public on the status of constitutionally dedicated open space funding and on the development of standards governing public access to the waterfront, the public access stakeholder group will also report on their proposals for changes to the public access requirements [April 21, 2016, Trenton, New Jersey] / hearing recorded and transcribed by the Office of Legislative Services, Public Information Office, Hearing Unit. 974.90 N284, 2016

RWH/JA.

[&]quot;Governor cuts a deal on open space," Hunterdon County Democrat, June 30, 2016

[&]quot;Christie signs 6 measures, vetoes 7," NorthJersey.com, July 1, 2016

[&]quot;Lawmakers, advocates hail passage of preservation law," Burlington County Times, August 31, 2016

§§1-15 -C.13:8C-43 to 13:8C-57 & Notes to 4:1C-4 & 13:1B-15.111 §17 - Note

P.L.2016, CHAPTER 12, *approved June 30*, *2016* Senate, No. 2456

AN ACT concerning the constitutional dedication of corporation business tax revenues for certain environmental purposes, supplementing Title 13 of the Revised Statutes, and amending P.L.1999, c.152.

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

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1. (New section) This act shall be known, and may be cited, as the "Preserve New Jersey Act."

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- 2. (New section) The Legislature finds and declares that:
- a. Enhancing the quality of life of the citizens of New Jersey is a paramount policy of the State, and the acquisition, preservation, and stewardship of open space, farmland, and historic properties in New Jersey protect and enhance the character and beauty of the State and provide its citizens with greater opportunities for recreation, relaxation, and education;
- b. The lands and resources now dedicated to these purposes will not be adequate to meet the needs of an expanding population in years to come, and the open space and farmland that is available and appropriate for these purposes will gradually disappear as the costs of preserving them correspondingly increase;
- c. The Delaware River, the Passaic River, and the Raritan River, and their respective tributaries, and many other areas throughout the State have been subject to serious flooding over the years, causing on some occasions loss of life and significant property damage;
- d. Beginning on October 28, 2012, the post-tropical storm commonly referred to as "Hurricane Sandy" struck New Jersey, producing unprecedented severe weather conditions, including enormous storm surges, devastating wind, and widespread flooding, crippling entire communities across New Jersey, and inflicting incalculable harm to the economy of the State;
- 35 e. The acquisition of properties damaged by Hurricane Sandy 36 and of other damaged and flood-prone properties throughout the

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

State is in the best interests of the State to prevent future losses of life and property;

- f. "Blue Acres" is the term used to refer to the acquisition, for recreation and conservation purposes, of lands that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or that may buffer or protect other lands from such damage;
- g. Under the Blue Acres Program, structures on acquired property are demolished, the debris is removed, and the property is preserved for recreation and conservation purposes;
- h. Agriculture plays an integral role in the prosperity and wellbeing of the State as well as providing a fresh and abundant supply of food for its citizens;
- i. Much of the farmland in the State faces an imminent threat of permanent conversion to non-farm uses, and retention and development of an economically viable agricultural industry is of high public priority;
- j. There is an urgent need to preserve the State's historic heritage to enable present and future generations to experience, understand, and enjoy the landmarks of New Jersey's role in the birth and development of this nation;
- k. The restoration and preservation of properties of historic character and importance in the State are central to meeting this need, and a significant number of these historic properties are located in urban centers, where their restoration and preservation will advance urban revitalization efforts of the State and local governments;
- 1. There is growing public recognition that the quality of life, economic prosperity, and environmental quality in New Jersey are served by the protection and timely preservation of open space and farmland and better management of the lands, resources, historic properties, and recreational facilities that are already under public ownership or protection;
- m. The protection and preservation of New Jersey's water resources, including the quality and quantity of the State's limited water supply, are essential to the quality of life and the economic health of the citizens of the State;
- n. The preservation of the existing diversity of animal and plant species is essential to sustaining both the environment and the economy of the Garden State, and the conservation of adequate habitat for endangered, threatened, and other rare species is necessary to preserve this biodiversity;
- o. As recognized by the voters of the State when they, on November 4, 2014, approved an amendment to the State Constitution to dedicate a portion of corporation business tax revenues specifically for the purposes of open space, farmland, and historic preservation, there is a need to continue the State open space, farmland, and historic preservation programs previously

- 1 funded by the "Green Acres, Water Supply and Floodplain
- 2 Protection, and Farmland and Historic Preservation Bond Act of
- 3 2009" (P.L.2009, c.117), the "Green Acres, Farmland, Blue Acres,
- 4 and Historic Preservation Bond Act of 2007" (P.L.2007, c.119),
- 5 Article VIII, Section II, paragraph 7 of the State Constitution, the
- 6 "Green Acres, Farmland and Historic Preservation, and Blue Acres
- 7 Bond Act of 1995" (P.L.1995, c.204), and the nine previous similar
- 8 bond acts enacted in 1961, 1971, 1974, 1978, 1981, 1983, 1987,
- 9 1989, and 1992, and various implementing laws; and
 - p. It is therefore in the public interest to preserve and protect as much land for recreation and conservation purposes, including lands that protect water supplies and flood-prone lands, and for farmland preservation purposes, and as many historic properties, as possible within the means provided by Article VIII, Section II, paragraph 6 of the State Constitution.

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or in connection with, this act.

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- 3. (New section) As used in this act:
- "Acquisition" or "acquire" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Blue Acres cost" means the expenses incurred in connection with: all things deemed necessary or useful and convenient for the acquisition by the State or a qualifying tax exempt nonprofit organization, for recreation and conservation purposes, of lands that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or that may buffer or protect other lands from such damage; the execution of any agreements or franchises deemed by the Department of Environmental Protection to be necessary or useful and convenient in connection with any Blue Acres project authorized by this act; the procurement or provision of appraisal, archaeological, architectural, conservation, design, engineering, financial, geological, historic research, hydrological, inspection, legal, planning, relocation, surveying, or other professional advice, estimates, reports, services, or studies; the purchase of title insurance; the undertaking of feasibility studies; the demolition of structures, the removal of debris, and the restoration of lands to a natural state or to a state useful for recreation and conservation purposes; the establishment of a reserve fund or funds for working capital, operating, maintenance, or replacement expenses as the Director of the Division of Budget and Accounting in the Department of the Treasury may determine; and reimbursement to any fund of the State of moneys that may have been transferred or advanced therefrom to any fund established by this act, or any moneys that may have been expended therefrom for,

"Blue Acres project" means any project of the State or a qualifying tax exempt nonprofit organization to acquire, for recreation and conservation purposes, lands that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or that may buffer or protect other lands from such damage.

3 "Commissioner" means the Commissioner of Environmental 4 Protection.

5 "Committee" means the State Agriculture Development 6 Committee established pursuant to section 4 of P.L.1983, c.31 7 (C.4:1C-4).

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"Constitutionally dedicated CBT moneys" means any moneys made available pursuant to Article VIII, Section II, paragraph 6 of the State Constitution deposited in the funds established pursuant to sections 6, 7, 8, and 9 of this act, and appropriated by law, for recreation and conservation, farmland preservation, or historic preservation purposes set forth in Article VIII, Section II, paragraph 6 of the State Constitution or this act.

"Convey" or "conveyance" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Cost" means the expenses incurred in connection with: all things deemed necessary or useful and convenient for the acquisition or development of lands for recreation and conservation purposes, the acquisition of development easements or fee simple titles to farmland, or the preservation of historic properties, as the case may be; the execution of any agreements or franchises deemed by the Department of Environmental Protection, State Agriculture Development Committee, or New Jersey Historic Trust, as the case may be, to be necessary or useful and convenient in connection with any project funded in whole or in part using constitutionally dedicated CBT moneys; the procurement or provision of appraisal, archaeological, architectural, conservation, design, engineering, financial, geological, historic research, hydrological, inspection, legal, planning, relocation, surveying, or other professional advice, estimates, reports, services, or studies; the purchase of title insurance; the undertaking of feasibility studies; materials and labor costs for stewardship activities, but not overhead or administration costs for such activities; the establishment of a reserve fund or funds for working capital, operating, maintenance, or replacement expenses, as the Director of the Division of Budget and Accounting in the Department of the Treasury may determine; and reimbursement to any fund of the State of moneys that may have been transferred or advanced therefrom to any fund established by this act, or any moneys that may have been expended therefrom for, or in connection with, this act.

"Department" means the Department of Environmental Protection.

"Development" or "develop" means, except as used in the definitions of "acquisition" and "development easement" in this section, any improvement, including a stewardship activity, made to a land or water area designed to expand and enhance its utilization for recreation and conservation purposes, and shall include the

1 construction, renovation, or repair of any such improvement, but 2 shall not mean shore protection or beach nourishment or 3 replenishment activities.

4 "Development easement" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

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"Emergency intervention" means an immediate assessment or capital improvement necessary to protect or stabilize the structural integrity of a historic property.

9 "Farmland" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Farmland preservation," "farmland preservation purposes," or "preservation of farmland" means the same as those terms are defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Garden State Preservation Trust" or "trust" means the Garden State Preservation Trust established pursuant to section 4 of P.L.1999, c.152 (C.13:8C-4).

17 "Green Acres bond act" means: P.L.1961, c.46; P.L.1971, c.165; P.L.1974, c.102; P.L.1978, c.118; P.L.1983, c.354; P.L.1987, c.265; 18 19 P.L.1989, c.183; P.L.1992, c.88; P.L.1995, c.204; P.L.2007, c.119; 20 P.L.2009, c.117; and any State general obligation bond act that may 21 be approved after the date of enactment of this act for the purpose 22 of providing funding for the acquisition or development of lands for 23 recreation and conservation purposes or for farmland preservation 24 purposes.

"Historic preservation," "historic preservation purposes," or "preservation of historic properties" means the same as those terms are defined in section 3 of P.L.1999, c.152 (C.13:8C-3) and shall also include emergency intervention and the acquisition of a historic preservation easement.

"Historic preservation easement" means an interest in land, less than fee simple title thereto, that is purchased from a private or governmental property owner to permanently protect a historic property, and that is granted by the property owner to the New Jersey Historic Trust, a local government unit, or a qualifying tax exempt nonprofit organization.

"Historic property" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

38 "Land" or "lands" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Local government unit" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"New Jersey Historic Trust" means the entity established pursuant to section 4 of P.L.1967, c.124 (C.13:1B-15.111).

"Permitted investments" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

46 "Preserve New Jersey Blue Acres Fund" means the Preserve 47 New Jersey Blue Acres Fund established pursuant to section 7 of 48 this act.

"Preserve New Jersey Farmland Preservation Fund" means the Preserve New Jersey Farmland Preservation Fund established pursuant to section 8 of this act.

"Preserve New Jersey Green Acres Fund" means the Preserve New Jersey Green Acres Fund established pursuant to section 6 of this act.

"Preserve New Jersey Historic Preservation Fund" means the Preserve New Jersey Historic Preservation Fund established pursuant to section 9 of this act.

"Preserve New Jersey Fund Account" means the Preserve New Jersey Fund Account established pursuant to section 4 of this act.

"Project" means all things deemed necessary or useful and convenient in connection with the acquisition or development of lands for recreation and conservation purposes, the acquisition of development easements or fee simple titles to farmland, or the preservation of historic properties, as the case may be.

"Qualifying tax exempt nonprofit organization" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Recreation and conservation purposes" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Stewardship activity" means an activity, which is beyond routine operations and maintenance, undertaken by the State, a local government unit, or a qualifying tax exempt nonprofit organization to repair, or restore lands acquired or developed for recreation and conservation purposes for the purpose of enhancing or protecting those lands for recreation and conservation purposes. For the purposes of the farmland preservation program, "stewardship activity" means an activity, which is beyond routine operation and maintenance, undertaken by the landowner, or a farmer operator as an agent of the landowner, to repair, restore, or improve lands preserved for farmland preservation purposes, including but not limited to soil and water conservation projects approved pursuant to section 17 of P.L.1983, c.32 (C.4:1C-24).

- 4. (New section) There is established in the General Fund a special account to be known as the "Preserve New Jersey Fund Account."
 - a. The State Treasurer shall credit to this account:
- (1) (a) (i) For State fiscal year 2016, an amount equal to 71 percent of the four percent of the revenue annually derived from the tax imposed pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and supplemented, or any other State law of similar effect, dedicated for recreation and conservation, farmland preservation, and historic preservation purposes pursuant to subparagraph (a) of Article VIII, Section II, paragraph 6 of the State Constitution, less \$19,972,000 already appropriated and expended for parks management in P.L.2015, c.63; and

(ii) in each State fiscal year 2017 through and including State fiscal year 2019 an amount equal to 71 percent of the four percent of the revenue annually derived from the tax imposed pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and supplemented, or any other State law of similar effect, dedicated to recreation and conservation, farmland preservation, and historic preservation purposes pursuant to subparagraph (a) of Article VIII, Section II, paragraph 6 of the State Constitution; and

- (b) in each State fiscal year commencing in State fiscal year 2020 and annually thereafter, an amount equal to 78 percent of the six percent of the revenue annually derived from the tax imposed pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and supplemented, or any other State law of similar effect, dedicated to recreation and conservation, farmland preservation, and historic preservation purposes pursuant to subparagraph (a) of Article VIII, Section II, paragraph 6 of the State Constitution; and
- (2) in each State fiscal year, an amount equal to the amount dedicated pursuant to subparagraph (b) of Article VIII, Section II, paragraph 6 of the State Constitution.
- b. In each State fiscal year, the amount credited to the Preserve New Jersey Fund Account shall be appropriated from time to time by the Legislature only for the applicable purposes set forth in Article VIII, Section II, paragraph 6 of the State Constitution and this act for:
- (1) providing funding, including loans or grants, for the preservation, including acquisition, development, and stewardship, of lands for recreation and conservation purposes, including lands that protect water supplies and lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage;
- (2) providing funding, including loans or grants, for the preservation and stewardship of land for agricultural or horticultural use and production;
- (3) providing funding, including loans or grants, for historic preservation; and
- (4) paying administrative costs associated with (1) through (3) of this subsection.
- c. Nothing in this act shall authorize any State entity to use constitutionally dedicated CBT moneys for the purpose of making any payments relating to any bonds, notes, or other debt obligations, other than those relating to obligations arising from land purchase agreements made with landowners.
- 5. (New section) a. In State fiscal year 2017 through and including State fiscal year 2019, of the amount credited by the State

- 1 Treasurer to the Preserve New Jersey Fund Account pursuant to 2 paragraph (1) of subsection a. of section 4 of this act:
 - (1) 60 percent shall be deposited into the Preserve New Jersey Green Acres Fund established pursuant to section 6 of this act;
 - (2) 4 percent shall be deposited into the Preserve New Jersey Blue Acres Fund established pursuant to section 7 of this act;
 - (3) 31 percent shall be deposited into the Preserve New Jersey Farmland Preservation Fund established pursuant to section 8 of this act; and
 - (4) 5 percent shall be deposited into the Preserve New Jersey Historic Preservation Fund established pursuant to section 9 of this act.
 - b. In State fiscal year 2017 through and including State fiscal year 2019, of the amount credited by the State Treasurer to the Preserve New Jersey Fund Account pursuant to paragraph (2) of subsection a. of section 4 of this act, each State park, forest, or wildlife management area shall receive an amount equal to the amount of revenue annually derived from leases or conveyances of lands at that State park, forest, or wildlife management area, as appropriate, to be used for recreation and conservation purposes at that State park, forest, or wildlife management area.

6. (New section) a. The State Treasurer shall establish a fund to be known as the "Preserve New Jersey Green Acres Fund" and shall deposit into the fund all moneys received pursuant to paragraph (1) of subsection a. of section 5 of this act and any other moneys appropriated by law for deposit into the fund.

Moneys in the fund shall be invested in permitted investments or shall be held in interest-bearing accounts in those depositories as the State Treasurer may select, and may be invested and reinvested in permitted investments or as other trust funds in the custody of the State Treasurer in the manner provided by law. All interest or other income or earnings derived from the investment or reinvestment of moneys in the fund shall be credited to the fund. Moneys derived from the payment of principal and interest on the loans to local government units authorized by this act shall also be held in the fund.

- b. Of the amount deposited each State fiscal year into the Preserve New Jersey Green Acres Fund pursuant to paragraph (1) of subsection a. of section 5 of this act:
- (1) 55 percent shall be allocated for the purpose of paying the cost of acquisition and development of lands by the State for recreation and conservation purposes, and the amount provided pursuant to this paragraph shall be allocated as follows:
- (a) 50 percent shall be allocated for the purpose of paying the cost of acquisition of lands by the State for recreation and conservation purposes; and
- (b) 50 percent shall be allocated for the purpose of paying the cost of development of lands by the State for recreation and

1 conservation purposes, and of the amount provided pursuant to this 2 subparagraph:

- (i) up to 22 percent shall be allocated for the purpose of paying the cost for stewardship activities undertaken on lands administered by the Division of Fish and Wildlife in the department; and
- (ii) up to 22 percent shall be allocated for the purpose of paying the cost for stewardship activities undertaken on lands administered by the Division of Parks and Forestry in the department;
- (2) 38 percent shall be allocated for the purposes of providing grants and loans to assist local government units to pay the cost of acquisition and development of lands for recreation and conservation purposes, and of this amount, up to 2 percent shall be allocated for stewardship activities undertaken by local government units; and
- (3) 7 percent shall be allocated for the purposes of providing grants to assist qualifying tax exempt nonprofit organizations to pay the cost of acquisition and development of lands for recreation and conservation purposes, and of this amount, 11 percent shall be allocated for stewardship activities undertaken by qualifying tax exempt nonprofit organizations.
- c. Any repayments of the principal and interest on loans issued to local government units for the acquisition or development of lands for recreation and conservation purposes using constitutionally dedicated CBT moneys shall be deposited into the Preserve New Jersey Green Acres Fund, and shall be specifically dedicated for the issuance of additional loans in the same manner as provided in subsection b. of section 27 of P.L.1999, c.152 (C.13:8C-27).
- d. (1) The moneys in the fund are specifically dedicated and shall be used for the same purposes and according to the same criteria and provisions as those set forth in section 26 of P.L.1999, c.152 (C.13:8C-26), and as provided pursuant to this act.
- (2) Grants and loans issued to local government units and grants issued to qualifying tax exempt nonprofit organizations using constitutionally dedicated CBT moneys for the acquisition and development of lands for recreation and conservation purposes shall be subject to the same provisions as those prescribed in section 27 of P.L.1999, c.152 (C.13:8C-27), except as otherwise provided in section 10 of this act.
- e. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the Preserve New Jersey Green Acres Fund shall identify any particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee, or its successor, except as permitted otherwise in accordance with the same exceptions as those specified

- in paragraph (2) of subsection a. of section 23 of P.L.1999, c.152 (C.13:8C-23).
 - f. Unexpended moneys due to project withdrawals cancellations, or cost savings shall be returned to the fund.
 - g. Of the amount authorized pursuant to this section, not more than five percent shall be utilized for organizational, administrative and other work and services, including salaries, equipment and materials necessary to administer the applicable provisions of this act.
 - h. To the end that municipalities may not suffer a loss of taxes by reason of the acquisition and ownership by the State of lands in fee simple for recreation and conservation purposes, or the acquisition and ownership by qualifying tax exempt nonprofit organizations of lands in fee simple for recreation and conservation purposes that become certified as exempt from property taxes pursuant to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws, the State shall make payments annually in the same manner as payments are made pursuant to section 29 of P.L.1999, c.152 (C.13:8C-29).
 - i. The State shall not use the power of eminent domain in any manner for the acquisition of lands by the State for recreation and conservation purposes using constitutionally dedicated CBT moneys in whole or in part unless a concurrent resolution approving that use is approved by both Houses of the Legislature; except that, without the need for such a concurrent resolution, the State may use the power of eminent domain to the extent necessary to establish a value for lands to be acquired from a willing seller by the State for recreation and conservation purposes using constitutionally dedicated CBT moneys in whole or in part.

7. (New section) a. The State Treasurer shall establish a fund to be known as the "Preserve New Jersey Blue Acres Fund" and shall deposit into the fund all moneys received pursuant to paragraph (2) of subsection a. of section 5 of this act and any other moneys appropriated by law for deposit into the fund.

Moneys in the fund shall be invested in permitted investments or shall be held in interest-bearing accounts in those depositories as the State Treasurer may select, and may be invested and reinvested in permitted investments or as other trust funds in the custody of the State Treasurer in the manner provided by law. All interest or other income or earnings derived from the investment or reinvestment of moneys in the fund shall be credited to the fund.

- b. The moneys in the Preserve New Jersey Blue Acres Fund are specifically dedicated and shall be applied for the purposes of providing moneys to:
- (1) meet the Blue Acres costs to the State for the acquisition of lands for a Blue Acres project; or

(2) provide grants, pursuant to the provisions of subsection c. of this section, to assist a qualifying tax exempt nonprofit organization in meeting the Blue Acres costs for the acquisition of lands for a Blue Acres project.

- c. (1) A grant by the State for lands to be acquired by a qualifying tax exempt nonprofit organization for a Blue Acres project may include up to 50 percent of the Blue Acres cost of acquisition of the lands by the qualifying tax exempt nonprofit organization.
- (2) A qualifying tax exempt nonprofit organization shall not use as its matching share of the Blue Acres cost of acquisition of lands for a Blue Acres project any constitutionally dedicated moneys, as defined pursuant to section 3 of P.L.1999, c.152 (C.13:8C-3), or any grant moneys obtained from a Green Acres bond act.
- (3) To qualify to receive a grant from the Preserve New Jersey Blue Acres Fund, the board of directors or governing body of the applying tax exempt nonprofit organization shall:
- (a) demonstrate to the commissioner that the organization qualifies as a charitable conservancy for the purposes of P.L.1979, c.378 (C.13:8B-1 et seq.);
- (b) demonstrate that the organization has the resources to match the grant requested;
- (c) agree to make and keep the lands accessible to the public, unless the commissioner determines that public accessibility would be detrimental to the lands or any natural resources associated therewith;
- (d) agree not to convey the lands except to the federal government, the State, a local government unit, or another qualifying tax exempt nonprofit organization, for recreation and conservation purposes; and
- (e) agree to execute and donate to the State at no charge a conservation restriction pursuant to P.L.1979, c.378 (C.13:8B-1 et seq.) on the lands to be acquired with the grant.
- d. The State shall not use the power of eminent domain in any manner for the acquisition of lands by the State for Blue Acres projects using constitutionally dedicated CBT moneys in whole or in part unless a concurrent resolution approving that use is approved by both Houses of the Legislature; except that, without the need for such a concurrent resolution, the State may use the power of eminent domain to the extent necessary to establish a value for lands to be acquired from a willing seller by the State for recreation and conservation purposes, as part of a Blue Acres project, using constitutionally dedicated CBT moneys in whole or in part.
- e. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the Preserve New Jersey Blue Acres Fund shall identify the particular project or projects to be funded by the moneys, and any expenditure for a project for which the

- location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee, or its successor.
 - f. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund to be used for the purposes of the fund.
 - g. Of the amount authorized pursuant to this section, not more than five percent shall be utilized for organizational, administrative and other work and services, including salaries, equipment and materials necessary to administer the applicable provisions of this act.

- 8. (New section) a. The State Treasurer shall establish a fund to be known as the "Preserve New Jersey Farmland Preservation Fund" and shall deposit all moneys received pursuant to paragraph (3) of subsection a. of section 5 of this act and any other moneys appropriated by law for deposit into the fund.
- Moneys in the fund shall be invested in permitted investments or shall be held in interest-bearing accounts in those depositories as the State Treasurer may select, and may be invested and reinvested in permitted investments or as other trust funds in the custody of the State Treasurer in the manner provided by law. All interest or other income or earnings derived from the investment or reinvestment of moneys in the fund shall be credited to the fund.
- b. (1) The moneys in the fund are specifically dedicated and shall be used for the same purposes as those set forth in section 37 of P.L.1999, c.152 (C.13:8C-37) and as provided in paragraph (2) of this subsection.
- (2) Of the moneys deposited into the Preserve New Jersey Farmland Preservation Fund each year, up to 3 percent shall be allocated by the committee on an annual basis for stewardship activities.
- c. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the Preserve New Jersey Farmland Preservation Fund shall identify any particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee, or its successor, except as permitted otherwise in accordance with the same exceptions as those specified in paragraph (2) of subsection b. of section 23 of P.L.1999, c.152 (C.13:8C-23).
- d. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund.

9. (New section) a. The State Treasurer shall establish a fund to be known as the "Preserve New Jersey Historic Preservation

Fund" and shall deposit all moneys received pursuant to paragraph

(4) of subsection a. of section 5 of this act and any other moneys
appropriated by law for deposit into the fund.

Moneys in the fund shall be invested in permitted investments or shall be held in interest-bearing accounts in those depositories as the State Treasurer may select, and may be invested and reinvested in permitted investments or as other trust funds in the custody of the State Treasurer in the manner provided by law. All interest or other income or earnings derived from the investment or reinvestment of moneys in the fund shall be credited to the fund.

- b. The moneys in the fund are specifically dedicated and shall be used for the same purposes as those set forth in section 41 of P.L.1999, c.152 (C.13:8C-41), and for emergency intervention and the acquisition of historic preservation easements.
- c. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the Preserve New Jersey Historic Preservation Fund shall identify any particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee, or its successor.
- d. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund.

10. (New section) a. Notwithstanding the provisions of subparagraph (b) of paragraph (2) of subsection a. of section 27 of P.L.1999, c.152 (C.13:8C-27) to the contrary, a grant by the State for lands acquired or developed for recreation and conservation purposes by a local government unit in a municipality eligible to receive State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.) shall be for 75 percent of the cost of acquisition or development of the lands by the local government unit, except that the department may authorize an increase in the State's share of the cost up to 100 percent of the allowable funding cap established by the department upon a demonstration of special need or exceptional circumstances.

b. A local government unit or a qualifying tax exempt nonprofit organization may use a grant or loan received pursuant to this act for recreation and conservation purposes for the construction of a community garden, provided that public access to the lands acquired for recreation and conservation purposes is not limited by the community garden.

11. (New section) Lands acquired or developed by the State, a local government unit, or a qualifying tax exempt nonprofit organization for recreation and conservation purposes using constitutionally dedicated CBT moneys shall not be conveyed, disposed of, or diverted to a use for other than recreation and

conservation purposes without complying with the provisions of sections 31 through 35 of P.L.1999, c.152 (C.13:8C-31 through C.13:8C-35), as appropriate, and any other applicable law.

12. (New section) A local government unit that receives a grant or loan for recreation and conservation purposes pursuant to this act shall satisfactorily operate and maintain the lands acquired or developed pursuant to the conditions of the agreement between the local government unit and the department when the grant or loan is made. In the event that the local government unit cannot or will not correct deficiencies in the operation and maintenance within a reasonable time period, the commissioner may require the repayment of all or a portion of the grant or loan amount received by the local government unit.

13. (New section) a. At least once every two years, the Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust shall each submit to the Garden State Preservation Trust a list of projects recommended to receive funding pursuant to this act. Except as otherwise provided by this act, such funding recommendations shall be based upon the same respective priority systems, ranking criteria, and funding policies as those established pursuant to sections 23, 24, 26, 27, and 37 through 42 of P.L.1999, c.152 (C.13:8C-23, C.13:8C-24, C.13:8C-26, C.13:8C-27, and C.13:8C-37 through C.13:8C-42), section 7 of P.L.2005, c.178 (C.13:8C-38.1), and sections 1 and 2 of P.L.2001, c.405 (C.13:8C-40.1 and C.13:8C-40.2), and any rules or regulations adopted pursuant to thereto.

b. The Garden State Preservation Trust shall review the project lists submitted pursuant to subsection a. of this section, and prepare, and submit to the Governor and to the President of the Senate and the Speaker of the General Assembly for introduction in the Legislature, proposed legislation appropriating moneys pursuant to this act to fund projects on any such list. The Legislature may approve one or more appropriation bills containing a project list or lists submitted by the Garden State Preservation Trust pursuant to this subsection.

- 14. (New section) Within one year after the date of enactment of this act, and biennially thereafter, the Garden State Preservation Trust, after consultation with Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust shall submit to the Governor and the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), a written report, which shall:
- 47 a. Describe the progress being made with respect to the 48 acquisition and development of lands for recreation and

conservation purposes, including lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage, the preservation of farmland, and the preservation of historic properties, and provide recommendations with respect to any legislative, administrative, or local action that may be required to enable the Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust to meet their goals and objectives;

- b. Tabulate, both for the reporting period and cumulatively, the total acreage for the entire State, and the acreage in each county and municipality, of lands acquired for recreation and conservation purposes, including lands that protect water supplies and lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage, using (1) funding provided by this act, and (2) any other funding provided for such purposes;
- c. Tabulate, both for the reporting period and cumulatively, the total acreage for the entire State, and the acreage in each county and municipality, of farmland preserved for farmland preservation purposes using (1) funding provided by this act, and (2) any other funding provided for such purposes;
- d. Tabulate, both for the reporting period and cumulatively, the total acreage for the entire State, and the acreage in each county and municipality, of any donations of land for recreation and conservation purposes or farmland preservation purposes;
- e. List, both for the reporting period and cumulatively, and by location by county and municipality, all stewardship activities funded pursuant to subsection b. of section 6 of this act and paragraph (2) of subsection b. of section 8 of this act;
- f. List, both for the reporting period and cumulatively, and by project name, project sponsor, and location by county and municipality, all historic preservation projects, including emergency intervention and the acquisition of historic preservation easements, funded with constitutionally dedicated CBT moneys in whole or in part;
- g. Indicate those areas of the State where, as designated by the Department of Environmental Protection in the Open Space Master Plan prepared pursuant to section 5 of P.L.2002, c.76 (C.13:8C-25.1), the acquisition and development of lands by the State for recreation and conservation purposes, including lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage, is planned or is most likely to occur, and those areas of the State where there is a need to protect water resources, including the identification of lands where protection is needed to assure adequate quality and quantity of drinking water supplies in times of drought, indicate those areas of the State where the allocation of

- constitutionally dedicated CBT moneys for farmland preservation purposes is planned or is most likely to occur, and provide a proposed schedule and expenditure plan for those acquisitions, developments, and allocations, for the next reporting period, which shall include an explanation of how those acquisitions, developments, and allocations will be distributed throughout all geographic regions of the State to the maximum extent practicable and feasible;
 - h. List any surplus real property owned by the State or an independent authority of the State that may be utilizable for recreation and conservation purposes or farmland preservation purposes, and indicate what action has been or must be taken to effect a conveyance of those lands to the department, the committee, local government units, qualifying tax exempt nonprofit organizations, or other entities or persons so that the lands may be preserved and used for those purposes;
 - i. List, for the reporting period, all projects for which applications for funding under the Green Acres, Blue Acres, farmland preservation, and historic preservation programs were received but not funded with constitutionally dedicated CBT moneys or other funds during the reporting period, and the reason or reasons why those projects were not funded;
 - j. Tabulate, both for the reporting period and cumulatively, the total acreage for the entire State, and the acreage in each county and municipality, of lands acquired for recreation and conservation purposes that protect water resources and that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage; and
 - k. Describe any other information or statistics necessary to document the expenditure of funds pursuant to this act in conjunction with the expenditure of funds pursuant to P.L.1999, c.152 (C.13:8C-1 et al.) and any Green Acres bond act.

- 15. (New section) a. The Department of Environmental Protection, the State Agriculture Development Committee, the New Jersey Historic Trust, and the Department of the Treasury shall each adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), such rules and regulations as may be necessary to implement and carry out the goals and objectives of this act.
- b. Notwithstanding the provisions of any law to the contrary, any rules and regulations of the Department of Environmental Protection, the State Agriculture Development Committee, the New Jersey Historic Trust, and the Department of the Treasury that have been adopted pursuant to the "Administrative Procedure Act" and are in effect as of the date of enactment of this act, that are not inconsistent with the provisions of this act, and that pertain to the Green Acres, Blue Acres, farmland preservation, and historic

preservation programs continued pursuant to this act, shall continue in effect until amended or supplemented and readopted as necessary to reflect the provisions and requirements of this act.

- 16. Section 24 of P.L.1999, c.152 (C.13:8C-24) is amended to read as follows:
- 24. a. (1) There is established in the Department of Environmental Protection the Office of Green Acres. commissioner may appoint an administrator or director who shall supervise the office, and the department may employ such other personnel and staff as may be required to carry out the duties and responsibilities of the department and the office pursuant to Ithis act P.L.1999, c.152 (C.13:8C-1 et al.) and P.L., c. (pending before the Legislature as this bill), all without regard to the provisions of Title 11A, Civil Service, of the New Jersey Statutes. Persons appointed or employed as provided pursuant to this subsection shall be compensated in a manner similar to other employees in the Executive Branch, and their compensation shall be

determined by the Civil Service Commission.

- (2) The Green Acres Program in the Department of Environmental Protection, together with all of its functions, powers and duties, are continued and transferred to and constituted as the Office of Green Acres in the Department of Environmental Protection. Whenever, in any law, rule, regulation, order, contract, document, judicial or administrative proceeding or otherwise, reference is made to the Green Acres Program, the same shall mean and refer to the Office of Green Acres in the Department of Environmental Protection. This transfer shall be subject to the provisions of the "State Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.).
- 31 b. The duties and responsibilities of the office shall be as 32 follows:
 - (1) Administer all provisions of [this act] P.L.1999, c.152 (C.13:8C-1 et al.) and P.L., c. (C.) (pending before the Legislature as this bill) pertaining to funding the acquisition and development of lands for recreation and conservation purposes as authorized pursuant to Article VIII, Section II, paragraph 6 and paragraph 7 of the State Constitution;
 - (2) Continue to administer all grant and loan programs for the acquisition and development of lands for recreation and conservation purposes, including the Green Trust, established or funded for those purposes pursuant to: P.L.1961, c.45 (C.13:8A-1 et seq.); P.L.1971, c.419 (C.13:8A-19 et seq.); P.L.1975, c.155 (C.13:8A-35 et seq.); or any Green Acres bond act; and
- 45 (3) Adopt, with the approval of the commissioner and pursuant 46 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-47 1 et seq.), rules and regulations:

1 (a) establishing application procedures for grants and loans for 2 the acquisition and development of lands for recreation and 3 conservation purposes, criteria and policies for the evaluation and 4 priority ranking of projects for eligibility to receive funding for 5 recreation and conservation purposes using constitutionally 6 dedicated moneys pursuant to P.L.1999, c.152 (C.13:8C-1 et al.) or 7 constitutionally dedicated CBT moneys pursuant to 8 P.L., c. (C.) (pending before the Legislature as this bill), 9 any conditions that may be placed on the award of a grant or loan 10 for recreation and conservation purposes pursuant to [this act] P.L.1999, c.152 (C.13:8C-1 et al.) or P.L. 11 c. (C. .) (pending before the Legislature as this bill), and any 12 13 restrictions that may be placed on the use of lands acquired or 14 developed with a grant or loan for recreation and conservation purposes pursuant to [this act] P.L.1999, c.152 or P.L. 15 16 c. (C.) (pending before the Legislature as this bill). The 17 criteria and policies established pursuant to this subparagraph for 18 the evaluation and priority ranking of projects for eligibility to 19 receive funding for recreation and conservation purposes using 20 constitutionally dedicated moneys pursuant to P.L.1999, 21 c.152 (C.13:8C-1 et al.) or constitutionally dedicated CBT moneys 22 pursuant to P.L. , c. (C.) (pending before the Legislature as 23 this bill) may be based upon, but need not be limited to, such 24 factors as: protection of the environment, natural resources, water 25 resources, watersheds, aquifers, wetlands, floodplains and flood-26 prone areas, stream corridors, beaches and coastal resources, forests 27 and grasslands, scenic views, biodiversity, habitat for wildlife, rare, threatened, or endangered species, and plants; vernal habitat; degree 28 29 of likelihood of development; promotion of greenways; provision 30 for recreational access and use; protection of geologic, historic, 31 archaeological, and cultural resources; relative cost; parcel size; and 32 degree of public support; and 33 (b) addressing any other matters deemed necessary to implement 34 and carry out the goals and objectives of Article VIII, Section II, 35 paragraph 6 and paragraph 7 of the State Constitution and [this act] 36 P.L.1999, c.152 (C.13:8C-1 et al.) and P.L. 37 (C.) (pending before the Legislature as this bill) with 38 respect to the acquisition and development of lands for recreation 39 and conservation purposes, including the acquisition of lands for 40 recreation and conservation purposes that have been damaged by, or 41 may be prone to incurring damage caused by, storms or storm-42 related flooding, or that may buffer or protect other lands from such 43 damage; and 44 (4) Establishing criteria and policies for the evaluation and 45 priority ranking of State projects to acquire and develop lands for 46 recreation and conservation purposes using constitutionally 47 dedicated moneys pursuant to P.L.1999, c.152 (C.13:8C-1 et al.) or

constitutionally dedicated CBT moneys pursuant to

1 P.L., c. (C.) (pending before the Legislature as this bill), 2 which criteria and policies may be based upon, but need not be 3 limited to, such factors as: protection of the environment, natural 4 resources, water resources, watersheds, aquifers, wetlands, 5 floodplains and flood-prone areas, stream corridors, beaches and 6 coastal resources, forests and grasslands, scenic views, biodiversity, 7 habitat for wildlife, rare, threatened, or endangered species, and 8 plants; vernal habitat; degree of likelihood of development; 9 promotion of greenways; provision for recreational access and use; 10 protection of geologic, historic, archaeological, and cultural 11 resources; relative cost; parcel size; and degree of public support. 12 (cf: P.L.2008, c.29, s.114)

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17. This act shall take effect on July 1, 2016.

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STATEMENT

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This bill would implement, for State fiscal year 2017 through State fiscal year 2019, the constitutional dedication of Corporation Business Tax (CBT) revenues for open space, farmland, and historic preservation. Senate Concurrent Resolution No. 84 (SCS) of 2014, or "Ballot Question No. 2," presented to, and approved by, the voters of the State on November 4, 2014, amended the New Jersey Constitution to dedicate four percent of CBT revenues for open space, farmland, and historic preservation, water programs, public and private site remediation, and underground storage tank programs for fiscal years 2016 through 2019, and further increased the annual dedication for certain environmental programs from four percent to six percent commencing in fiscal year 2020 and thereafter.

Specifically with regard to open space, farmland, and historic preservation, through fiscal year 2019, of the four percent CBT dedication, the State Constitution dedicates annually 71 percent for: providing funding, including loans or grants, for the preservation, including acquisition, development, and stewardship, of lands for recreation and conservation purposes, including lands that protect water supplies and lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage (i.e., Green Acres and Blue Acres); (2) providing funding, including loans or grants, for the preservation and stewardship of land for agricultural or horticultural use and production (i.e., farmland preservation); (3) providing funding, including loans or grants, for historic preservation; and (4) paying administrative costs associated with each of those efforts. Commencing July 1, 2019 (i.e., for State fiscal year 2020 and thereafter), of the six percent of the CBT revenue to be dedicated annually for certain environmental

programs, 78 percent would be dedicated for the above-listed four purposes.

The Constitution also dedicates money received from leases and conveyances of State open space lands. Under this bill, each State park, forest, or wildlife management area would receive an amount equal to the amount of revenue annually derived from leases or conveyances of lands at that State park, forest, or wildlife management area, as appropriate, to be used for recreation and conservation purposes at that State park, forest, or wildlife management area.

For fiscal year 2016 through and including fiscal year 2019, the above-described CBT dedicated revenues would be allocated as follows:

- (1) 60 percent would be used for acquiring and developing lands for public recreation and conservation purposes, including lands that protect water supplies, under the Green Acres program;
 - (2) 4 percent would be used for the "Blue Acres" program;
- (3) 31 percent would be used for farmland preservation purposes; and
 - (4) 5 percent would be used for historic preservation purposes.

A maximum of 5 percent each year would be permitted to be used for administrative costs associated with implementing the Green Acres program.

Of the monies allocated for the Green Acres program and the farmland preservation program, the bill also allocates funding for stewardship activities. The bill defines "stewardship activity" to "activity, which is beyond routine operations and maintenance, undertaken by the State, a local government unit, or a qualifying tax exempt nonprofit organization to repair or restore lands acquired or developed for recreation and conservation purposes for the purpose of enhancing or protecting those lands for recreation and conservation purposes. For the purposes of the farmland preservation program, "stewardship activity" means an activity, which is beyond routine operation and maintenance, undertaken by the landowner, or a farmer operator as an agent of the landowner, to repair, restore, or improve lands preserved for farmland preservation purposes, including but not limited to soil and water conservation projects approved pursuant to section 17 of P.L.1983, c.32 (C.4:1C-24).

Of the 60 percent allocated each year for the Green Acres program: 55 percent would be used for State open space acquisition and development projects; 38 percent would be used for grants and loans to fund local government open space acquisition and development projects; and 7 percent would be used for grants to fund open space acquisition and development projects undertaken by qualifying tax exempt nonprofit organizations. Of the funding for State open space acquisition and development projects: 50 percent would be used for acquisition projects and 50 percent would

be used for development projects. Further, of the funding for State open space development projects, up to 22 percent would be used for stewardship activities undertaken on lands administered by the Division of Fish and Wildlife and up to 22 percent would be used for stewardship activities undertaken on lands administered by the Division of Parks and Forestry. Of the funding allocated for local open space acquisition and development projects, up to 2 percent would be used to fund stewardship activities. Of the allocated funding for open space acquisition and development projects by qualifying tax exempt nonprofit organizations, 11 percent would be used to fund stewardship activities.

"Blue Acres" is the term used to refer to properties that have been damaged by storms or storm-related flooding, that appear likely to incur such damage, or that may buffer or protect other lands from such damage. Structures on a purchased property are demolished, the debris is removed, and the land is preserved as open space. The Blue Acres program is administered by the DEP's Green Acres program. Under the bill, funding for the Blue Acres program would be used for (1) acquisition by the State of Blue Acres properties, or (2) State grants to assist qualifying tax exempt nonprofits in the acquisition of Blue Acres properties. The State would be prohibited from using eminent domain to acquire land for Blue Acres projects, except with the approval of the Legislature by adoption of a concurrent resolution to that effect. However, if needed, eminent domain proceedings could be employed by the State for the purpose only of establishing value.

This bill continues the State's existing open space, farmland, and historic preservation programs. It is based on the provisions of the "Garden State Preservation Trust Act" (GSPTA), as well as the "Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009" (P.L.2009, c.117) and the "Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007" (P.L.2007, c.119) and, generally, defines relevant terms in the same manner as the GSPTA and continues the respective priority systems, ranking criteria, and funding policies set forth in the GSPTA, except as otherwise specified in the bill.

For the Green Acres program, the bill provides that an urban aid municipality may receive a grant by the State for the acquisition or development of lands for recreation and conservation purposes for 75 percent of the cost of acquisition or development of the lands by the local government unit, and this amount may be increased by the DEP up to 100 percent of the allowable funding cap upon a demonstration of special need or exceptional circumstances. Under current law, an urban aid municipality may receive a grant for 50 percent of the cost of the project, with the possibility of this amount being increased to a maximum of 75 percent (up to the allowable cap). In addition, the bill provides that a local government unit or a

qualifying tax exempt nonprofit organization may use a grant or loan for recreation and conservation purposes for the construction of a community garden.

For the historic preservation program, the bill provides that historic preservation funds may also be used for emergency intervention and the acquisition of historic property easements. The bill defines "emergency intervention" to mean an immediate assessment or capital improvement necessary to protect or stabilize the structural integrity of a historic property.

Lastly, the bill provides that the DEP, the State Agriculture Development Committee, and the New Jersey Historic Trust would each, at least once every two years, submit to the Garden State Preservation Trust projects recommended to receive funding under the bill. The Garden State Preservation Trust would then submit the list of projects to the Legislature for funding in the form of appropriation bills.

Revises State's open space, farmland, and historic preservation programs; implements 2014 constitutional dedication of CBT revenues for certain environmental purposes.

SENATE, No. 2456

STATE OF NEW JERSEY

217th LEGISLATURE

INTRODUCED JUNE 27, 2016

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator CHRISTOPHER "KIP" BATEMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblyman BOB ANDRZEJCZAK

District 1 (Atlantic, Cape May and Cumberland)

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

Assemblywoman L. GRACE SPENCER

District 29 (Essex)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex)

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Revises State's open space, farmland, and historic preservation programs; implements 2014 constitutional dedication of CBT revenues for certain environmental purposes.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 6/28/2016)

AN ACT concerning the constitutional dedication of corporation business tax revenues for certain environmental purposes, supplementing Title 13 of the Revised Statutes, and amending P.L.1999, c.152.

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

1. (New section) This act shall be known, and may be cited, as the "Preserve New Jersey Act."

- 2. (New section) The Legislature finds and declares that:
- a. Enhancing the quality of life of the citizens of New Jersey is a paramount policy of the State, and the acquisition, preservation, and stewardship of open space, farmland, and historic properties in New Jersey protect and enhance the character and beauty of the State and provide its citizens with greater opportunities for recreation, relaxation, and education;
- b. The lands and resources now dedicated to these purposes will not be adequate to meet the needs of an expanding population in years to come, and the open space and farmland that is available and appropriate for these purposes will gradually disappear as the costs of preserving them correspondingly increase;
- c. The Delaware River, the Passaic River, and the Raritan River, and their respective tributaries, and many other areas throughout the State have been subject to serious flooding over the years, causing on some occasions loss of life and significant property damage;
- d. Beginning on October 28, 2012, the post-tropical storm commonly referred to as "Hurricane Sandy" struck New Jersey, producing unprecedented severe weather conditions, including enormous storm surges, devastating wind, and widespread flooding, crippling entire communities across New Jersey, and inflicting incalculable harm to the economy of the State;
- e. The acquisition of properties damaged by Hurricane Sandy and of other damaged and flood-prone properties throughout the State is in the best interests of the State to prevent future losses of life and property;
- f. "Blue Acres" is the term used to refer to the acquisition, for recreation and conservation purposes, of lands that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or that may buffer or protect other lands from such damage;
- g. Under the Blue Acres Program, structures on acquired property are demolished, the debris is removed, and the property is preserved for recreation and conservation purposes;

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

h. Agriculture plays an integral role in the prosperity and wellbeing of the State as well as providing a fresh and abundant supply of food for its citizens;

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- Much of the farmland in the State faces an imminent threat of permanent conversion to non-farm uses, and retention and development of an economically viable agricultural industry is of high public priority;
 - There is an urgent need to preserve the State's historic heritage to enable present and future generations to experience, understand, and enjoy the landmarks of New Jersey's role in the birth and development of this nation;
 - The restoration and preservation of properties of historic character and importance in the State are central to meeting this need, and a significant number of these historic properties are located in urban centers, where their restoration and preservation will advance urban revitalization efforts of the State and local governments;
 - There is growing public recognition that the quality of life, economic prosperity, and environmental quality in New Jersey are served by the protection and timely preservation of open space and farmland and better management of the lands, resources, historic properties, and recreational facilities that are already under public ownership or protection;
 - m. The protection and preservation of New Jersey's water resources, including the quality and quantity of the State's limited water supply, are essential to the quality of life and the economic health of the citizens of the State;
 - n. The preservation of the existing diversity of animal and plant species is essential to sustaining both the environment and the economy of the Garden State, and the conservation of adequate habitat for endangered, threatened, and other rare species is necessary to preserve this biodiversity;
- o. As recognized by the voters of the State when they, on November 4, 2014, approved an amendment to the State Constitution to dedicate a portion of corporation business tax revenues specifically for the purposes of open space, farmland, and historic preservation, there is a need to continue the State open space, farmland, and historic preservation programs previously funded by the "Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009" (P.L.2009, c.117), the "Green Acres, Farmland, Blue Acres,
- 42 and Historic Preservation Bond Act of 2007" (P.L.2007, c.119),
- 43 Article VIII, Section II, paragraph 7 of the State Constitution, the
- 44 "Green Acres, Farmland and Historic Preservation, and Blue Acres
- 45 Bond Act of 1995" (P.L.1995, c.204), and the nine previous similar
- bond acts enacted in 1961, 1971, 1974, 1978, 1981, 1983, 1987, 46
- 47 1989, and 1992, and various implementing laws; and

p. It is therefore in the public interest to preserve and protect as much land for recreation and conservation purposes, including lands that protect water supplies and flood-prone lands, and for farmland preservation purposes, and as many historic properties, as possible within the means provided by Article VIII, Section II, paragraph 6 of the State Constitution.

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3. (New section) As used in this act:

"Acquisition" or "acquire" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Blue Acres cost" means the expenses incurred in connection with: all things deemed necessary or useful and convenient for the acquisition by the State or a qualifying tax exempt nonprofit organization, for recreation and conservation purposes, of lands that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or that may buffer or protect other lands from such damage; the execution of any agreements or franchises deemed by the Department of Environmental Protection to be necessary or useful and convenient in connection with any Blue Acres project authorized by this act; the procurement or provision of appraisal, archaeological, architectural, conservation, design, engineering, financial, geological, historic research, hydrological, inspection, legal, planning, relocation, surveying, or other professional advice, estimates, reports, services, or studies; the purchase of title insurance; the undertaking of feasibility studies; the demolition of structures, the removal of debris, and the restoration of lands to a natural state or to a state useful for recreation and conservation purposes; the establishment of a reserve fund or funds for working capital, operating, maintenance, or replacement expenses as the Director of the Division of Budget and Accounting in the Department of the Treasury may determine; and reimbursement to any fund of the State of moneys that may have been transferred or advanced therefrom to any fund established by this act, or any moneys that may have been expended therefrom for, or in connection with, this act.

"Blue Acres project" means any project of the State or a qualifying tax exempt nonprofit organization to acquire, for recreation and conservation purposes, lands that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or that may buffer or protect other lands from such damage.

42 "Commissioner" means the Commissioner of Environmental 43 Protection.

44 "Committee" means the State Agriculture Development 45 Committee established pursuant to section 4 of P.L.1983, c.31 46 (C.4:1C-4).

"Constitutionally dedicated CBT moneys" means any moneys made available pursuant to Article VIII, Section II, paragraph 6 of

1 the State Constitution deposited in the funds established pursuant to 2 sections 6, 7, 8, and 9 of this act, and appropriated by law, for 3 recreation and conservation, farmland preservation, or historic 4 preservation purposes set forth in Article VIII, Section II, paragraph 5 6 of the State Constitution or this act.

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"Convey" or "conveyance" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Cost" means the expenses incurred in connection with: all 9 things deemed necessary or useful and convenient for the 10 acquisition or development of lands for recreation and conservation 11 purposes, the acquisition of development easements or fee simple 12 titles to farmland, or the preservation of historic properties, as the case may be; the execution of any agreements or franchises deemed 13 14 by the Department of Environmental Protection, State Agriculture 15 Development Committee, or New Jersey Historic Trust, as the case 16 may be, to be necessary or useful and convenient in connection with 17 any project funded in whole or in part using constitutionally 18 dedicated CBT moneys; the procurement or provision of appraisal, 19 archaeological, architectural, conservation, design, engineering, 20 financial, geological, historic research, hydrological, inspection, legal, planning, relocation, surveying, or other professional advice, 22 estimates, reports, services, or studies; the purchase of title 23 insurance; the undertaking of feasibility studies; materials and labor 24 costs for stewardship activities, but not overhead or administration 25 costs for such activities; the establishment of a reserve fund or 26 funds for working capital, operating, maintenance, or replacement expenses, as the Director of the Division of Budget and Accounting 28 in the Department of the Treasury may determine; and 29 reimbursement to any fund of the State of moneys that may have 30 been transferred or advanced therefrom to any fund established by 31 this act, or any moneys that may have been expended therefrom for, 32 or in connection with, this act.

means the Department of Environmental "Department" Protection.

"Development" or "develop" means, except as used in the definitions of "acquisition" and "development easement" in this section, any improvement, including a stewardship activity, made to a land or water area designed to expand and enhance its utilization for recreation and conservation purposes, and shall include the construction, renovation, or repair of any such improvement, but shall not mean shore protection or beach nourishment or replenishment activities.

"Development easement" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Emergency intervention" means an immediate assessment or capital improvement necessary to protect or stabilize the structural integrity of a historic property.

- 1 "Farmland" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).
- "Farmland preservation," "farmland preservation purposes," or "preservation of farmland" means the same as those terms are defined in section 3 of P.L.1999, c.152 (C.13:8C-3).
- "Garden State Preservation Trust" or "trust" means the Garden State Preservation Trust established pursuant to section 4 of P.L.1999, c.152 (C.13:8C-4).
- 9 "Green Acres bond act" means: P.L.1961, c.46; P.L.1971, c.165;
- 10 P.L.1974, c.102; P.L.1978, c.118; P.L.1983, c.354; P.L.1987, c.265;
- 11 P.L.1989, c.183; P.L.1992, c.88; P.L.1995, c.204; P.L.2007, c.119;
- 12 P.L.2009, c.117; and any State general obligation bond act that may
- be approved after the date of enactment of this act for the purpose
- of providing funding for the acquisition or development of lands for
- 15 recreation and conservation purposes or for farmland preservation
- 16 purposes.

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- "Historic preservation," "historic preservation purposes," or "preservation of historic properties" means the same as those terms are defined in section 3 of P.L.1999, c.152 (C.13:8C-3) and shall also include emergency intervention and the acquisition of a historic preservation easement.
- "Historic preservation easement" means an interest in land, less than fee simple title thereto, that is purchased from a private or governmental property owner to permanently protect a historic property, and that is granted by the property owner to the New Jersey Historic Trust, a local government unit, or a qualifying tax exempt nonprofit organization.
- "Historic property" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).
- 30 "Land" or "lands" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).
- "Local government unit" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).
- "New Jersey Historic Trust" means the entity established pursuant to section 4 of P.L.1967, c.124 (C.13:1B-15.111).
- "Permitted investments" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).
- 38 "Preserve New Jersey Blue Acres Fund" means the Preserve 39 New Jersey Blue Acres Fund established pursuant to section 7 of 40 this act.
- 41 "Preserve New Jersey Farmland Preservation Fund" means the 42 Preserve New Jersey Farmland Preservation Fund established
- 44 "Preserve New Jersey Green Acres Fund" means the Preserve

pursuant to section 8 of this act.

- New Jersey Green Acres Fund established pursuant to section 6 of
- 46 this act.

"Preserve New Jersey Historic Preservation Fund" means the Preserve New Jersey Historic Preservation Fund established pursuant to section 9 of this act.

"Preserve New Jersey Fund Account" means the Preserve New Jersey Fund Account established pursuant to section 4 of this act.

"Project" means all things deemed necessary or useful and convenient in connection with the acquisition or development of lands for recreation and conservation purposes, the acquisition of development easements or fee simple titles to farmland, or the preservation of historic properties, as the case may be.

"Qualifying tax exempt nonprofit organization" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Recreation and conservation purposes" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Stewardship activity" means an activity, which is beyond routine operations and maintenance, undertaken by the State, a local government unit, or a qualifying tax exempt nonprofit organization to repair, or restore lands acquired or developed for recreation and conservation purposes for the purpose of enhancing or protecting those lands for recreation and conservation purposes. For the purposes of the farmland preservation program, "stewardship activity" means an activity, which is beyond routine operation and maintenance, undertaken by the landowner, or a farmer operator as an agent of the landowner, to repair, restore, or improve lands preserved for farmland preservation purposes, including but not limited to soil and water conservation projects approved pursuant to section 17 of P.L.1983, c.32 (C.4:1C-24).

- 4. (New section) There is established in the General Fund a special account to be known as the "Preserve New Jersey Fund Account."
 - a. The State Treasurer shall credit to this account:
- (1) (a) (i) For State fiscal year 2016, an amount equal to 71 percent of the four percent of the revenue annually derived from the tax imposed pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and supplemented, or any other State law of similar effect, dedicated for recreation and conservation, farmland preservation, and historic preservation purposes pursuant to subparagraph (a) of Article VIII, Section II, paragraph 6 of the State Constitution, less \$19,972,000 already appropriated and expended for parks management in P.L.2015, c.63; and
- (ii) in each State fiscal year 2017 through and including State fiscal year 2019 an amount equal to 71 percent of the four percent of the revenue annually derived from the tax imposed pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and supplemented, or any other State law of similar effect, dedicated to recreation and conservation,

farmland preservation, and historic preservation purposes pursuant to subparagraph (a) of Article VIII, Section II, paragraph 6 of the State Constitution; and

- (b) in each State fiscal year commencing in State fiscal year 2020 and annually thereafter, an amount equal to 78 percent of the six percent of the revenue annually derived from the tax imposed pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and supplemented, or any other State law of similar effect, dedicated to recreation and conservation, farmland preservation, and historic preservation purposes pursuant to subparagraph (a) of Article VIII, Section II, paragraph 6 of the State Constitution; and
- (2) in each State fiscal year, an amount equal to the amount dedicated pursuant to subparagraph (b) of Article VIII, Section II, paragraph 6 of the State Constitution.
- b. In each State fiscal year, the amount credited to the Preserve New Jersey Fund Account shall be appropriated from time to time by the Legislature only for the applicable purposes set forth in Article VIII, Section II, paragraph 6 of the State Constitution and this act for:
- (1) providing funding, including loans or grants, for the preservation, including acquisition, development, and stewardship, of lands for recreation and conservation purposes, including lands that protect water supplies and lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage;
- (2) providing funding, including loans or grants, for the preservation and stewardship of land for agricultural or horticultural use and production;
- (3) providing funding, including loans or grants, for historic preservation; and
- (4) paying administrative costs associated with (1) through (3) of this subsection.
- c. Nothing in this act shall authorize any State entity to use constitutionally dedicated CBT moneys for the purpose of making any payments relating to any bonds, notes, or other debt obligations, other than those relating to obligations arising from land purchase agreements made with landowners.

- 5. (New section) a. In State fiscal year 2017 through and including State fiscal year 2019, of the amount credited by the State Treasurer to the Preserve New Jersey Fund Account pursuant to paragraph (1) of subsection a. of section 4 of this act:
- (1) 60 percent shall be deposited into the Preserve New Jersey Green Acres Fund established pursuant to section 6 of this act;
- (2) 4 percent shall be deposited into the Preserve New Jersey Blue Acres Fund established pursuant to section 7 of this act;

- (3) 31 percent shall be deposited into the Preserve New Jersey Farmland Preservation Fund established pursuant to section 8 of this act; and
- (4) 5 percent shall be deposited into the Preserve New Jersey Historic Preservation Fund established pursuant to section 9 of this act.
- b. In State fiscal year 2017 through and including State fiscal year 2019, of the amount credited by the State Treasurer to the Preserve New Jersey Fund Account pursuant to paragraph (2) of subsection a. of section 4 of this act, each State park, forest, or wildlife management area shall receive an amount equal to the amount of revenue annually derived from leases or conveyances of lands at that State park, forest, or wildlife management area, as appropriate, to be used for recreation and conservation purposes at that State park, forest, or wildlife management area.

6. (New section) a. The State Treasurer shall establish a fund to be known as the "Preserve New Jersey Green Acres Fund" and shall deposit into the fund all moneys received pursuant to paragraph (1) of subsection a. of section 5 of this act and any other moneys appropriated by law for deposit into the fund.

Moneys in the fund shall be invested in permitted investments or shall be held in interest-bearing accounts in those depositories as the State Treasurer may select, and may be invested and reinvested in permitted investments or as other trust funds in the custody of the State Treasurer in the manner provided by law. All interest or other income or earnings derived from the investment or reinvestment of moneys in the fund shall be credited to the fund. Moneys derived from the payment of principal and interest on the loans to local government units authorized by this act shall also be held in the fund.

- b. Of the amount deposited each State fiscal year into the Preserve New Jersey Green Acres Fund pursuant to paragraph (1) of subsection a. of section 5 of this act:
- (1) 55 percent shall be allocated for the purpose of paying the cost of acquisition and development of lands by the State for recreation and conservation purposes, and the amount provided pursuant to this paragraph shall be allocated as follows:
- (a) 50 percent shall be allocated for the purpose of paying the cost of acquisition of lands by the State for recreation and conservation purposes; and
- (b) 50 percent shall be allocated for the purpose of paying the cost of development of lands by the State for recreation and conservation purposes, and of the amount provided pursuant to this subparagraph:
- (i) up to 22 percent shall be allocated for the purpose of paying the cost for stewardship activities undertaken on lands administered by the Division of Fish and Wildlife in the department; and

(ii) up to 22 percent shall be allocated for the purpose of paying the cost for stewardship activities undertaken on lands administered by the Division of Parks and Forestry in the department;

- (2) 38 percent shall be allocated for the purposes of providing grants and loans to assist local government units to pay the cost of acquisition and development of lands for recreation and conservation purposes, and of this amount, up to 2 percent shall be allocated for stewardship activities undertaken by local government units; and
- (3) 7 percent shall be allocated for the purposes of providing grants to assist qualifying tax exempt nonprofit organizations to pay the cost of acquisition and development of lands for recreation and conservation purposes, and of this amount, 11 percent shall be allocated for stewardship activities undertaken by qualifying tax exempt nonprofit organizations.
- c. Any repayments of the principal and interest on loans issued to local government units for the acquisition or development of lands for recreation and conservation purposes using constitutionally dedicated CBT moneys shall be deposited into the Preserve New Jersey Green Acres Fund, and shall be specifically dedicated for the issuance of additional loans in the same manner as provided in subsection b. of section 27 of P.L.1999, c.152 (C.13:8C-27).
- d. (1) The moneys in the fund are specifically dedicated and shall be used for the same purposes and according to the same criteria and provisions as those set forth in section 26 of P.L.1999, c.152 (C.13:8C-26), and as provided pursuant to this act.
- (2) Grants and loans issued to local government units and grants issued to qualifying tax exempt nonprofit organizations using constitutionally dedicated CBT moneys for the acquisition and development of lands for recreation and conservation purposes shall be subject to the same provisions as those prescribed in section 27 of P.L.1999, c.152 (C.13:8C-27), except as otherwise provided in section 10 of this act.
- e. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the Preserve New Jersey Green Acres Fund shall identify any particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee, or its successor, except as permitted otherwise in accordance with the same exceptions as those specified in paragraph (2) of subsection a. of section 23 of P.L.1999, c.152 (C.13:8C-23).
- f. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund.

- g. Of the amount authorized pursuant to this section, not more than five percent shall be utilized for organizational, administrative and other work and services, including salaries, equipment and materials necessary to administer the applicable provisions of this act.
- h. To the end that municipalities may not suffer a loss of taxes by reason of the acquisition and ownership by the State of lands in fee simple for recreation and conservation purposes, or the acquisition and ownership by qualifying tax exempt nonprofit organizations of lands in fee simple for recreation and conservation purposes that become certified as exempt from property taxes pursuant to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws, the State shall make payments annually in the same manner as payments are made pursuant to section 29 of P.L.1999, c.152 (C.13:8C-29).
- i. The State shall not use the power of eminent domain in any manner for the acquisition of lands by the State for recreation and conservation purposes using constitutionally dedicated CBT moneys in whole or in part unless a concurrent resolution approving that use is approved by both Houses of the Legislature; except that, without the need for such a concurrent resolution, the State may use the power of eminent domain to the extent necessary to establish a value for lands to be acquired from a willing seller by the State for recreation and conservation purposes using constitutionally dedicated CBT moneys in whole or in part.

7. (New section) a. The State Treasurer shall establish a fund to be known as the "Preserve New Jersey Blue Acres Fund" and shall deposit into the fund all moneys received pursuant to paragraph (2) of subsection a. of section 5 of this act and any other moneys appropriated by law for deposit into the fund.

Moneys in the fund shall be invested in permitted investments or shall be held in interest-bearing accounts in those depositories as the State Treasurer may select, and may be invested and reinvested in permitted investments or as other trust funds in the custody of the State Treasurer in the manner provided by law. All interest or other income or earnings derived from the investment or reinvestment of moneys in the fund shall be credited to the fund.

- b. The moneys in the Preserve New Jersey Blue Acres Fund are specifically dedicated and shall be applied for the purposes of providing moneys to:
- (1) meet the Blue Acres costs to the State for the acquisition of lands for a Blue Acres project; or
- (2) provide grants, pursuant to the provisions of subsection c. of this section, to assist a qualifying tax exempt nonprofit organization in meeting the Blue Acres costs for the acquisition of lands for a Blue Acres project.

c. (1) A grant by the State for lands to be acquired by a qualifying tax exempt nonprofit organization for a Blue Acres project may include up to 50 percent of the Blue Acres cost of acquisition of the lands by the qualifying tax exempt nonprofit organization.

- (2) A qualifying tax exempt nonprofit organization shall not use as its matching share of the Blue Acres cost of acquisition of lands for a Blue Acres project any constitutionally dedicated moneys, as defined pursuant to section 3 of P.L.1999, c.152 (C.13:8C-3), or any grant moneys obtained from a Green Acres bond act.
- (3) To qualify to receive a grant from the Preserve New Jersey Blue Acres Fund, the board of directors or governing body of the applying tax exempt nonprofit organization shall:
- (a) demonstrate to the commissioner that the organization qualifies as a charitable conservancy for the purposes of P.L.1979, c.378 (C.13:8B-1 et seq.);
- (b) demonstrate that the organization has the resources to match the grant requested;
- (c) agree to make and keep the lands accessible to the public, unless the commissioner determines that public accessibility would be detrimental to the lands or any natural resources associated therewith;
- (d) agree not to convey the lands except to the federal government, the State, a local government unit, or another qualifying tax exempt nonprofit organization, for recreation and conservation purposes; and
- (e) agree to execute and donate to the State at no charge a conservation restriction pursuant to P.L.1979, c.378 (C.13:8B-1 et seq.) on the lands to be acquired with the grant.
- d. The State shall not use the power of eminent domain in any manner for the acquisition of lands by the State for Blue Acres projects using constitutionally dedicated CBT moneys in whole or in part unless a concurrent resolution approving that use is approved by both Houses of the Legislature; except that, without the need for such a concurrent resolution, the State may use the power of eminent domain to the extent necessary to establish a value for lands to be acquired from a willing seller by the State for recreation and conservation purposes, as part of a Blue Acres project, using constitutionally dedicated CBT moneys in whole or in part.
- e. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the Preserve New Jersey Blue Acres Fund shall identify the particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee, or its successor.

- f. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund to be used for the purposes of the fund.
- g. Of the amount authorized pursuant to this section, not more than five percent shall be utilized for organizational, administrative and other work and services, including salaries, equipment and materials necessary to administer the applicable provisions of this act.

- 8. (New section) a. The State Treasurer shall establish a fund to be known as the "Preserve New Jersey Farmland Preservation Fund" and shall deposit all moneys received pursuant to paragraph (3) of subsection a. of section 5 of this act and any other moneys appropriated by law for deposit into the fund.
- Moneys in the fund shall be invested in permitted investments or shall be held in interest-bearing accounts in those depositories as the State Treasurer may select, and may be invested and reinvested in permitted investments or as other trust funds in the custody of the State Treasurer in the manner provided by law. All interest or other income or earnings derived from the investment or reinvestment of moneys in the fund shall be credited to the fund.
- b. (1) The moneys in the fund are specifically dedicated and shall be used for the same purposes as those set forth in section 37 of P.L.1999, c.152 (C.13:8C-37) and as provided in paragraph (2) of this subsection.
- (2) Of the moneys deposited into the Preserve New Jersey Farmland Preservation Fund each year, up to 3 percent shall be allocated by the committee on an annual basis for stewardship activities.
- c. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the Preserve New Jersey Farmland Preservation Fund shall identify any particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee, or its successor, except as permitted otherwise in accordance with the same exceptions as those specified in paragraph (2) of subsection b. of section 23 of P.L.1999, c.152 (C.13:8C-23).

 d. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund.

 9. (New section) a. The State Treasurer shall establish a fund to be known as the "Preserve New Jersey Historic Preservation Fund" and shall deposit all moneys received pursuant to paragraph (4) of subsection a. of section 5 of this act and any other moneys appropriated by law for deposit into the fund.

Moneys in the fund shall be invested in permitted investments or shall be held in interest-bearing accounts in those depositories as the State Treasurer may select, and may be invested and reinvested in permitted investments or as other trust funds in the custody of the State Treasurer in the manner provided by law. All interest or other income or earnings derived from the investment or reinvestment of moneys in the fund shall be credited to the fund.

- b. The moneys in the fund are specifically dedicated and shall be used for the same purposes as those set forth in section 41 of P.L.1999, c.152 (C.13:8C-41), and for emergency intervention and the acquisition of historic preservation easements.
- c. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the Preserve New Jersey Historic Preservation Fund shall identify any particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee, or its successor.
- d. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund.

- 10. (New section) a. Notwithstanding the provisions of subparagraph (b) of paragraph (2) of subsection a. of section 27 of P.L.1999, c.152 (C.13:8C-27) to the contrary, a grant by the State for lands acquired or developed for recreation and conservation purposes by a local government unit in a municipality eligible to receive State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.) shall be for 75 percent of the cost of acquisition or development of the lands by the local government unit, except that the department may authorize an increase in the State's share of the cost up to 100 percent of the allowable funding cap established by the department upon a demonstration of special need or exceptional circumstances.
- b. A local government unit or a qualifying tax exempt nonprofit organization may use a grant or loan received pursuant to this act for recreation and conservation purposes for the construction of a community garden, provided that public access to the lands acquired for recreation and conservation purposes is not limited by the community garden.

11. (New section) Lands acquired or developed by the State, a local government unit, or a qualifying tax exempt nonprofit organization for recreation and conservation purposes using constitutionally dedicated CBT moneys shall not be conveyed, disposed of, or diverted to a use for other than recreation and conservation purposes without complying with the provisions of sections 31 through 35 of P.L.1999, c.152 (C.13:8C-31 through C.13:8C-35), as appropriate, and any other applicable law.

12. (New section) A local government unit that receives a grant or loan for recreation and conservation purposes pursuant to this act shall satisfactorily operate and maintain the lands acquired or developed pursuant to the conditions of the agreement between the local government unit and the department when the grant or loan is made. In the event that the local government unit cannot or will not correct deficiencies in the operation and maintenance within a reasonable time period, the commissioner may require the repayment of all or a portion of the grant or loan amount received by the local government unit.

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- 13. (New section) a. At least once every two years, the Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust shall each submit to the Garden State Preservation Trust a list of projects recommended to receive funding pursuant to this act. Except as otherwise provided by this act, such funding recommendations shall be based upon the same respective priority systems, ranking criteria, and funding policies as those established pursuant to sections 23, 24, 26, 27, and 37 through 42 of P.L.1999, c.152 (C.13:8C-23, C.13:8C-24, C.13:8C-26, C.13:8C-27, and C.13:8C-37 through C.13:8C-42), section 7 of P.L.2005, c.178 (C.13:8C-38.1), and sections 1 and 2 of P.L.2001, c.405 (C.13:8C-40.1 and C.13:8C-40.2), and any rules or regulations adopted pursuant to thereto.
- The Garden State Preservation Trust shall review the project lists submitted pursuant to subsection a. of this section, and prepare, and submit to the Governor and to the President of the Senate and the Speaker of the General Assembly for introduction in the Legislature, proposed legislation appropriating moneys pursuant to this act to fund projects on any such list. The Legislature may approve one or more appropriation bills containing a project list or lists submitted by the Garden State Preservation Trust pursuant to this subsection.

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- 14. (New section) Within one year after the date of enactment of this act, and biennially thereafter, the Garden State Preservation Trust, after consultation with Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust shall submit to the Governor and the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
- 42 19.1), a written report, which shall:
- 43 a. Describe the progress being made with respect to the 44 acquisition and development of lands for recreation and 45 conservation purposes, including lands that have incurred flood or 46 storm damage or are likely to do so, or that may buffer or protect 47 other properties from flood or storm damage, the preservation of 48 farmland, and the preservation of historic properties, and provide

- recommendations with respect to any legislative, administrative, or local action that may be required to enable the Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust to meet their goals
- 4 Committee, and the New Jersey Historic Trust to meet their goals and objectives;

- b. Tabulate, both for the reporting period and cumulatively, the total acreage for the entire State, and the acreage in each county and municipality, of lands acquired for recreation and conservation purposes, including lands that protect water supplies and lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage, using (1) funding provided by this act, and (2) any other funding provided for such purposes;
- c. Tabulate, both for the reporting period and cumulatively, the total acreage for the entire State, and the acreage in each county and municipality, of farmland preserved for farmland preservation purposes using (1) funding provided by this act, and (2) any other funding provided for such purposes;
- d. Tabulate, both for the reporting period and cumulatively, the total acreage for the entire State, and the acreage in each county and municipality, of any donations of land for recreation and conservation purposes or farmland preservation purposes;
- e. List, both for the reporting period and cumulatively, and by location by county and municipality, all stewardship activities funded pursuant to subsection b. of section 6 of this act and paragraph (2) of subsection b. of section 8 of this act;
- f. List, both for the reporting period and cumulatively, and by project name, project sponsor, and location by county and municipality, all historic preservation projects, including emergency intervention and the acquisition of historic preservation easements, funded with constitutionally dedicated CBT moneys in whole or in part;
- Indicate those areas of the State where, as designated by the Department of Environmental Protection in the Open Space Master Plan prepared pursuant to section 5 of P.L.2002, c.76 (C.13:8C-25.1), the acquisition and development of lands by the State for recreation and conservation purposes, including lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage, is planned or is most likely to occur, and those areas of the State where there is a need to protect water resources, including the identification of lands where protection is needed to assure adequate quality and quantity of drinking water supplies in times of drought, indicate those areas of the State where the allocation of constitutionally dedicated CBT moneys for farmland preservation purposes is planned or is most likely to occur, and provide a proposed schedule and expenditure plan for those acquisitions, developments, and allocations, for the next reporting period, which

shall include an explanation of how those acquisitions, developments, and allocations will be distributed throughout all geographic regions of the State to the maximum extent practicable and feasible;

- h. List any surplus real property owned by the State or an independent authority of the State that may be utilizable for recreation and conservation purposes or farmland preservation purposes, and indicate what action has been or must be taken to effect a conveyance of those lands to the department, the committee, local government units, qualifying tax exempt nonprofit organizations, or other entities or persons so that the lands may be preserved and used for those purposes;
- i. List, for the reporting period, all projects for which applications for funding under the Green Acres, Blue Acres, farmland preservation, and historic preservation programs were received but not funded with constitutionally dedicated CBT moneys or other funds during the reporting period, and the reason or reasons why those projects were not funded;
- j. Tabulate, both for the reporting period and cumulatively, the total acreage for the entire State, and the acreage in each county and municipality, of lands acquired for recreation and conservation purposes that protect water resources and that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage; and
- k. Describe any other information or statistics necessary to document the expenditure of funds pursuant to this act in conjunction with the expenditure of funds pursuant to P.L.1999, c.152 (C.13:8C-1 et al.) and any Green Acres bond act.

- 15. (New section) a. The Department of Environmental Protection, the State Agriculture Development Committee, the New Jersey Historic Trust, and the Department of the Treasury shall each adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), such rules and regulations as may be necessary to implement and carry out the goals and objectives of this act.
- b. Notwithstanding the provisions of any law to the contrary, any rules and regulations of the Department of Environmental Protection, the State Agriculture Development Committee, the New Jersey Historic Trust, and the Department of the Treasury that have been adopted pursuant to the "Administrative Procedure Act" and are in effect as of the date of enactment of this act, that are not inconsistent with the provisions of this act, and that pertain to the Green Acres, Blue Acres, farmland preservation, and historic preservation programs continued pursuant to this act, shall continue in effect until amended or supplemented and readopted as necessary to reflect the provisions and requirements of this act.

- 1 16. Section 24 of P.L.1999, c.152 (C.13:8C-24) is amended to 2 read as follows:
- 3 24. a. (1) There is established in the Department of
- Environmental Protection the Office of Green Acres. 4
- 6 supervise the office, and the department may employ such other

commissioner may appoint an administrator or director who shall

- 7 personnel and staff as may be required to carry out the duties and
- 8 responsibilities of the department and the office pursuant to **I**this
- 9 act P.L.1999, c.152 (C.13:8C-1 et al.) and P.L. , c. (C.)
- 10 (pending before the Legislature as this bill), all without regard to
- 11 the provisions of Title 11A, Civil Service, of the New Jersey
- 12 Statutes. Persons appointed or employed as provided pursuant to
- 13 this subsection shall be compensated in a manner similar to other
- 14 employees in the Executive Branch, and their compensation shall be
- 15 determined by the Civil Service Commission.
- 16 (2) The Green Acres Program in the Department of
- 17 Environmental Protection, together with all of its functions, powers
- 18 and duties, are continued and transferred to and constituted as the
- 19 Office of Green Acres in the Department of Environmental
- 20 Protection. Whenever, in any law, rule, regulation, order, contract,
- 21 document, judicial or administrative proceeding or otherwise,
- 22 reference is made to the Green Acres Program, the same shall mean
- 23 and refer to the Office of Green Acres in the Department of 24 Environmental Protection. This transfer shall be subject to the
- 25 provisions of the "State Agency Transfer Act," P.L.1971,
- 26 c.375 (C.52:14D-1 et seq.).

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- 27 b. The duties and responsibilities of the office shall be as 28 follows:
- 29 (1) Administer all provisions of [this act] <u>P.L.1999</u>,
- 30 c.152 (C.13:8C-1 et al.) and P.L. , c. (C.) (pending before
- 31 the Legislature as this bill) pertaining to funding the acquisition and
- 32 development of lands for recreation and conservation purposes as
- 33 authorized pursuant to Article VIII, Section II, paragraph 6 and
- 34 paragraph 7 of the State Constitution;
- 35 (2) Continue to administer all grant and loan programs for the acquisition and development of lands for recreation and 36
- 37 conservation purposes, including the Green Trust, established or
- 38 funded for those purposes pursuant to: P.L.1961, c.45 (C.13:8A-1

et seq.); P.L.1971, c.419 (C.13:8A-19 et seq.); P.L.1975,

- 40 c.155 (C.13:8A-35 et seq.); or any Green Acres bond act; and
- 41 (3) Adopt, with the approval of the commissioner and pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-42
- 43 1 et seq.), rules and regulations:

- 44 (a) establishing application procedures for grants and loans for
- 45 the acquisition and development of lands for recreation and
- 46 conservation purposes, criteria and policies for the evaluation and
- 47 priority ranking of projects for eligibility to receive funding for
- 48 recreation and conservation purposes using constitutionally

- 1 dedicated moneys pursuant to P.L.1999, c.152 (C.13:8C-1 et al.) or 2 constitutionally dedicated CBT moneys pursuant to P.L. , c. (C.) (pending before the Legislature as this bill), 3 4 any conditions that may be placed on the award of a grant or loan 5 for recreation and conservation purposes pursuant to [this act] P.L.1999, c.152 (C.13:8C-1 et al.) or P.L. 6 7 c. (C. .) (pending before the Legislature as this bill), and any 8 restrictions that may be placed on the use of lands acquired or 9 developed with a grant or loan for recreation and conservation 10 purposes pursuant to [this act] P.L.1999, c.152 or P.L. 11 c. (C.) (pending before the Legislature as this bill) . The 12 criteria and policies established pursuant to this subparagraph for 13 the evaluation and priority ranking of projects for eligibility to 14 receive funding for recreation and conservation purposes using 15 constitutionally dedicated moneys pursuant to P.L.1999, 16 c.152 (C.13:8C-1 et al.) or constitutionally dedicated CBT moneys pursuant to P.L., c. (C.) (pending before the Legislature as 17 18 this bill) may be based upon, but need not be limited to, such 19 factors as: protection of the environment, natural resources, water 20 resources, watersheds, aquifers, wetlands, floodplains and flood-21 prone areas, stream corridors, beaches and coastal resources, forests 22 and grasslands, scenic views, biodiversity, habitat for wildlife, rare, 23 threatened, or endangered species, and plants; vernal habitat; degree 24 of likelihood of development; promotion of greenways; provision 25 for recreational access and use; protection of geologic, historic, 26 archaeological, and cultural resources; relative cost; parcel size; and 27 degree of public support; and 28
- (b) addressing any other matters deemed necessary to implement 29 and carry out the goals and objectives of Article VIII, Section II, 30 paragraph 6 and paragraph 7 of the State Constitution and [this act] P.L.1999, c.152 (C.13:8C-1 et al.) and P.L. 32 c. (C.) (pending before the Legislature as this bill) with 33 respect to the acquisition and development of lands for recreation 34 and conservation purposes , including the acquisition of lands for recreation and conservation purposes that have been damaged by, or 36 may be prone to incurring damage caused by, storms or stormrelated flooding, or that may buffer or protect other lands from such damage; and

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38 (4) Establishing criteria and policies for the evaluation and 39 40 priority ranking of State projects to acquire and develop lands for 41 recreation and conservation purposes using constitutionally 42 dedicated moneys pursuant to P.L.1999, c.152 (C.13:8C-1 et al.) or 43 constitutionally dedicated CBT moneys pursuant to 44 P.L., c. (C.) (pending before the Legislature as this bill), 45 which criteria and policies may be based upon, but need not be 46 limited to, such factors as: protection of the environment, natural 47 resources, water resources, watersheds, aquifers, wetlands, 48 floodplains and flood-prone areas, stream corridors, beaches and

coastal resources, forests and grasslands, scenic views, biodiversity, habitat for wildlife, rare, threatened, or endangered species, and plants; vernal habitat; degree of likelihood of development; promotion of greenways; provision for recreational access and use; protection of geologic, historic, archaeological, and cultural resources; relative cost; parcel size; and degree of public support. (cf: P.L.2008, c.29, s.114)

17. This act shall take effect on July 1, 2016.

STATEMENT

This bill would implement, for State fiscal year 2017 through State fiscal year 2019, the constitutional dedication of Corporation Business Tax (CBT) revenues for open space, farmland, and historic preservation. Senate Concurrent Resolution No. 84 (SCS) of 2014, or "Ballot Question No. 2," presented to, and approved by, the voters of the State on November 4, 2014, amended the New Jersey Constitution to dedicate four percent of CBT revenues for open space, farmland, and historic preservation, water programs, public and private site remediation, and underground storage tank programs for fiscal years 2016 through 2019, and further increased the annual dedication for certain environmental programs from four percent to six percent commencing in fiscal year 2020 and thereafter.

Specifically with regard to open space, farmland, and historic preservation, through fiscal year 2019, of the four percent CBT dedication, the State Constitution dedicates annually 71 percent for: (1) providing funding, including loans or grants, for the preservation, including acquisition, development, and stewardship, of lands for recreation and conservation purposes, including lands that protect water supplies and lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage (i.e., Green Acres and Blue Acres); (2) providing funding, including loans or grants, for the preservation and stewardship of land for agricultural or horticultural use and production (i.e., farmland preservation); (3) providing funding, including loans or grants, for historic preservation; and (4) paying administrative costs associated with each of those efforts. Commencing July 1, 2019 (i.e., for State fiscal year 2020 and thereafter), of the six percent of the CBT revenue to be dedicated annually for certain environmental programs, 78 percent would be dedicated for the above-listed four purposes.

The Constitution also dedicates money received from leases and conveyances of State open space lands. Under this bill, each State park, forest, or wildlife management area would receive an amount

equal to the amount of revenue annually derived from leases or conveyances of lands at that State park, forest, or wildlife management area, as appropriate, to be used for recreation and conservation purposes at that State park, forest, or wildlife management area.

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For fiscal year 2016 through and including fiscal year 2019, the above-described CBT dedicated revenues would be allocated as follows:

- (1) 60 percent would be used for acquiring and developing lands for public recreation and conservation purposes, including lands that protect water supplies, under the Green Acres program;
 - (2) 4 percent would be used for the "Blue Acres" program;
- (3) 31 percent would be used for farmland preservation purposes; and
 - (4) 5 percent would be used for historic preservation purposes.

A maximum of 5 percent each year would be permitted to be used for administrative costs associated with implementing the Green Acres program.

Of the monies allocated for the Green Acres program and the farmland preservation program, the bill also allocates funding for stewardship activities. The bill defines "stewardship activity" to mean "activity, which is beyond routine operations and maintenance, undertaken by the State, a local government unit, or a qualifying tax exempt nonprofit organization to repair or restore lands acquired or developed for recreation and conservation purposes for the purpose of enhancing or protecting those lands for recreation and conservation purposes. For the purposes of the farmland preservation program, "stewardship activity" means an activity, which is beyond routine operation and maintenance, undertaken by the landowner, or a farmer operator as an agent of the landowner, to repair, restore, or improve lands preserved for farmland preservation purposes, including but not limited to soil and water conservation projects approved pursuant to section 17 of P.L.1983, c.32 (C.4:1C-24).

Of the 60 percent allocated each year for the Green Acres program: 55 percent would be used for State open space acquisition and development projects; 38 percent would be used for grants and loans to fund local government open space acquisition and development projects; and 7 percent would be used for grants to fund open space acquisition and development projects undertaken by qualifying tax exempt nonprofit organizations. Of the funding for State open space acquisition and development projects: 50 percent would be used for acquisition projects and 50 percent would be used for development projects. Further, of the funding for State open space development projects, up to 22 percent would be used for stewardship activities undertaken on lands administered by the Division of Fish and Wildlife and up to 22 percent would be used for stewardship activities undertaken on lands administered by the

Division of Parks and Forestry. Of the funding allocated for local open space acquisition and development projects, up to 2 percent would be used to fund stewardship activities. Of the allocated funding for open space acquisition and development projects by qualifying tax exempt nonprofit organizations, 11 percent would be

used to fund stewardship activities.

"Blue Acres" is the term used to refer to properties that have been damaged by storms or storm-related flooding, that appear likely to incur such damage, or that may buffer or protect other lands from such damage. Structures on a purchased property are demolished, the debris is removed, and the land is preserved as open space. The Blue Acres program is administered by the DEP's Green Acres program. Under the bill, funding for the Blue Acres program would be used for (1) acquisition by the State of Blue Acres properties, or (2) State grants to assist qualifying tax exempt nonprofits in the acquisition of Blue Acres properties. The State would be prohibited from using eminent domain to acquire land for Blue Acres projects, except with the approval of the Legislature by adoption of a concurrent resolution to that effect. However, if needed, eminent domain proceedings could be employed by the State for the purpose only of establishing value.

This bill continues the State's existing open space, farmland, and historic preservation programs. It is based on the provisions of the "Garden State Preservation Trust Act" (GSPTA), as well as the "Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009" (P.L.2009, c.117) and the "Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007" (P.L.2007, c.119) and, generally, defines relevant terms in the same manner as the GSPTA and continues the respective priority systems, ranking criteria, and funding policies set forth in the GSPTA, except as otherwise specified in the bill.

For the Green Acres program, the bill provides that an urban aid municipality may receive a grant by the State for the acquisition or development of lands for recreation and conservation purposes for 75 percent of the cost of acquisition or development of the lands by the local government unit, and this amount may be increased by the DEP up to 100 percent of the allowable funding cap upon a demonstration of special need or exceptional circumstances. Under current law, an urban aid municipality may receive a grant for 50 percent of the cost of the project, with the possibility of this amount being increased to a maximum of 75 percent (up to the allowable cap). In addition, the bill provides that a local government unit or a qualifying tax exempt nonprofit organization may use a grant or loan for recreation and conservation purposes for the construction of a community garden.

For the historic preservation program, the bill provides that historic preservation funds may also be used for emergency

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1 intervention and the acquisition of historic property easements. The 2 bill defines "emergency intervention" to mean an immediate 3 assessment or capital improvement necessary to protect or stabilize 4 the structural integrity of a historic property. Lastly, the bill provides that the DEP, the State Agriculture 5 6 Development Committee, and the New Jersey Historic Trust would 7 each, at least once every two years, submit to the Garden State 8 Preservation Trust projects recommended to receive funding under 9 the bill. The Garden State Preservation Trust would then submit the list of projects to the Legislature for funding in the form of 10 11 appropriation bills.

ASSEMBLY, No. 4017

STATE OF NEW JERSEY

217th LEGISLATURE

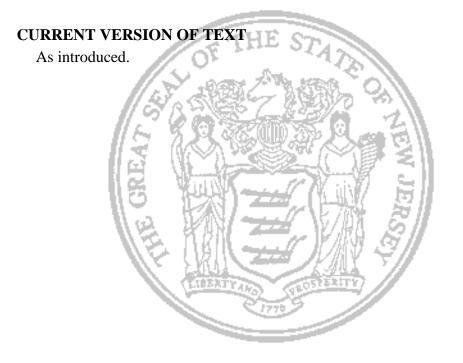
INTRODUCED JUNE 27, 2016

Sponsored by:

Assemblyman BOB ANDRZEJCZAK
District 1 (Atlantic, Cape May and Cumberland)
Assemblyman JOHN F. MCKEON
District 27 (Essex and Morris)
Assemblywoman L. GRACE SPENCER
District 29 (Essex)
Assemblywoman ELIANA PINTOR MARIN
District 29 (Essex)
Assemblyman RONALD S. DANCER
District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Revises State's open space, farmland, and historic preservation programs; implements 2014 constitutional dedication of CBT revenues for certain environmental purposes.



AN ACT concerning the constitutional dedication of corporation business tax revenues for certain environmental purposes, supplementing Title 13 of the Revised Statutes, and amending P.L.1999, c.152.

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

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1. (New section) This act shall be known, and may be cited, as the "Preserve New Jersey Act."

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- 2. (New section) The Legislature finds and declares that:
- a. Enhancing the quality of life of the citizens of New Jersey is a paramount policy of the State, and the acquisition, preservation, and stewardship of open space, farmland, and historic properties in New Jersey protect and enhance the character and beauty of the State and provide its citizens with greater opportunities for recreation, relaxation, and education;
- b. The lands and resources now dedicated to these purposes will not be adequate to meet the needs of an expanding population in years to come, and the open space and farmland that is available and appropriate for these purposes will gradually disappear as the costs of preserving them correspondingly increase;
- c. The Delaware River, the Passaic River, and the Raritan River, and their respective tributaries, and many other areas throughout the State have been subject to serious flooding over the years, causing on some occasions loss of life and significant property damage;
- d. Beginning on October 28, 2012, the post-tropical storm commonly referred to as "Hurricane Sandy" struck New Jersey, producing unprecedented severe weather conditions, including enormous storm surges, devastating wind, and widespread flooding, crippling entire communities across New Jersey, and inflicting incalculable harm to the economy of the State;
- e. The acquisition of properties damaged by Hurricane Sandy and of other damaged and flood-prone properties throughout the State is in the best interests of the State to prevent future losses of life and property;
- f. "Blue Acres" is the term used to refer to the acquisition, for recreation and conservation purposes, of lands that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or that may buffer or protect other lands from such damage;
- g. Under the Blue Acres Program, structures on acquired property are demolished, the debris is removed, and the property is preserved for recreation and conservation purposes;

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

h. Agriculture plays an integral role in the prosperity and wellbeing of the State as well as providing a fresh and abundant supply of food for its citizens;

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- Much of the farmland in the State faces an imminent threat of permanent conversion to non-farm uses, and retention and development of an economically viable agricultural industry is of high public priority;
- There is an urgent need to preserve the State's historic heritage to enable present and future generations to experience, understand, and enjoy the landmarks of New Jersey's role in the birth and development of this nation;
- The restoration and preservation of properties of historic character and importance in the State are central to meeting this need, and a significant number of these historic properties are located in urban centers, where their restoration and preservation will advance urban revitalization efforts of the State and local governments;
- There is growing public recognition that the quality of life, economic prosperity, and environmental quality in New Jersey are served by the protection and timely preservation of open space and farmland and better management of the lands, resources, historic properties, and recreational facilities that are already under public ownership or protection;
- m. The protection and preservation of New Jersey's water resources, including the quality and quantity of the State's limited water supply, are essential to the quality of life and the economic health of the citizens of the State;
- n. The preservation of the existing diversity of animal and plant species is essential to sustaining both the environment and the economy of the Garden State, and the conservation of adequate habitat for endangered, threatened, and other rare species is necessary to preserve this biodiversity;
- o. As recognized by the voters of the State when they, on November 4, 2014, approved an amendment to the State Constitution to dedicate a portion of corporation business tax revenues specifically for the purposes of open space, farmland, and historic preservation, there is a need to continue the State open space, farmland, and historic preservation programs previously funded by the "Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009" (P.L.2009, c.117), the "Green Acres, Farmland, Blue Acres,
- and Historic Preservation Bond Act of 2007" (P.L.2007, c.119), 42
- 43 Article VIII, Section II, paragraph 7 of the State Constitution, the
- 44 "Green Acres, Farmland and Historic Preservation, and Blue Acres
- 45 Bond Act of 1995" (P.L.1995, c.204), and the nine previous similar
- bond acts enacted in 1961, 1971, 1974, 1978, 1981, 1983, 1987, 46
- 47 1989, and 1992, and various implementing laws; and

p. It is therefore in the public interest to preserve and protect as much land for recreation and conservation purposes, including lands that protect water supplies and flood-prone lands, and for farmland preservation purposes, and as many historic properties, as possible within the means provided by Article VIII, Section II, paragraph 6 of the State Constitution.

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3. (New section) As used in this act:

"Acquisition" or "acquire" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Blue Acres cost" means the expenses incurred in connection with: all things deemed necessary or useful and convenient for the acquisition by the State or a qualifying tax exempt nonprofit organization, for recreation and conservation purposes, of lands that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or that may buffer or protect other lands from such damage; the execution of any agreements or franchises deemed by the Department of Environmental Protection to be necessary or useful and convenient in connection with any Blue Acres project authorized by this act; the procurement or provision of appraisal, archaeological, architectural, conservation, design, engineering, financial, geological, historic research, hydrological, inspection, legal, planning, relocation, surveying, or other professional advice, estimates, reports, services, or studies; the purchase of title insurance; the undertaking of feasibility studies; the demolition of structures, the removal of debris, and the restoration of lands to a natural state or to a state useful for recreation and conservation purposes; the establishment of a reserve fund or funds for working capital, operating, maintenance, or replacement expenses as the Director of the Division of Budget and Accounting in the Department of the Treasury may determine; and reimbursement to any fund of the State of moneys that may have been transferred or advanced therefrom to any fund established by this act, or any moneys that may have been expended therefrom for, or in connection with, this act.

"Blue Acres project" means any project of the State or a qualifying tax exempt nonprofit organization to acquire, for recreation and conservation purposes, lands that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or that may buffer or protect other lands from such damage.

42 "Commissioner" means the Commissioner of Environmental 43 Protection.

"Committee" means the State Agriculture Development Committee established pursuant to section 4 of P.L.1983, c.31 (C.4:1C-4).

"Constitutionally dedicated CBT moneys" means any moneys made available pursuant to Article VIII, Section II, paragraph 6 of the State Constitution deposited in the funds established pursuant to sections 6, 7, 8, and 9 of this act, and appropriated by law, for recreation and conservation, farmland preservation, or historic preservation purposes set forth in Article VIII, Section II, paragraph 6 of the State Constitution or this act.

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"Convey" or "conveyance" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

8 "Cost" means the expenses incurred in connection with: all 9 things deemed necessary or useful and convenient for the 10 acquisition or development of lands for recreation and conservation 11 purposes, the acquisition of development easements or fee simple 12 titles to farmland, or the preservation of historic properties, as the case may be; the execution of any agreements or franchises deemed 13 14 by the Department of Environmental Protection, State Agriculture 15 Development Committee, or New Jersey Historic Trust, as the case 16 may be, to be necessary or useful and convenient in connection with 17 any project funded in whole or in part using constitutionally 18 dedicated CBT moneys; the procurement or provision of appraisal, 19 archaeological, architectural, conservation, design, engineering, 20 financial, geological, historic research, hydrological, inspection, 21 legal, planning, relocation, surveying, or other professional advice, 22 estimates, reports, services, or studies; the purchase of title 23 insurance; the undertaking of feasibility studies; materials and labor 24 costs for stewardship activities, but not overhead or administration 25 costs for such activities; the establishment of a reserve fund or 26 funds for working capital, operating, maintenance, or replacement 27 expenses, as the Director of the Division of Budget and Accounting 28 in the Department of the Treasury may determine; and 29 reimbursement to any fund of the State of moneys that may have 30 been transferred or advanced therefrom to any fund established by 31 this act, or any moneys that may have been expended therefrom for, 32 or in connection with, this act.

"Department" means the Department of Environmental Protection.

"Development" or "develop" means, except as used in the definitions of "acquisition" and "development easement" in this section, any improvement, including a stewardship activity, made to a land or water area designed to expand and enhance its utilization for recreation and conservation purposes, and shall include the construction, renovation, or repair of any such improvement, but shall not mean shore protection or beach nourishment or replenishment activities.

"Development easement" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Emergency intervention" means an immediate assessment or capital improvement necessary to protect or stabilize the structural integrity of a historic property.

- 1 "Farmland" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).
- "Farmland preservation," "farmland preservation purposes," or "preservation of farmland" means the same as those terms are defined in section 3 of P.L.1999, c.152 (C.13:8C-3).
- "Garden State Preservation Trust" or "trust" means the Garden State Preservation Trust established pursuant to section 4 of P.L.1999, c.152 (C.13:8C-4).
- 9 "Green Acres bond act" means: P.L.1961, c.46; P.L.1971, c.165;
- 10 P.L.1974, c.102; P.L.1978, c.118; P.L.1983, c.354; P.L.1987, c.265;
- 11 P.L.1989, c.183; P.L.1992, c.88; P.L.1995, c.204; P.L.2007, c.119;
- 12 P.L.2009, c.117; and any State general obligation bond act that may
- be approved after the date of enactment of this act for the purpose
- of providing funding for the acquisition or development of lands for
- recreation and conservation purposes or for farmland preservation
- 16 purposes.

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- "Historic preservation," "historic preservation purposes," or "preservation of historic properties" means the same as those terms are defined in section 3 of P.L.1999, c.152 (C.13:8C-3) and shall also include emergency intervention and the acquisition of a historic preservation easement.
- "Historic preservation easement" means an interest in land, less than fee simple title thereto, that is purchased from a private or governmental property owner to permanently protect a historic property, and that is granted by the property owner to the New Jersey Historic Trust, a local government unit, or a qualifying tax exempt nonprofit organization.
- "Historic property" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).
- 30 "Land" or "lands" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).
- "Local government unit" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).
- "New Jersey Historic Trust" means the entity established pursuant to section 4 of P.L.1967, c.124 (C.13:1B-15.111).
- "Permitted investments" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).
- 38 "Preserve New Jersey Blue Acres Fund" means the Preserve 39 New Jersey Blue Acres Fund established pursuant to section 7 of 40 this act.
- 41 "Preserve New Jersey Farmland Preservation Fund" means the 42 Preserve New Jersey Farmland Preservation Fund established 43 pursuant to section 8 of this act.
- 44 "Preserve New Jersey Green Acres Fund" means the Preserve
- New Jersey Green Acres Fund established pursuant to section 6 of
- 46 this act.

"Preserve New Jersey Historic Preservation Fund" means the Preserve New Jersey Historic Preservation Fund established pursuant to section 9 of this act.

"Preserve New Jersey Fund Account" means the Preserve New Jersey Fund Account established pursuant to section 4 of this act.

"Project" means all things deemed necessary or useful and convenient in connection with the acquisition or development of lands for recreation and conservation purposes, the acquisition of development easements or fee simple titles to farmland, or the preservation of historic properties, as the case may be.

"Qualifying tax exempt nonprofit organization" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Recreation and conservation purposes" means the same as that term is defined in section 3 of P.L.1999, c.152 (C.13:8C-3).

"Stewardship activity" means an activity, which is beyond routine operations and maintenance, undertaken by the State, a local government unit, or a qualifying tax exempt nonprofit organization to repair, or restore lands acquired or developed for recreation and conservation purposes for the purpose of enhancing or protecting those lands for recreation and conservation purposes. For the purposes of the farmland preservation program, "stewardship activity" means an activity, which is beyond routine operation and maintenance, undertaken by the landowner, or a farmer operator as an agent of the landowner, to repair, restore, or improve lands preserved for farmland preservation purposes, including but not limited to soil and water conservation projects approved pursuant to section 17 of P.L.1983, c.32 (C.4:1C-24).

- 4. (New section) There is established in the General Fund a special account to be known as the "Preserve New Jersey Fund Account."
 - a. The State Treasurer shall credit to this account:
- (1) (a) (i) For State fiscal year 2016, an amount equal to 71 percent of the four percent of the revenue annually derived from the tax imposed pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and supplemented, or any other State law of similar effect, dedicated for recreation and conservation, farmland preservation, and historic preservation purposes pursuant to subparagraph (a) of Article VIII, Section II, paragraph 6 of the State Constitution, less \$19,972,000 already appropriated and expended for parks management in P.L.2015, c.63; and
- (ii) in each State fiscal year through and including State fiscal year 2019 an amount equal to 71 percent of the four percent of the revenue annually derived from the tax imposed pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and supplemented, or any other State law of similar effect, dedicated to recreation and conservation,

farmland preservation, and historic preservation purposes pursuant to subparagraph (a) of Article VIII, Section II, paragraph 6 of the State Constitution; and

- (b) in each State fiscal year commencing in State fiscal year 2020 and annually thereafter, an amount equal to 78 percent of the six percent of the revenue annually derived from the tax imposed pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and supplemented, or any other State law of similar effect, dedicated to recreation and conservation, farmland preservation, and historic preservation purposes pursuant to subparagraph (a) of Article VIII, Section II, paragraph 6 of the State Constitution; and
 - (2) in each State fiscal year, an amount equal to the amount dedicated pursuant to subparagraph (b) of Article VIII, Section II, paragraph 6 of the State Constitution.
 - b. In each State fiscal year, the amount credited to the Preserve New Jersey Fund Account shall be appropriated from time to time by the Legislature only for the applicable purposes set forth in Article VIII, Section II, paragraph 6 of the State Constitution and this act for:
 - (1) providing funding, including loans or grants, for the preservation, including acquisition, development, and stewardship, of lands for recreation and conservation purposes, including lands that protect water supplies and lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage;
 - (2) providing funding, including loans or grants, for the preservation and stewardship of land for agricultural or horticultural use and production;
 - (3) providing funding, including loans or grants, for historic preservation; and
 - (4) paying administrative costs associated with (1) through (3) of this subsection.
 - c. Nothing in this act shall authorize any State entity to use constitutionally dedicated CBT moneys for the purpose of making any payments relating to any bonds, notes, or other debt obligations, other than those relating to obligations arising from land purchase agreements made with landowners.

- 5. (New section) a. In State fiscal year 2017 through and including State fiscal year 2019, of the amount credited by the State Treasurer to the Preserve New Jersey Fund Account pursuant to paragraph (1) of subsection a. of section 4 of this act:
- (1) 60 percent shall be deposited into the Preserve New Jersey Green Acres Fund established pursuant to section 6 of this act;
- (2) 4 percent shall be deposited into the Preserve New Jersey Blue Acres Fund established pursuant to section 7 of this act;

- (3) 31 percent shall be deposited into the Preserve New Jersey Farmland Preservation Fund established pursuant to section 8 of this act: and
- (4) 5 percent shall be deposited into the Preserve New Jersey Historic Preservation Fund established pursuant to section 9 of this act.
- b. In State fiscal year 2017 through and including State fiscal year 2019, of the amount credited by the State Treasurer to the Preserve New Jersey Fund Account pursuant to paragraph (2) of subsection a. of section 4 of this act, each State park, forest, or wildlife management area shall receive an amount equal to the amount of revenue annually derived from leases or conveyances of lands at that State park, forest, or wildlife management area, as appropriate, to be used for recreation and conservation purposes at that State park, forest, or wildlife management area.

6. (New section) a. The State Treasurer shall establish a fund to be known as the "Preserve New Jersey Green Acres Fund" and shall deposit into the fund all moneys received pursuant to paragraph (1) of subsection a. of section 5 of this act and any other moneys appropriated by law for deposit into the fund.

Moneys in the fund shall be invested in permitted investments or shall be held in interest-bearing accounts in those depositories as the State Treasurer may select, and may be invested and reinvested in permitted investments or as other trust funds in the custody of the State Treasurer in the manner provided by law. All interest or other income or earnings derived from the investment or reinvestment of moneys in the fund shall be credited to the fund. Moneys derived from the payment of principal and interest on the loans to local government units authorized by this act shall also be held in the fund.

- b. Of the amount deposited each State fiscal year into the Preserve New Jersey Green Acres Fund pursuant to paragraph (1) of subsection a. of section 5 of this act:
- (1) 55 percent shall be allocated for the purpose of paying the cost of acquisition and development of lands by the State for recreation and conservation purposes, and the amount provided pursuant to this paragraph shall be allocated as follows:
- (a) 50 percent shall be allocated for the purpose of paying the cost of acquisition of lands by the State for recreation and conservation purposes; and
- (b) 50 percent shall be allocated for the purpose of paying the cost of development of lands by the State for recreation and conservation purposes, and of the amount provided pursuant to this subparagraph:
- (i) up to 22 percent shall be allocated for the purpose of paying the cost for stewardship activities undertaken on lands administered by the Division of Fish and Wildlife in the department; and

(ii) up to 22 percent shall be allocated for the purpose of paying the cost for stewardship activities undertaken on lands administered by the Division of Parks and Forestry in the department;

- (2) 38 percent shall be allocated for the purposes of providing grants and loans to assist local government units to pay the cost of acquisition and development of lands for recreation and conservation purposes, and of this amount, up to 2 percent shall be allocated for stewardship activities undertaken by local government units; and
- (3) 7 percent shall be allocated for the purposes of providing grants to assist qualifying tax exempt nonprofit organizations to pay the cost of acquisition and development of lands for recreation and conservation purposes, and of this amount, 11 percent shall be allocated for stewardship activities undertaken by qualifying tax exempt nonprofit organizations.
- c. Any repayments of the principal and interest on loans issued to local government units for the acquisition or development of lands for recreation and conservation purposes using constitutionally dedicated CBT moneys shall be deposited into the Preserve New Jersey Green Acres Fund, and shall be specifically dedicated for the issuance of additional loans in the same manner as provided in subsection b. of section 27 of P.L.1999, c.152 (C.13:8C-27).
- d. (1) The moneys in the fund are specifically dedicated and shall be used for the same purposes and according to the same criteria and provisions as those set forth in section 26 of P.L.1999, c.152 (C.13:8C-26), and as provided pursuant to this act.
- (2) Grants and loans issued to local government units and grants issued to qualifying tax exempt nonprofit organizations using constitutionally dedicated CBT moneys for the acquisition and development of lands for recreation and conservation purposes shall be subject to the same provisions as those prescribed in section 27 of P.L.1999, c.152 (C.13:8C-27), except as otherwise provided in section 10 of this act.
- e. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the Preserve New Jersey Green Acres Fund shall identify any particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee, or its successor, except as permitted otherwise in accordance with the same exceptions as those specified in paragraph (2) of subsection a. of section 23 of P.L.1999, c.152 (C.13:8C-23).
- f. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund.

- g. Of the amount authorized pursuant to this section, not more than five percent shall be utilized for organizational, administrative and other work and services, including salaries, equipment and materials necessary to administer the applicable provisions of this act
- h. To the end that municipalities may not suffer a loss of taxes by reason of the acquisition and ownership by the State of lands in fee simple for recreation and conservation purposes, or the acquisition and ownership by qualifying tax exempt nonprofit organizations of lands in fee simple for recreation and conservation purposes that become certified as exempt from property taxes pursuant to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws, the State shall make payments annually in the same manner as payments are made pursuant to section 29 of P.L.1999, c.152 (C.13:8C-29).
- i. The State shall not use the power of eminent domain in any manner for the acquisition of lands by the State for recreation and conservation purposes using constitutionally dedicated CBT moneys in whole or in part unless a concurrent resolution approving that use is approved by both Houses of the Legislature; except that, without the need for such a concurrent resolution, the State may use the power of eminent domain to the extent necessary to establish a value for lands to be acquired from a willing seller by the State for recreation and conservation purposes using constitutionally dedicated CBT moneys in whole or in part.

7. (New section) a. The State Treasurer shall establish a fund to be known as the "Preserve New Jersey Blue Acres Fund" and shall deposit into the fund all moneys received pursuant to paragraph (2) of subsection a. of section 5 of this act and any other moneys appropriated by law for deposit into the fund.

Moneys in the fund shall be invested in permitted investments or shall be held in interest-bearing accounts in those depositories as the State Treasurer may select, and may be invested and reinvested in permitted investments or as other trust funds in the custody of the State Treasurer in the manner provided by law. All interest or other income or earnings derived from the investment or reinvestment of moneys in the fund shall be credited to the fund.

- b. The moneys in the Preserve New Jersey Blue Acres Fund are specifically dedicated and shall be applied for the purposes of providing moneys to:
- (1) meet the Blue Acres costs to the State for the acquisition of lands for a Blue Acres project; or
- 44 (2) provide grants, pursuant to the provisions of subsection c. of 45 this section, to assist a qualifying tax exempt nonprofit organization 46 in meeting the Blue Acres costs for the acquisition of lands for a 47 Blue Acres project.

c. (1) A grant by the State for lands to be acquired by a qualifying tax exempt nonprofit organization for a Blue Acres project may include up to 50 percent of the Blue Acres cost of acquisition of the lands by the qualifying tax exempt nonprofit organization.

- (2) A qualifying tax exempt nonprofit organization shall not use as its matching share of the Blue Acres cost of acquisition of lands for a Blue Acres project any constitutionally dedicated moneys, as defined pursuant to section 3 of P.L.1999, c.152 (C.13:8C-3), or any grant moneys obtained from a Green Acres bond act.
- (3) To qualify to receive a grant from the Preserve New Jersey Blue Acres Fund, the board of directors or governing body of the applying tax exempt nonprofit organization shall:
- (a) demonstrate to the commissioner that the organization qualifies as a charitable conservancy for the purposes of P.L.1979, c.378 (C.13:8B-1 et seq.);
- (b) demonstrate that the organization has the resources to match the grant requested;
- (c) agree to make and keep the lands accessible to the public, unless the commissioner determines that public accessibility would be detrimental to the lands or any natural resources associated therewith;
- (d) agree not to convey the lands except to the federal government, the State, a local government unit, or another qualifying tax exempt nonprofit organization, for recreation and conservation purposes; and
- (e) agree to execute and donate to the State at no charge a conservation restriction pursuant to P.L.1979, c.378 (C.13:8B-1 et seq.) on the lands to be acquired with the grant.
- d. The State shall not use the power of eminent domain in any manner for the acquisition of lands by the State for Blue Acres projects using constitutionally dedicated CBT moneys in whole or in part unless a concurrent resolution approving that use is approved by both Houses of the Legislature; except that, without the need for such a concurrent resolution, the State may use the power of eminent domain to the extent necessary to establish a value for lands to be acquired from a willing seller by the State for recreation and conservation purposes, as part of a Blue Acres project, using constitutionally dedicated CBT moneys in whole or in part.
- e. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the Preserve New Jersey Blue Acres Fund shall identify the particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee, or its successor.

- f. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund to be used for the purposes of the fund.
- g. Of the amount authorized pursuant to this section, not more than five percent shall be utilized for organizational, administrative and other work and services, including salaries, equipment and materials necessary to administer the applicable provisions of this act.

8. (New section) a. The State Treasurer shall establish a fund to be known as the "Preserve New Jersey Farmland Preservation Fund" and shall deposit all moneys received pursuant to paragraph (3) of subsection a. of section 5 of this act and any other moneys appropriated by law for deposit into the fund.

Moneys in the fund shall be invested in permitted investments or shall be held in interest-bearing accounts in those depositories as the State Treasurer may select, and may be invested and reinvested in permitted investments or as other trust funds in the custody of the State Treasurer in the manner provided by law. All interest or other income or earnings derived from the investment or reinvestment of moneys in the fund shall be credited to the fund.

- b. (1) The moneys in the fund are specifically dedicated and shall be used for the same purposes as those set forth in section 37 of P.L.1999, c.152 (C.13:8C-37) and as provided in paragraph (2) of this subsection.
- (2) Of the moneys deposited into the Preserve New Jersey Farmland Preservation Fund each year, up to 3 percent shall be allocated by the committee on an annual basis for stewardship activities.
- c. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the Preserve New Jersey Farmland Preservation Fund shall identify any particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee, or its successor, except as permitted otherwise in accordance with the same exceptions as those specified in paragraph (2) of subsection b. of section 23 of P.L.1999, c.152 (C.13:8C-23).

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d. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund.

 9. (New section) a. The State Treasurer shall establish a fund to be known as the "Preserve New Jersey Historic Preservation Fund" and shall deposit all moneys received pursuant to paragraph (4) of subsection a. of section 5 of this act and any other moneys appropriated by law for deposit into the fund.

Moneys in the fund shall be invested in permitted investments or shall be held in interest-bearing accounts in those depositories as the State Treasurer may select, and may be invested and reinvested in permitted investments or as other trust funds in the custody of the State Treasurer in the manner provided by law. All interest or other income or earnings derived from the investment or reinvestment of moneys in the fund shall be credited to the fund.

- b. The moneys in the fund are specifically dedicated and shall be used for the same purposes as those set forth in section 41 of P.L.1999, c.152 (C.13:8C-41), and for emergency intervention and the acquisition of historic preservation easements.
- c. Moneys in the fund shall not be expended except in accordance with appropriations from the fund made by law. Any act appropriating moneys from the Preserve New Jersey Historic Preservation Fund shall identify any particular project or projects to be funded by the moneys, and any expenditure for a project for which the location is not identified by municipality and county in the appropriation shall require the approval of the Joint Budget Oversight Committee, or its successor.
- d. Unexpended moneys due to project withdrawals, cancellations, or cost savings shall be returned to the fund.

- 10. (New section) a. Notwithstanding the provisions of subparagraph (b) of paragraph (2) of subsection a. of section 27 of P.L.1999, c.152 (C.13:8C-27) to the contrary, a grant by the State for lands acquired or developed for recreation and conservation purposes by a local government unit in a municipality eligible to receive State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.) shall be for 75 percent of the cost of acquisition or development of the lands by the local government unit, except that the department may authorize an increase in the State's share of the cost up to 100 percent of the allowable funding cap established by the department upon a demonstration of special need or exceptional circumstances.
- b. A local government unit or a qualifying tax exempt nonprofit organization may use a grant or loan received pursuant to this act for recreation and conservation purposes for the construction of a community garden, provided that public access to the lands acquired for recreation and conservation purposes is not limited by the community garden.

11. (New section) Lands acquired or developed by the State, a local government unit, or a qualifying tax exempt nonprofit organization for recreation and conservation purposes using constitutionally dedicated CBT moneys shall not be conveyed, disposed of, or diverted to a use for other than recreation and conservation purposes without complying with the provisions of sections 31 through 35 of P.L.1999, c.152 (C.13:8C-31 through C.13:8C-35), as appropriate, and any other applicable law.

1 12. (New section) A local government unit that receives a grant 2 or loan for recreation and conservation purposes pursuant to this act 3 shall satisfactorily operate and maintain the lands acquired or 4 developed pursuant to the conditions of the agreement between the 5 local government unit and the department when the grant or loan is made. In the event that the local government unit cannot or will not 6 7 correct deficiencies in the operation and maintenance within a 8 reasonable time period, the commissioner may require the 9 repayment of all or a portion of the grant or loan amount received 10 by the local government unit.

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- 13. (New section) a. At least once every two years, the Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust shall each submit to the Garden State Preservation Trust a list of projects recommended to receive funding pursuant to this act. Except as otherwise provided by this act, such funding recommendations shall be based upon the same respective priority systems, ranking criteria, and funding policies as those established pursuant to sections 23, 24, 26, 27, and 37 through 42 of P.L.1999, c.152 (C.13:8C-23, C.13:8C-24, C.13:8C-26, C.13:8C-27, and C.13:8C-37 through C.13:8C-42), section 7 of P.L.2005, c.178 (C.13:8C-38.1), and sections 1 and 2 of P.L.2001, c.405 (C.13:8C-40.1 and C.13:8C-40.2), and any rules or regulations adopted pursuant to thereto.
- The Garden State Preservation Trust shall review the project lists submitted pursuant to subsection a. of this section, and prepare, and submit to the Governor and to the President of the Senate and the Speaker of the General Assembly for introduction in the Legislature, proposed legislation appropriating moneys pursuant to this act to fund projects on any such list. The Legislature may approve one or more appropriation bills containing a project list or lists submitted by the Garden State Preservation Trust pursuant to this subsection.

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- 14. (New section) Within one year after the date of enactment of this act, and biennially thereafter, the Garden State Preservation Trust, after consultation with Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust shall submit to the Governor and the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
- 42 19.1), a written report, which shall:
 - a. Describe the progress being made with respect to the acquisition and development of lands for recreation and conservation purposes, including lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage, the preservation of farmland, and the preservation of historic properties, and provide

recommendations with respect to any legislative, administrative, or local action that may be required to enable the Department of Environmental Protection, the State Agriculture Development Committee, and the New Jersey Historic Trust to meet their goals

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and objectives;

- b. Tabulate, both for the reporting period and cumulatively, the total acreage for the entire State, and the acreage in each county and municipality, of lands acquired for recreation and conservation purposes, including lands that protect water supplies and lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage, using (1) funding provided by this act, and (2) any other funding
- using (1) funding provided by this act, and (2) any other funding provided for such purposes;
 - c. Tabulate, both for the reporting period and cumulatively, the total acreage for the entire State, and the acreage in each county and municipality, of farmland preserved for farmland preservation purposes using (1) funding provided by this act, and (2) any other funding provided for such purposes;
 - d. Tabulate, both for the reporting period and cumulatively, the total acreage for the entire State, and the acreage in each county and municipality, of any donations of land for recreation and conservation purposes or farmland preservation purposes;
 - e. List, both for the reporting period and cumulatively, and by location by county and municipality, all stewardship activities funded pursuant to subsection b. of section 6 of this act and paragraph (2) of subsection b. of section 8 of this act;
 - f. List, both for the reporting period and cumulatively, and by project name, project sponsor, and location by county and municipality, all historic preservation projects, including emergency intervention and the acquisition of historic preservation easements, funded with constitutionally dedicated CBT moneys in whole or in part;
- 33 Indicate those areas of the State where, as designated by the 34 Department of Environmental Protection in the Open Space Master 35 Plan prepared pursuant to section 5 of P.L.2002, c.76 (C.13:8C-36 25.1), the acquisition and development of lands by the State for 37 recreation and conservation purposes, including lands that have 38 incurred flood or storm damage or are likely to do so, or that may 39 buffer or protect other properties from flood or storm damage, is 40 planned or is most likely to occur, and those areas of the State 41 where there is a need to protect water resources, including the 42 identification of lands where protection is needed to assure 43 adequate quality and quantity of drinking water supplies in times of 44 drought, indicate those areas of the State where the allocation of 45 constitutionally dedicated CBT moneys for farmland preservation 46 purposes is planned or is most likely to occur, and provide a 47 proposed schedule and expenditure plan for those acquisitions, 48 developments, and allocations, for the next reporting period, which

shall include an explanation of how those acquisitions, developments, and allocations will be distributed throughout all geographic regions of the State to the maximum extent practicable and feasible;

- h. List any surplus real property owned by the State or an independent authority of the State that may be utilizable for recreation and conservation purposes or farmland preservation purposes, and indicate what action has been or must be taken to effect a conveyance of those lands to the department, the committee, local government units, qualifying tax exempt nonprofit organizations, or other entities or persons so that the lands may be preserved and used for those purposes;
- i. List, for the reporting period, all projects for which applications for funding under the Green Acres, Blue Acres, farmland preservation, and historic preservation programs were received but not funded with constitutionally dedicated CBT moneys or other funds during the reporting period, and the reason or reasons why those projects were not funded;
- j. Tabulate, both for the reporting period and cumulatively, the total acreage for the entire State, and the acreage in each county and municipality, of lands acquired for recreation and conservation purposes that protect water resources and that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage; and
- k. Describe any other information or statistics necessary to document the expenditure of funds pursuant to this act in conjunction with the expenditure of funds pursuant to P.L.1999, c.152 (C.13:8C-1 et al.) and any Green Acres bond act.

- 15. (New section) a. The Department of Environmental Protection, the State Agriculture Development Committee, the New Jersey Historic Trust, and the Department of the Treasury shall each adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), such rules and regulations as may be necessary to implement and carry out the goals and objectives of this act.
- b. Notwithstanding the provisions of any law to the contrary, any rules and regulations of the Department of Environmental Protection, the State Agriculture Development Committee, the New Jersey Historic Trust, and the Department of the Treasury that have been adopted pursuant to the "Administrative Procedure Act" and are in effect as of the date of enactment of this act, that are not inconsistent with the provisions of this act, and that pertain to the Green Acres, Blue Acres, farmland preservation, and historic preservation programs continued pursuant to this act, shall continue in effect until amended or supplemented and readopted as necessary to reflect the provisions and requirements of this act.

- 1 16. Section 24 of P.L.1999, c.152 (C.13:8C-24) is amended to 2 read as follows:
- 3 24. a. (1) There is established in the Department of
- Environmental Protection the Office of Green Acres. 4 The
- 6 supervise the office, and the department may employ such other

commissioner may appoint an administrator or director who shall

- 7 personnel and staff as may be required to carry out the duties and
- 8 responsibilities of the department and the office pursuant to **[**this
- 9 act P.L.1999, c.152 (C.13:8C-1 et al.) and P.L. , c. (C.)
- 10 (pending before the Legislature as this bill), all without regard to
- 11 the provisions of Title 11A, Civil Service, of the New Jersey
- 12 Statutes. Persons appointed or employed as provided pursuant to
- 13 this subsection shall be compensated in a manner similar to other
- 14 employees in the Executive Branch, and their compensation shall be
- 15 determined by the Civil Service Commission.
- 16 (2) The Green Acres Program in the Department of
- 17 Environmental Protection, together with all of its functions, powers
- 18 and duties, are continued and transferred to and constituted as the
- 19 Office of Green Acres in the Department of Environmental
- 20 Protection. Whenever, in any law, rule, regulation, order, contract,
- 21 document, judicial or administrative proceeding or otherwise,
- 22 reference is made to the Green Acres Program, the same shall mean
- 23 and refer to the Office of Green Acres in the Department of
- 24 Environmental Protection. This transfer shall be subject to the
- 25 provisions of the "State Agency Transfer Act," P.L.1971,
- 26 c.375 (C.52:14D-1 et seq.).

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- 27 b. The duties and responsibilities of the office shall be as 28 follows:
- 29 (1) Administer all provisions of [this act] <u>P.L.1999</u>,
- 30 c.152 (C.13:8C-1 et al.) and P.L. , c. (C.) (pending before
- 31 the Legislature as this bill) pertaining to funding the acquisition and
- development of lands for recreation and conservation purposes as 33 authorized pursuant to Article VIII, Section II, paragraph 6 and
- 34 paragraph 7 of the State Constitution;
- 35 (2) Continue to administer all grant and loan programs for the
- acquisition and development of lands for recreation and 36 37 conservation purposes, including the Green Trust, established or
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- funded for those purposes pursuant to: P.L.1961, c.45 (C.13:8A-1
- 39 et seq.); P.L.1971, c.419 (C.13:8A-19 et seq.); P.L.1975,
- 40 c.155 (C.13:8A-35 et seq.); or any Green Acres bond act; and
- 41 (3) Adopt, with the approval of the commissioner and pursuant
- to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-42
- 43 1 et seq.), rules and regulations:
- 44 (a) establishing application procedures for grants and loans for
- 45 the acquisition and development of lands for recreation and
- 46 conservation purposes, criteria and policies for the evaluation and
- 47 priority ranking of projects for eligibility to receive funding for
- 48 recreation and conservation purposes using constitutionally

1 dedicated moneys pursuant to P.L.1999, c.152 (C.13:8C-1 et al.) or 2 constitutionally dedicated CBT moneys pursuant to P.L. , c. (C.) (pending before the Legislature as this bill), 3 4 any conditions that may be placed on the award of a grant or loan 5 for recreation and conservation purposes pursuant to [this act] P.L.1999, c.152 (C.13:8C-1 et al.) or P.L. 6 7 c. (C. .) (pending before the Legislature as this bill), and any 8 restrictions that may be placed on the use of lands acquired or 9 developed with a grant or loan for recreation and conservation 10 purposes pursuant to [this act] P.L.1999, c.152 or P.L. 11 c. (C.) (pending before the Legislature as this bill) . The 12 criteria and policies established pursuant to this subparagraph for 13 the evaluation and priority ranking of projects for eligibility to 14 receive funding for recreation and conservation purposes using 15 constitutionally dedicated moneys pursuant to P.L.1999, 16 c.152 (C.13:8C-1 et al.) or constitutionally dedicated CBT moneys pursuant to P.L., c. (C.) (pending before the Legislature as 17 18 this bill) may be based upon, but need not be limited to, such 19 factors as: protection of the environment, natural resources, water 20 resources, watersheds, aquifers, wetlands, floodplains and flood-21 prone areas, stream corridors, beaches and coastal resources, forests 22 and grasslands, scenic views, biodiversity, habitat for wildlife, rare, 23 threatened, or endangered species, and plants; vernal habitat; degree 24 of likelihood of development; promotion of greenways; provision 25 for recreational access and use; protection of geologic, historic, 26 archaeological, and cultural resources; relative cost; parcel size; and 27 degree of public support; and (b) addressing any other matters deemed necessary to implement 28

(b) addressing any other matters deemed necessary to implement and carry out the goals and objectives of Article VIII, Section II, paragraph 6 and paragraph 7 of the State Constitution and Ithis act P.L.1999, c.152 (C.13:8C-1 et al.) and P.L. , c. (C.) (pending before the Legislature as this bill) with respect to the acquisition and development of lands for recreation and conservation purposes , including the acquisition of lands for recreation and conservation purposes that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or that may buffer or protect other lands from such damage; and

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38 (4) Establishing criteria and policies for the evaluation and 39 40 priority ranking of State projects to acquire and develop lands for 41 recreation and conservation purposes using constitutionally dedicated moneys pursuant to P.L.1999, c.152 (C.13:8C-1 et al.) or 42 43 constitutionally dedicated CBT moneys pursuant to 44 P.L., c. (C.) (pending before the Legislature as this bill), 45 which criteria and policies may be based upon, but need not be 46 limited to, such factors as: protection of the environment, natural 47 resources, water resources, watersheds, aquifers, wetlands, 48 floodplains and flood-prone areas, stream corridors, beaches and

coastal resources, forests and grasslands, scenic views, biodiversity, habitat for wildlife, rare, threatened, or endangered species, and plants; <u>vernal habitat</u>; degree of likelihood of development; promotion of greenways; provision for recreational access and use; protection of geologic, historic, archaeological, and cultural resources; relative cost; parcel size; and degree of public support. (cf: P.L.2008, c.29, s.114)

17. This act shall take effect on July 1, 2016.

STATEMENT

This bill would implement, for State fiscal year 2017 through State fiscal year 2019, the constitutional dedication of Corporation Business Tax (CBT) revenues for open space, farmland, and historic preservation. Senate Concurrent Resolution No. 84 (SCS) of 2014, or "Ballot Question No. 2," presented to, and approved by, the voters of the State on November 4, 2014, amended the New Jersey Constitution to dedicate four percent of CBT revenues for open space, farmland, and historic preservation, water programs, public and private site remediation, and underground storage tank programs for fiscal years 2016 through 2019, and further increased the annual dedication for certain environmental programs from four percent to six percent commencing in fiscal year 2020 and thereafter.

Specifically with regard to open space, farmland, and historic preservation, through fiscal year 2019, of the four percent CBT dedication, the State Constitution dedicates annually 71 percent for: (1) providing funding, including loans or grants, for the preservation, including acquisition, development, and stewardship, of lands for recreation and conservation purposes, including lands that protect water supplies and lands that have incurred flood or storm damage or are likely to do so, or that may buffer or protect other properties from flood or storm damage (i.e., Green Acres and Blue Acres); (2) providing funding, including loans or grants, for the preservation and stewardship of land for agricultural or horticultural use and production (i.e., farmland preservation); (3) providing funding, including loans or grants, for historic preservation; and (4) paying administrative costs associated with each of those efforts. Commencing July 1, 2019 (i.e., for State fiscal year 2020 and thereafter), of the six percent of the CBT revenue to be dedicated annually for certain environmental programs, 78 percent would be dedicated for the above-listed four purposes.

The Constitution also dedicates money received from leases and conveyances of State open space lands. Under this bill, each State park, forest, or wildlife management area would receive an amount

equal to the amount of revenue annually derived from leases or conveyances of lands at that State park, forest, or wildlife management area, as appropriate, to be used for recreation and conservation purposes at that State park, forest, or wildlife management area.

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For fiscal year 2016 through and including fiscal year 2019, the above-described CBT dedicated revenues would be allocated as follows:

- (1) 60 percent would be used for acquiring and developing lands for public recreation and conservation purposes, including lands that protect water supplies, under the Green Acres program;
 - (2) 4 percent would be used for the "Blue Acres" program;
- (3) 31 percent would be used for farmland preservation purposes; and
 - (4) 5 percent would be used for historic preservation purposes.

A maximum of 5 percent each year would be permitted to be used for administrative costs associated with implementing the Green Acres program.

Of the monies allocated for the Green Acres program and the farmland preservation program, the bill also allocates funding for stewardship activities. The bill defines "stewardship activity" to mean "activity, which is beyond routine operations and maintenance, undertaken by the State, a local government unit, or a qualifying tax exempt nonprofit organization to repair or restore lands acquired or developed for recreation and conservation purposes for the purpose of enhancing or protecting those lands for recreation and conservation purposes. For the purposes of the farmland preservation program, "stewardship activity" means an activity, which is beyond routine operation and maintenance, undertaken by the landowner, or a farmer operator as an agent of the landowner, to repair, restore, or improve lands preserved for farmland preservation purposes, including but not limited to soil and water conservation projects approved pursuant to section 17 of P.L.1983, c.32 (C.4:1C-24).

Of the 60 percent allocated each year for the Green Acres program: 55 percent would be used for State open space acquisition and development projects; 38 percent would be used for grants and loans to fund local government open space acquisition and development projects; and 7 percent would be used for grants to fund open space acquisition and development projects undertaken by qualifying tax exempt nonprofit organizations. Of the funding for State open space acquisition and development projects: 50 percent would be used for acquisition projects and 50 percent would be used for development projects. Further, of the funding for State open space development projects, up to 22 percent would be used for stewardship activities undertaken on lands administered by the Division of Fish and Wildlife and up to 22 percent would be used for stewardship activities undertaken on lands administered by the

Division of Parks and Forestry. Of the funding allocated for local open space acquisition and development projects, up to 2 percent would be used to fund stewardship activities. Of the allocated funding for open space acquisition and development projects by qualifying tax exempt nonprofit organizations, 11 percent would be

used to fund stewardship activities.

"Blue Acres" is the term used to refer to properties that have been damaged by storms or storm-related flooding, that appear likely to incur such damage, or that may buffer or protect other lands from such damage. Structures on a purchased property are demolished, the debris is removed, and the land is preserved as open space. The Blue Acres program is administered by the DEP's Green Acres program. Under the bill, funding for the Blue Acres program would be used for (1) acquisition by the State of Blue Acres properties, or (2) State grants to assist qualifying tax exempt nonprofits in the acquisition of Blue Acres properties. The State would be prohibited from using eminent domain to acquire land for Blue Acres projects, except with the approval of the Legislature by

adoption of a concurrent resolution to that effect. However, if

needed, eminent domain proceedings could be employed by the

State for the purpose only of establishing value.

This bill continues the State's existing open space, farmland, and historic preservation programs. It is based on the provisions of the "Garden State Preservation Trust Act" (GSPTA), as well as the "Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009" (P.L.2009, c.117) and the "Green Acres, Farmland, Blue Acres, and Historic Preservation Bond Act of 2007" (P.L.2007, c.119) and, generally, defines relevant terms in the same manner as the GSPTA and continues the respective priority systems, ranking criteria, and funding policies set forth in the GSPTA, except as otherwise specified in the bill.

For the Green Acres program, the bill provides that an urban aid municipality may receive a grant by the State for the acquisition or development of lands for recreation and conservation purposes for 75 percent of the cost of acquisition or development of the lands by the local government unit, and this amount may be increased by the DEP up to 100 percent of the allowable funding cap upon a demonstration of special need or exceptional circumstances. Under current law, an urban aid municipality may receive a grant for 50 percent of the cost of the project, with the possibility of this amount being increased to a maximum of 75 percent (up to the allowable cap). In addition, the bill provides that a local government unit or a qualifying tax exempt nonprofit organization may use a grant or loan for recreation and conservation purposes for the construction of a community garden.

For the historic preservation program, the bill provides that historic preservation funds may also be used for emergency

| 1 | intervention and the acquisition of historic property easements. The |
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| 2 | bill defines "emergency intervention" to mean an immediate |
| 3 | assessment or capital improvement necessary to protect or stabilize |
| 4 | the structural integrity of a historic property. |
| 5 | Lastly, the bill provides that the DEP, the State Agriculture |
| 6 | Development Committee, and the New Jersey Historic Trust would |
| 7 | each, at least once every two years, submit to the Garden State |
| 8 | Preservation Trust projects recommended to receive funding under |
| 9 | the bill. The Garden State Preservation Trust would then submit the |
| 10 | list of projects to the Legislature for funding in the form of |
| 11 | appropriation bills. |

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Governor Christie Signs 7th Consecutive Budget Without Raising Taxes On New Jersey Families

Thursday, June 30, 2016

Tags: Budget and Spending

State of New Jersey OFFICE OF THE GOVERNOR

Continues Commitment To Fiscal Responsibility

Through the use of his veto pen, Governor Christie today signed a seventh consecutive balanced budget that protects taxpayers and critical services through the responsible management of state resources while making the difficult choices to prioritize and fund the essential services on which New Jersey's residents rely.

For Fiscal Year 2017, Assembly and Senate Democrats once again presented an irresponsible spending plan that favors increasing expenditures for select programs without any meaningful and intellectual consideration for how the state will fund their proposals. But this year they have become uniquely reckless and deceptive, relying on phantom finances, irresponsible gimmicks and unrealistic assumptions to fund hundreds of millions of dollars of new spending.

Their plan is based on impractical expectations that the State will collect \$129 million in additional revenues than
projected in the Governor's revised May budget recommendations and \$301 million more than the May revenue
projections prepared by their own Office of Legislative Services.

Additionally, the legislative majority wants to thoughtlessly spend down the State's surplus by \$160 million. Worse, however, is their shameless inclusion of a **\$250 million** savings in public employee and retiree health care costs which the Governor called for in February, but which the Legislature did absolutely nothing to embrace, negotiate or achieve. As it stands, the savings is penciled in on paper, but completely nonexistent.

Rather than enact responsible policies to continue New Jersey's economic recovery, Democrat leaders remain committed to an unsustainable path designed to protect special interests instead of hardworking New Jerseyans. The taxpayers of this State cannot afford it. Real leadership requires confronting problems and making difficult decisions. It is time to focus on the real issues, like school funding reform and providing real property tax relief. It is time to adopt a transportation spending plan that protects our infrastructure without continuing to overburden our overtaxed residents. It is time for politicians to work for their citizens and not special interest groups.

Governor Christie's Fiscal Year 2017 Budget:

Governor Christie's budget includes \$34.5 billion in State appropriations, a 2.1% increase over the fiscal year 2016 budget. This will accommodate the reasonable spending necessary to provide stability for New Jersey's economy while meeting the state's fiscal obligations.

- Contains \$2.3 billion less in discretionary spending than the fiscal year 2008 budget and no new taxes or tax increases
- Includes the largest pension payment in New Jersey history with a \$1.9 billion contribution to the State's defined benefit funds.
- o This will bring total contributions by the Christie Administration to \$6.3 billion.
- That will be nearly double the total contributions of every other governor combined since 1995.

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- Includes a sixth consecutive year of the highest amount of School Aid supporting Pre-K 12 education in New Jersey history. The fiscal year 2017 budget proposes spending more than \$13.3 billion on education, an increase of \$526 million from fiscal year 2016.
- Continues the Governor's commitment to higher education in New Jersey. Overall, higher education funding is maintained at a total of \$2.2 billion in fiscal year 2017.

Providing Tax Relief For Our Citizens. Governor Christie has fought for and won tax relief that is making New Jersey more competitive as a place to live and work.

- Over \$3 Billion in Business Tax Cuts and Reforms Beginning with the fiscal 2012 budget, Governor Christie tackled New Jersey's business tax climate with tax cuts and reforms that had stalled in Trenton for years. Among the tax reforms included were: long-awaited changes to a single sales factor formula that incentivizes businesses to invest in New Jersey; income/loss netting and loss carry-forward reform; a 25% reduction in the minimum tax on S-corporations, which is how many small businesses file their taxes; research and development incentives; and elimination of the Transitional Energy Facility Assessment.
- The Governor's Fiscal Year 2017 Budget continues to provide this essential tax relief for New Jersey businesses of all sizes, fully phased in and unchanged.
- Increase in the Earned Income Tax Credit In the summer of 2015, Governor Christie proposed and enacted into law an increase in the Earned Income Tax Credit from 20% to 30% of the federal benefit. Approximately 500,000 Garden State households will benefit from this tax relief, with the credit for an average working family rising by 50% from approximately \$420 to \$630. The Governor's Fiscal Year 2017 Budget continues this critical tax relief for working families at this expanded level.

Historic Higher Education Funding. Maintains the Governor's commitment to higher education in New Jersey. Overall, higher education funding is maintained at a total of **\$2.2 billion** in fiscal year 2017. Among Governor Christie's highest priorities has been strengthening New Jersey's higher education community.

- Tuition Assistance Grant Program (TAG) To ensure an affordable in-state college education is available to all, TAG grants are available at 56 public and private institutions across New Jersey. Since taking office, Governor Christie has increased State funding for the TAG program by over 60%, to a total of \$403.6 million in fiscal year 2017. Approximately 68,000 students, or one-third of all full-time undergraduate students attending school in New Jersey, will receive support from TAG.
- Governor's Urban Scholarship The Governor's Urban Scholarship program will add a fifth class, and will now support an estimated 635 scholars in targeted school districts.
- College Readiness Now Funded at \$1 million in fiscal year 2017, this program will help students prepare for college level course work before they graduate high school. Funding will fully support partnerships between the county colleges and at least 60 high schools throughout the state, with at least one in each county.

Preserving Vital Programs For Our Most Needy And Vulnerable Populations. Advances the Governor's efforts to take a smarter and more effective approach to how the State supports individuals with mental health and substance use disorders. Governor Christie has consistently advocated for the need to change the way society views drug addiction and the misconceptions about who it impacts, how it affects lives, and how we deal with it. In the fiscal year 2017 budget, Governor Christie continues to provide unprecedented leadership on this issue by taking concrete actions to build on this commitment by providing an additional \$6 million for statewide post-incarceration services through reentry and recidivism programs.

- \$127 Million Investment In Substance Use & Mental Health Treatment The Governor is making a historic financial commitment to raise reimbursement rates and increase access to substance use and mental health treatment. A combined State and federal investment in fiscal year 2017 of more than \$127 million, will expand access to high quality health care providers for individuals with substance use and behavioral health needs.
- Inmate Drug Treatment Program Continuing his commitment to help all individuals with substance use disorders, Governor Christie is investing \$2 million to re-open Mid-State Correctional Facility in 2017 as an institution dedicated to the treatment of inmates. The new Mid-State Correctional Facility substance use disorder treatment program will be licensed by the Division of Mental Health and Addiction Services (DMHAS).
- Focusing On Treatment Governor Christie has followed through on his commitment to take a smarter and more effective approach focused on treating drug-addicted offenders by signing into law landmark legislation to put in place a statewide, mandatory Drug Court Program. The fiscal year 2017 budget includes nearly \$64 million in funding to support the Drug Court program.
- Recovery Coach Program As a direct result of the Facing Addiction Task Force's work, the Recovery Coach
 program launched in Monmouth, Ocean, Camden, Essex and Passaic counties. In fiscal year 2017, the budget
 provides an additional \$1.7 million in funding to expand this program into six more counties.

Fundamentally changing the way services and programs to support individuals with developmental disabilities and their families. Governor Christie is committed to moving away from a system that has historically focused on institutionalization to one that emphasizes home and community-based services and supports. To this end, resources have been refocused to provide people with intellectual and developmental disabilities with the ability to live as independently as possible with the proper supports. Governor Christie's determination to provide services in the

community includes funds to develop additional community placements and services that divert admissions to developmental centers.

- The fiscal year 2017 budget provides \$48.8 million of new State and federal funding to create community placements and services, including Olmstead.
- Further, included in the fiscal year 2017 budget is a one-time community provider increase for a combined State and federal investment of \$10 million. These funds will allow providers that serve individuals with developmental disabilities to make the infrastructure improvements necessary to transition to fee-for-service.

BILLS SIGNED:

S-993wGR/A-2777 (Vitale, Pou, Gordon/Wimberly, Vainieri Huttle, Sumter, Oliver) – Permits DHS to request waiver of time limits for certain Supplemental Nutrition Assistance Program recipients under certain circumstances

S-2377/A-4001 (Sarlo/Schaer) - Makes fiscal year 2016 State supplemental appropriations and amends language

S-2456/A-4017 (Smith, Bateman/Andrzejczak, McKeon, Spencer, Pintor Marin, Dancer) - Revises State's open space, farmland, and historic preservation programs; implements 2014 constitutional dedication of CBT revenues for certain environmental purposes

A-3417wGR/S-1462 (Pintor Marin/Ruiz) - Designates portion of State Highway Route No. 21 as "Roberto Clemente Memorial Highway'

A-3617/S-2390 (Green, Rible, Mukherji, Houghtaling Mazzeo/Sarlo, Kyrillos) - Extends expiration date of certain permits for one year in Superstorm Sandy-impacted counties

A-4002 (Schaer) - Revises priority schedule for issuance of converted tax credits under Business Employment Incentive Program

BILLS VETOED:

S-17/A-4000 (Sarlo/Schaer) - LINE ITEM - Appropriates \$34,800,995,000 in State funds and \$15,706,712,000 in federal funds for the State budget for fiscal year 2016-2017

S-1017/A-1963 (Weinberg, Greenstein/Pintor Marin, Lagana, Jasey, Mukherji, Downey) - ABSOLUTE - Provides Medicaid coverage for family planning services to individuals with incomes up to 200 percent of the federal poverty

A-30/S-1829 (Prieto, Muoio, Oliver, Schaer, Holley, Mukherji, Quijano/Vitale, Whelan) - ABSOLUTE - Increases amount of benefits under Work First New Jersey program

A-1657/S-2168 (Schaer, Vaineri Huttle, Lampitt, Mosquera, Sumter, Wimberly/ Cruz-Perez, Turner) - ABSOLUTE - Establishes "breakfast after the bell" incentive fund

A-3410/S-1854 (Muoio, Vainieri Huttle, Mukherji, Oliver, Gusciora/Vitale, Rice) - ABSOLUTE - Repeals family cap in Work First New Jersey program

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Press Contact: Brian Murray 609-777-2600



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Governor Christie Signs Seventh Balanced Budget With No Tax Increases

Thursday, June 30, 2016

Tags: Budget and Spending

State of New Jersey OFFICE OF THE GOVERNOR

Trenton, NJ - Governor Chris Christie today signed into law his seventh balanced budget that provides stability for the New Jersey economy and meets the State's fiscal obligations. The Governor's Fiscal Year 2017 State Budget is also his seventh consecutive with no new taxes or tax increases and includes \$2.3 billion less in discretionary spending than the fiscal year 2008 budget. This \$34.5 billion budget continues for a sixth consecutive year the highest amount of aid for public schools and includes the largest pension payment in New Jersey history.

"Once again, for Fiscal Year 2017, the legislative majority has presented me with an irresponsible spending plan. Their unrealistic budget makes no hard choices, relying instead on gimmicks and assumptions to fund hundreds of millions of dollars in new spending while confirming beyond all doubt that they are untrustworthy stewards of the State's finances," said Governor Christie. "It anticipates \$129 million more in additional State revenue collections than my revised May budget recommendations and \$301 million more than the May revenue projections prepared by their own Office of Legislative Services. Because the Legislature's proposal is unsound, I must again object."

The budget recommendations submitted by Governor Christie to the Legislature in February, and updated in May, included a surplus as well as a modest assumption for health benefit reforms that called for \$250 million in savings to offset anticipated growth. This represents a small down payment on the \$2 billion in reforms recommended by the bipartisan New Jersey Pension and Health Benefit Study Commission. However, the Fiscal Year 2017 budget passed by the Legislature fails either to budget responsibly for the projected health benefits growth or to provide any assurance of actual, substantive reforms.

"In contrast to the legislative majority's fiscal irresponsibility, my budget framework provides stability for New Jersey's economy. It accommodates reasonable spending, while responsibly meeting the State's fiscal obligations. The Fiscal Year 2017 pension contribution is the largest in State history and continues the strong foundation for the State moving forward. Moreover, my budget ensures funding for our students, protects the public safety, provides property tax relief for our citizens, and preserves vital programs for our most needy and vulnerable populations," added Governor Christie.

Key Priorities Delivered by Governor Christie's Fiscal Year 2017 Budget:

- Includes the largest pension payment in New Jersey history with a \$1.9 billion contribution to the State's defined benefit funds.
- This will bring total contributions by the Christie Administration to \$6.3 billion, nearly doubling the total contributions of every other governor combined since 1995.
- Maintains the Governor's commitment to higher education in New Jersey to the tune of \$2.2 billion in fiscal year
 2017.
- Continues a sixth consecutive year of record-high funding for Pre-K through 12 public education. The fiscal year
 2017 budget will spend more than \$13.3 billion on education, an increase of \$526 million from fiscal year 2016.
- Advances the Governor's smarter and more effective approach to how the State supports individuals with mental health and substance use disorders.

Other Action Taken:

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To address the legislature's disturbing spending plan, the Governor issued an executive order placing millions of dollars in budget appropriations in fiscal reserve. Additionally, Governor Christie again protected taxpayers today by vetoing millions of dollars in reckless spending bills passed by legislative Democrats outside of the state budget. Among the bills vetoed were two supplemental spending bills that would have cost over \$17 million:

S-2413/A-4003 (Ruiz, Rice/Pinto Marin, Muoio, Mukherji) - ABSOLUTE - Makes supplemental appropriations totaling \$9,563,415 to DOH for grants of \$7,765,325 to Newark Beth Israel Hospital and \$1,798,090 to St. Francis Medical Center to implement improved health outcomes and sustainable transformation of healthcare delivery

A-3492/S-2277 (Mazzeo, Mosquera, Lampitt, Vainieri Huttle, Jones, Jimenez, Downey/Weinberg, Sweeney) -ABSOLUTE - Makes FY 2017 supplemental appropriation of \$7,453,000 to DOH for family planning services

The Governor also acted today on other pending legislation:

BILLS SIGNED:

S-993wGR/A-2777 (Vitale, Pou, Gordon/Wimberly, Vainieri Huttle, Sumter, Oliver) - Permits DHS to request waiver of time limits for certain Supplemental Nutrition Assistance Program recipients under certain circumstances

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Governor Christie Signs 7th Consecutive Budget Without Raising Taxes On New Jersey Families

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- Includes a sixth consecutive year of the highest amount of School Aid supporting Pre-K 12 education in New Jersey history. The fiscal year 2017 budget proposes spending more than \$13.3 billion on education, an increase of \$526 million from fiscal year 2016.
- Continues the Governor's commitment to higher education in New Jersey. Overall, higher education funding is maintained at a total of \$2.2 billion in fiscal year 2017.

Providing Tax Relief For Our Citizens. Governor Christie has fought for and won tax relief that is making New Jersey more competitive as a place to live and work.

- Over \$3 Billion in Business Tax Cuts and Reforms Beginning with the fiscal 2012 budget, Governor Christie tackled New Jersey's business tax climate with tax cuts and reforms that had stalled in Trenton for years. Among the tax reforms included were: long-awaited changes to a single sales factor formula that incentivizes businesses to invest in New Jersey; income/loss netting and loss carry-forward reform; a 25% reduction in the minimum tax on S-corporations, which is how many small businesses file their taxes; research and development incentives; and elimination of the Transitional Energy Facility Assessment.
- The Governor's Fiscal Year 2017 Budget continues to provide this essential tax relief for New Jersey businesses of all sizes, fully phased in and unchanged.
- Increase in the Earned Income Tax Credit In the summer of 2015, Governor Christie proposed and enacted into law an increase in the Earned Income Tax Credit from 20% to 30% of the federal benefit. Approximately 500,000 Garden State households will benefit from this tax relief, with the credit for an average working family rising by 50% from approximately \$420 to \$630. The Governor's Fiscal Year 2017 Budget continues this critical tax relief for working families at this expanded level.

Historic Higher Education Funding. Maintains the Governor's commitment to higher education in New Jersey. Overall, higher education funding is maintained at a total of **\$2.2 billion** in fiscal year 2017. Among Governor Christie's highest priorities has been strengthening New Jersey's higher education community.

- Tuition Assistance Grant Program (TAG) To ensure an affordable in-state college education is available to all, TAG grants are available at 56 public and private institutions across New Jersey. Since taking office, Governor Christie has increased State funding for the TAG program by over 60%, to a total of \$403.6 million in fiscal year 2017. Approximately 68,000 students, or one-third of all full-time undergraduate students attending school in New Jersey, will receive support from TAG.
- Governor's Urban Scholarship The Governor's Urban Scholarship program will add a fifth class, and will now support an estimated 635 scholars in targeted school districts.
- College Readiness Now Funded at \$1 million in fiscal year 2017, this program will help students prepare for college level course work before they graduate high school. Funding will fully support partnerships between the county colleges and at least 60 high schools throughout the state, with at least one in each county.

Preserving Vital Programs For Our Most Needy And Vulnerable Populations. Advances the Governor's efforts to take a smarter and more effective approach to how the State supports individuals with mental health and substance use disorders. Governor Christie has consistently advocated for the need to change the way society views drug addiction and the misconceptions about who it impacts, how it affects lives, and how we deal with it. In the fiscal year 2017 budget, Governor Christie continues to provide unprecedented leadership on this issue by taking concrete actions to build on this commitment by providing an additional \$6 million for statewide post-incarceration services through reentry and recidivism programs.

- \$127 Million Investment In Substance Use & Mental Health Treatment The Governor is making a historic financial commitment to raise reimbursement rates and increase access to substance use and mental health treatment. A combined State and federal investment in fiscal year 2017 of more than \$127 million, will expand access to high quality health care providers for individuals with substance use and behavioral health needs.
- Inmate Drug Treatment Program Continuing his commitment to help all individuals with substance use disorders, Governor Christie is investing \$2 million to re-open Mid-State Correctional Facility in 2017 as an institution dedicated to the treatment of inmates. The new Mid-State Correctional Facility substance use disorder treatment program will be licensed by the Division of Mental Health and Addiction Services (DMHAS).
- Focusing On Treatment Governor Christie has followed through on his commitment to take a smarter and more effective approach focused on treating drug-addicted offenders by signing into law landmark legislation to put in place a statewide, mandatory Drug Court Program. The fiscal year 2017 budget includes nearly \$64 million in funding to support the Drug Court program.
- Recovery Coach Program As a direct result of the Facing Addiction Task Force's work, the Recovery Coach
 program launched in Monmouth, Ocean, Camden, Essex and Passaic counties. In fiscal year 2017, the budget
 provides an additional \$1.7 million in funding to expand this program into six more counties.

Fundamentally changing the way services and programs to support individuals with developmental disabilities and their families. Governor Christie is committed to moving away from a system that has historically focused on institutionalization to one that emphasizes home and community-based services and supports. To this end, resources have been refocused to provide people with intellectual and developmental disabilities with the ability to live as independently as possible with the proper supports. Governor Christie's determination to provide services in the

community includes funds to develop additional community placements and services that divert admissions to developmental centers.

- The fiscal year 2017 budget provides \$48.8 million of new State and federal funding to create community placements and services, including Olmstead.
- Further, included in the fiscal year 2017 budget is a one-time community provider increase for a combined State and federal investment of \$10 million. These funds will allow providers that serve individuals with developmental disabilities to make the infrastructure improvements necessary to transition to fee-for-service.

BILLS SIGNED:

S-993wGR/A-2777 (Vitale, Pou, Gordon/Wimberly, Vainieri Huttle, Sumter, Oliver) – Permits DHS to request waiver of time limits for certain Supplemental Nutrition Assistance Program recipients under certain circumstances

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Governor Christie Signs Seventh Balanced Budget With No Tax Increases

Thursday, June 30, 2016

Tags: Budget and Spending

State of New Jersey OFFICE OF THE GOVERNOR

Trenton, NJ - Governor Chris Christie today signed into law his seventh balanced budget that provides stability for the New Jersey economy and meets the State's fiscal obligations. The Governor's Fiscal Year 2017 State Budget is also his seventh consecutive with no new taxes or tax increases and includes \$2.3 billion less in discretionary spending than the fiscal year 2008 budget. This \$34.5 billion budget continues for a sixth consecutive year the highest amount of aid for public schools and includes the largest pension payment in New Jersey history.

"Once again, for Fiscal Year 2017, the legislative majority has presented me with an irresponsible spending plan. Their unrealistic budget makes no hard choices, relying instead on gimmicks and assumptions to fund hundreds of millions of dollars in new spending while confirming beyond all doubt that they are untrustworthy stewards of the State's finances," said Governor Christie. "It anticipates \$129 million more in additional State revenue collections than my revised May budget recommendations and \$301 million more than the May revenue projections prepared by their own Office of Legislative Services. Because the Legislature's proposal is unsound, I must again object."

The budget recommendations submitted by Governor Christie to the Legislature in February, and updated in May, included a surplus as well as a modest assumption for health benefit reforms that called for \$250 million in savings to offset anticipated growth. This represents a small down payment on the \$2 billion in reforms recommended by the bipartisan New Jersey Pension and Health Benefit Study Commission. However, the Fiscal Year 2017 budget passed by the Legislature fails either to budget responsibly for the projected health benefits growth or to provide any assurance of actual, substantive reforms.

"In contrast to the legislative majority's fiscal irresponsibility, my budget framework provides stability for New Jersey's economy. It accommodates reasonable spending, while responsibly meeting the State's fiscal obligations. The Fiscal Year 2017 pension contribution is the largest in State history and continues the strong foundation for the State moving forward. Moreover, my budget ensures funding for our students, protects the public safety, provides property tax relief for our citizens, and preserves vital programs for our most needy and vulnerable populations," added Governor Christie.

Key Priorities Delivered by Governor Christie's Fiscal Year 2017 Budget:

- Includes the largest pension payment in New Jersey history with a \$1.9 billion contribution to the State's defined benefit funds.
- This will bring total contributions by the Christie Administration to \$6.3 billion, nearly doubling the total contributions of every other governor combined since 1995.
- Maintains the Governor's commitment to higher education in New Jersey to the tune of \$2.2 billion in fiscal year
 2017.
- Continues a sixth consecutive year of record-high funding for Pre-K through 12 public education. The fiscal year
 2017 budget will spend more than \$13.3 billion on education, an increase of \$526 million from fiscal year 2016.
- Advances the Governor's smarter and more effective approach to how the State supports individuals with mental health and substance use disorders.

Other Action Taken:

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To address the legislature's disturbing spending plan, the Governor issued an executive order placing millions of dollars in budget appropriations in fiscal reserve. Additionally, Governor Christie again protected taxpayers today by vetoing millions of dollars in reckless spending bills passed by legislative Democrats outside of the state budget. Among the bills vetoed were two supplemental spending bills that would have cost over \$17 million:

S-2413/A-4003 (Ruiz, Rice/Pinto Marin, Muoio, Mukherji) - ABSOLUTE - Makes supplemental appropriations totaling \$9,563,415 to DOH for grants of \$7,765,325 to Newark Beth Israel Hospital and \$1,798,090 to St. Francis Medical Center to implement improved health outcomes and sustainable transformation of healthcare delivery

A-3492/S-2277 (Mazzeo, Mosquera, Lampitt, Vainieri Huttle, Jones, Jimenez, Downey/Weinberg, Sweeney) -ABSOLUTE - Makes FY 2017 supplemental appropriation of \$7,453,000 to DOH for family planning services

The Governor also acted today on other pending legislation:

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