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§1 - C.13:8C-47.1
§10 –
C.13:8C-48.1
§11 –
C.13:8C-53.1
§12 - Approp.
§13 - Note

P.L. 2019, CHAPTER 136, *approved June 26, 2019*
Senate, No. 2920 (*Second Reprint*)

1 **AN ACT** concerning the ²**[**constitutional dedication of corporation
2 business tax revenues**]** the State's programs² for open space,
3 farmland, and historic preservation, ¹**[and]**¹ amending and
4 supplementing P.L.2016, c.12 ¹, amending P.L.1999, c.152, and
5 making an appropriation¹ .
6

7 **BE IT ENACTED** by the Senate and General Assembly of the State
8 of New Jersey:
9

10 1. (New section) a. In each State fiscal year commencing in
11 State fiscal year 2020 and annually thereafter, of the amount
12 credited by the State Treasurer to the Preserve New Jersey Fund
13 Account pursuant to subparagraph (b) of paragraph (1) of
14 subsection a. of section 4 of P.L.2016, c.12 (C.13:8C-46):

15 (1) 62 percent shall be deposited into the Preserve New Jersey
16 Green Acres Fund;

17 (2) 31 percent shall be deposited into the Preserve New Jersey
18 Farmland Preservation Fund; and

19 (3) seven percent shall be deposited into the Preserve New
20 Jersey Historic Preservation Fund.

21 b. (1) Beginning July 1, 2022, and annually thereafter, the
22 Garden State Preservation Trust shall conduct a review of the
23 appropriations of constitutionally dedicated CBT moneys to, and
24 the expenditures thereof by, the Department of Environmental
25 Protection, the State Agriculture Development Committee, and the
26 New Jersey Historic Trust for their respective programs ¹**[**for the
27 fiscal year ending two years prior to the year in which the review is
28 occurring. If the Garden State Preservation Trust determines that
29 the department, committee, or New Jersey Historic Trust have not
30 expended or contractually obligated the constitutionally dedicated
31 CBT moneys allocated pursuant to subsection a. of this section for
32 the fiscal year ending two years prior to the year in which the
33 review is occurring, the trust may reallocate the amount of
34 constitutionally dedicated CBT moneys that have not been

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

Matter underlined thus is new matter

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SEN committee amendments adopted January 24, 2019.

²Senate SBA committee amendments adopted March 18, 2019.

1 expended or contractually obligated for that particular fiscal year by
2 the department, committee, or New Jersey Historic Trust, as
3 applicable.

4 (2) If, after the review required pursuant to paragraph (1) of this
5 subsection, the Garden State Preservation Trust determines it is
6 appropriate, the trust, notwithstanding the provisions of section 6, 8,
7 or 9 of P.L.2016, c.12 (C.13:8C-48, 50, or 51) to the contrary, shall
8 allocate for appropriation pursuant to section 13 of P.L.2016, c.12
9 (C.13:8C-55) the amount of unexpended, unobligated, or
10 unappropriated constitutionally dedicated CBT moneys for the
11 fiscal year ending two years prior to the year in which the review is
12 occurring, and shall determine, for that amount:

13 (a) the appropriate funding allocations for the Preserve New
14 Jersey Green Acres Fund, the Preserve New Jersey Farmland
15 Preservation Fund, or the Preserve New Jersey Historic
16 Preservation Fund; and

17 (b) how the allocations pursuant to subparagraph (a) of this
18 paragraph shall be allocated for the acquisition or development of
19 lands for recreation and conservation purposes, including Blue
20 Acres projects, farmland preservation purposes, or historic
21 preservation purposes. The trust shall make its determinations
22 pursuant to this subparagraph based upon a demonstrated need for
23 funding for the acquisition or development of lands for recreation
24 and conservation purposes, including Blue Acres projects, farmland
25 preservation purposes, or historic preservation purposes based upon
26 available projects, applicant demand, and past appropriations and
27 expenditures for these purposes.

28 (3) The trust shall hold a public hearing to solicit public input
29 when making determinations pursuant to paragraph (2) of this
30 subsection.

31 (4) The trust shall notify the department, the committee, the
32 New Jersey Historic Trust, and the Department of the Treasury on
33 the results of its review and determinations pursuant to this
34 subsection. The trust shall also send written notification to the
35 Chairperson of the Senate Environment and Energy Committee and
36 the Assembly Environment and Solid Waste Committee, or their
37 successors, of any determinations and allocations made pursuant to
38 this subsection.

39 (5) A determination by the trust to reallocate constitutionally
40 dedicated CBT moneys for a particular fiscal year based on the
41 review and determination made pursuant to this subsection shall not
42 affect the allocations set forth in subsection a. of this section for
43 any subsequent fiscal year. In conducting this review, the trust
44 shall: evaluate the demonstrated need for funding for the acquisition
45 or development of lands for recreation and conservation purposes,
46 including Blue Acres projects, farmland preservation purposes, or
47 historic preservation purposes based upon available projects,
48 applicant demand, and past appropriations and expenditures for

1 these purposes; and hold a public hearing to solicit public input on
2 appropriate funding allocations for the department, committee, and
3 New Jersey Historic Trust, for the upcoming fiscal year.

4 (2) If the trust determines, based on the review conducted
5 pursuant to paragraph (1) of this subsection, that it would be
6 appropriate to revise the allocations set forth in subsection a. of this
7 section, or section 6, 8, or 9 of P.L.2016, c.12 (C.13:8C-48, 50, or
8 51), the trust shall send a written notification to the Chairperson of
9 the Senate Environment and Energy Committee, the Assembly
10 Agriculture and Natural Resources Committee, and the Assembly
11 Environment and Solid Waste Committee, or their successors, of its
12 findings and recommendations concerning future funding
13 allocations for the Preserve New Jersey Green Acres Fund, the
14 Preserve New Jersey Farmland Preservation Fund, or the Preserve
15 New Jersey Historic Preservation Fund.

16 (3) A recommendation by the trust to reallocate constitutionally
17 dedicated CBT moneys based on the review conducted pursuant to
18 this subsection shall not alter the allocations set forth in subsection
19 a. of this section or section 6, 8, or 9 of P.L.2016, c.12 (C.13:8C-48,
20 50, or 51) for any fiscal year unless authorized by the Legislature.¹

21

22 ¹2. Section 3 of P.L.2016, c.12 (C.13:8C-45) is amended to read
23 as follows:

24 3. As used in **[this act]** P.L.2016, c.12 (C.13:8C-43 et seq.) :

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

27 "Blue Acres cost" means the expenses incurred in connection
28 with: all things deemed necessary or useful and convenient for the
29 acquisition by the State or a qualifying tax exempt nonprofit
30 organization, for recreation and conservation purposes, of lands that
31 have been damaged by, or may be prone to incurring damage caused
32 by, storms or storm-related flooding, or that may buffer or protect
33 other lands from such damage; the execution of any agreements or
34 franchises deemed by the Department of Environmental Protection
35 to be necessary or useful and convenient in connection with any
36 Blue Acres project authorized by **[this act]** P.L.2016, c.12
37 (C.13:8C-43 et seq.) ; the procurement or provision of appraisal,
38 archaeological, architectural, conservation, design, engineering,
39 financial, geological, historic research, hydrological, inspection,
40 legal, planning, relocation, surveying, or other professional advice,
41 estimates, reports, services, or studies; the purchase of title
42 insurance; the undertaking of feasibility studies; the demolition of
43 structures, the removal of debris, and the restoration of lands to a
44 natural state or to a state useful for recreation and conservation
45 purposes; the establishment of a reserve fund or funds for working
46 capital, operating, maintenance, or replacement expenses as the
47 Director of the Division of Budget and Accounting in the
48 Department of the Treasury may determine; and reimbursement to

1 any fund of the State of moneys that may have been transferred or
2 advanced therefrom to any fund established by **[this act]** P.L.2016,
3 c.12 (C.13:8C-43 et seq.) , or any moneys that may have been
4 expended therefrom for, or in connection with, **[this act]** P.L.2016,
5 c.12 (C.13:8C-43 et seq.) .

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

12 "Commissioner" means the Commissioner of Environmental
13 Protection.

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

17 "Constitutionally dedicated CBT moneys" means any moneys
18 made available pursuant to Article VIII, Section II, paragraph 6 of
19 the State Constitution deposited in the funds established pursuant to
20 sections 6, 7, 8, and 9 of **[this act]** P.L.2016, c.12 (C.13:8C-48
21 through C.13:8C-51) , and appropriated by law, for recreation and
22 conservation, farmland preservation, or historic preservation
23 purposes set forth in Article VIII, Section II, paragraph 6 of the
24 State Constitution or **[this act]** P.L.2016, c.12 (C.13:8C-43 et seq.)

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

27 "Cost" means the expenses incurred in connection with: all
28 things deemed necessary or useful and convenient for the
29 acquisition or development of lands for recreation and conservation
30 purposes, the acquisition of development easements or fee simple
31 titles to farmland, or the preservation of historic properties, as the
32 case may be; the execution of any agreements or franchises deemed
33 by the Department of Environmental Protection, State Agriculture
34 Development Committee, or New Jersey Historic Trust, as the case
35 may be, to be necessary or useful and convenient in connection with
36 any project funded in whole or in part using constitutionally
37 dedicated CBT moneys; the procurement or provision of appraisal,
38 archaeological, architectural, conservation, design, engineering,
39 financial, geological, historic research, hydrological, inspection,
40 legal, planning, relocation, surveying, or other professional advice,
41 estimates, reports, services, or studies; the purchase of title
42 insurance; the undertaking of feasibility studies; materials and labor
43 costs for stewardship activities, but not overhead or administration
44 costs for such activities; the establishment of a reserve fund or
45 funds for working capital, operating, maintenance, or replacement
46 expenses, as the Director of the Division of Budget and Accounting
47 in the Department of the Treasury may determine; and
48 reimbursement to any fund of the State of moneys that may have

1 been transferred or advanced therefrom to any fund established by
2 **【this act】** P.L.2016, c.12 (C.13:8C-43 et seq.) , or any moneys that
3 may have been expended therefrom for, or in connection with, **【this**
4 **act】** P.L.2016, c.12 (C.13:8C-43 et seq.) .

5 "Department" means the Department of Environmental
6 Protection.

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

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

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

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

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

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

28 "Green Acres bond act" means: P.L.1961, c.46; P.L.1971, c.165;
29 P.L.1974, c.102; P.L.1978, c.118; P.L.1983, c.354; P.L.1987, c.265;
30 P.L.1989, c.183; P.L.1992, c.88; P.L.1995, c.204; P.L.2007, c.119;
31 P.L.2009, c.117; and any State general obligation bond act that may
32 be approved after the date of enactment of **【this act】** P.L.2016, c.12
33 (C.13:8C-43 et seq.) for the purpose of providing funding for the
34 acquisition or development of lands for recreation and conservation
35 purposes or for farmland preservation purposes.

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

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

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

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

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

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

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

9 "Preserve New Jersey Blue Acres Fund" means the Preserve New
10 Jersey Blue Acres Fund established pursuant to section 7 of **[this**
11 **act]** P.L.2016, c.12 (C.13:8C-49) .

12 "Preserve New Jersey Farmland Preservation Fund" means the
13 Preserve New Jersey Farmland Preservation Fund established
14 pursuant to section 8 of **[this act]** P.L.2016, c.12 (C.13:8C-50) .

15 "Preserve New Jersey Green Acres Fund" means the Preserve
16 New Jersey Green Acres Fund established pursuant to section 6 of
17 **[this act]** P.L.2016, c.12 (C.13:8C-48) .

18 "Preserve New Jersey Historic Preservation Fund" means the
19 Preserve New Jersey Historic Preservation Fund established
20 pursuant to section 9 of **[this act]** P.L.2016, c.12 (C.13:8C-51) .

21 "Preserve New Jersey Fund Account" means the Preserve New
22 Jersey Fund Account established pursuant to section 4 of **[this act]**
23 P.L.2016, c.12 (C.13:8C-46) .

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

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

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

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

47 (cf: P.L.2016, c.12, s.3)

1 ¹**[2.] 3.** Section 6 of P.L.2016, c.12 (C.13:8C-48) is amended
2 to read as follows:

3 6. a. The State Treasurer shall establish a fund to be known as
4 the "Preserve New Jersey Green Acres Fund" and shall deposit into
5 the fund all moneys received pursuant to paragraph (1) of
6 subsection a. of section 5 of P.L.2016, c.12 (C.13:8C-47) ,
7 paragraph (1) of subsection a. of section 1 of P.L. , c. (C.)
8 (pending before the Legislature as this bill), and any other moneys
9 appropriated by law for deposit into the fund.

10 Moneys in the fund shall be invested in permitted investments or
11 shall be held in interest-bearing accounts in those depositories as
12 the State Treasurer may select, and may be invested and reinvested
13 in permitted investments or as other trust funds in the custody of the
14 State Treasurer in the manner provided by law. All interest or other
15 income or earnings derived from the investment or reinvestment of
16 moneys in the fund shall be credited to the fund. Moneys derived
17 from the payment of principal and interest on the loans to local
18 government units authorized by **[this act]** P.L.2016, c.12 (C.13:8C-
19 43 et seq.) shall also be held in the fund.

20 b. Of the amount deposited **[each State fiscal year]** in State
21 fiscal year 2017 through and including State fiscal year 2019 into
22 the Preserve New Jersey Green Acres Fund pursuant to paragraph
23 (1) of subsection a. of section 5 of P.L.2016, c.12 (C.13:8C-47):

24 (1) 55 percent shall be allocated for the purpose of paying the
25 cost of acquisition and development of lands by the State for
26 recreation and conservation purposes, and the amount provided
27 pursuant to this paragraph shall be allocated as follows:

28 (a) 50 percent shall be allocated for the purpose of paying the
29 cost of acquisition of lands by the State for recreation and
30 conservation purposes; and

31 (b) 50 percent shall be allocated for the purpose of paying the
32 cost of development of lands by the State for recreation and
33 conservation purposes, and of the amount provided pursuant to this
34 subparagraph:

35 (i) up to 22 percent shall be allocated for the purpose of paying
36 the cost for stewardship activities undertaken on lands administered
37 by the Division of Fish and Wildlife in the department; and

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

41 (2) 38 percent shall be allocated for the purposes of providing
42 grants and loans to assist local government units to pay the cost of
43 acquisition and development of lands for recreation and
44 conservation purposes, and of this amount, up to **[2]** two percent
45 shall be allocated for stewardship activities undertaken by local
46 government units; and

1 (3) **[7]** seven percent shall be allocated for the purposes of
2 providing grants to assist qualifying tax exempt nonprofit
3 organizations to pay the cost of acquisition and development of
4 lands for recreation and conservation purposes, and of this amount,
5 11 percent shall be allocated for stewardship activities undertaken
6 by qualifying tax exempt nonprofit organizations.

7 c. Any repayments of the principal and interest on loans issued
8 to local government units for the acquisition or development of
9 lands for recreation and conservation purposes using
10 constitutionally dedicated CBT moneys shall be deposited into the
11 Preserve New Jersey Green Acres Fund, and shall be specifically
12 dedicated for the issuance of additional ¹grants and¹ loans in the
13 same manner as provided in ¹**[subsection]** subsections a. and¹ b. of
14 section 27 of P.L.1999, c.152 (C.13:8C-27) ¹and this section¹ .

15 d. (1) The moneys in the fund are specifically dedicated and
16 shall be used for the same purposes and according to the same
17 criteria and provisions as those set forth in section 26 of P.L.1999,
18 c.152 (C.13:8C-26), and as provided pursuant to P.L.2016, c.12
19 (C.13:8C-43 et seq.) and **[paragraph (3) of]** this **[subsection]**
20 section .

21 (2) Grants and loans issued to local government units and grants
22 issued to qualifying tax exempt nonprofit organizations using
23 constitutionally dedicated CBT moneys for the acquisition and
24 development of lands for recreation and conservation purposes shall
25 be subject to the same provisions as those prescribed in section 27
26 of P.L.1999, c.152 (C.13:8C-27), except as otherwise provided in
27 section 10 of P.L.2016, c.12 (C.13:8C-52).

28 (3) Notwithstanding any provision of P.L.2016, c.12 (C.13:8C-
29 43 et seq.) or P.L.1999, c.152 (C.13:8C-1 et seq.) to the contrary,
30 projects of the Palisades Interstate Park Commission established
31 pursuant to P.L.1980, c.104 (C.32:14-1.1 et seq.) for the acquisition
32 or development of land for recreation and conservation purposes in
33 New Jersey shall be considered State projects for the purposes of
34 eligibility for funding pursuant to the provisions of P.L.2016, c.12
35 (C.13:8C-43 et seq.).

36 e. Moneys in the fund shall not be expended except in
37 accordance with appropriations from the fund made by law. Any
38 act appropriating moneys from the Preserve New Jersey Green
39 Acres Fund shall identify any particular project or projects to be
40 funded by the moneys, and any expenditure for a project for which
41 the location is not identified by municipality and county in the
42 appropriation shall require the approval of the Joint Budget
43 Oversight Committee, or its successor, except as permitted
44 otherwise in accordance with the same exceptions as those specified
45 in paragraph (2) of subsection a. of section 23 of P.L.1999, c.152
46 (C.13:8C-23).

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

3 g. Of the amount authorized pursuant to this section, not more
4 than five percent shall be utilized for organizational, administrative
5 and other work and services, including salaries, equipment and
6 materials necessary to administer the applicable provisions of **[this**
7 **act]** P.L.2016, c.12 (C.13:8C-43 et seq.) .

8 h. To the end that municipalities may not suffer a loss of taxes
9 by reason of the acquisition and ownership by the State of lands in
10 fee simple for recreation and conservation purposes, or the
11 acquisition and ownership by qualifying tax exempt nonprofit
12 organizations of lands in fee simple for recreation and conservation
13 purposes that become certified as exempt from property taxes
14 pursuant to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws,
15 the State shall make payments annually in the same manner as
16 payments are made pursuant to section 29 of P.L.1999, c.152
17 (C.13:8C-29).

18 i. The State shall not use the power of eminent domain in any
19 manner for the acquisition of lands by the State for recreation and
20 conservation purposes using constitutionally dedicated CBT
21 moneys in whole or in part unless a concurrent resolution approving
22 that use is approved by both Houses of the Legislature; except that,
23 without the need for such a concurrent resolution, the State may use
24 the power of eminent domain to the extent necessary to establish a
25 value for lands to be acquired from a willing seller by the State for
26 recreation and conservation purposes using constitutionally
27 dedicated CBT moneys in whole or in part.

28 j. Of the amount deposited in each State fiscal year
29 commencing in State fiscal year 2020 and annually thereafter into
30 the Preserve New Jersey Green Acres Fund pursuant to paragraph
31 (1) of subsection a. of section 1 of P.L. , c. (C.) (pending
32 before the Legislature as this bill):

33 (1) 60 percent shall be allocated for the purpose of paying the
34 cost of acquisition and development of lands by the State for
35 recreation and conservation purposes, and the amount provided
36 pursuant to this paragraph shall be allocated as follows:

37 (a) ¹**[50]** 45¹ percent shall be allocated for the purpose of
38 paying the cost of acquisition of lands by the State for recreation
39 and conservation purposes, ¹**[including]** and of this amount, a
40 minimum of 10 percent shall be allocated for¹ Blue Acres projects;
41 and

42 (b) ¹**[50]** 55¹ percent shall be allocated for the purpose of
43 paying the cost of development of lands by the State for recreation
44 and conservation purposes, and of the amount provided pursuant to
45 this subparagraph:

- 1 (i) up to 22 percent shall be allocated for the purpose of paying
2 the cost for stewardship activities undertaken on lands administered
3 by the Division of Fish and Wildlife in the department; and
- 4 (ii) up to 22 percent shall be allocated for the purpose of paying
5 the cost for stewardship activities undertaken on lands administered
6 by the Division of Parks and Forestry in the department;
- 7 (2) ~~1~~¹~~[34]~~ 30¹ percent shall be allocated for the purposes of
8 providing grants and loans to assist local government units to pay
9 the cost of acquisition and development of lands for recreation and
10 conservation purposes, including Blue Acres projects, and of this
11 amount, up to ~~1~~¹~~[two]~~ 10¹ percent shall be allocated for stewardship
12 activities undertaken by local government units; and
- 13 (3) ~~1~~¹~~[six]~~ 10¹ percent shall be allocated for the purposes of
14 providing grants to assist qualifying tax exempt nonprofit
15 organizations to pay the cost of acquisition and development of
16 lands for recreation and conservation purposes, including Blue
17 Acres projects, and of this amount, 11 percent shall be allocated for
18 stewardship activities undertaken by qualifying tax exempt
19 nonprofit organizations.
- 20 k. (1) In addition to the purposes set forth in subsection d. of
21 this section, moneys in the Preserve New Jersey Green Acres Fund
22 may be applied for the purposes of providing moneys to:
- 23 (a) meet the Blue Acres costs to the State for the acquisition of
24 lands for a Blue Acres project; or
- 25 (b) provide grants, pursuant to the provisions of paragraph (2) of
26 this subsection, to assist a qualifying tax exempt nonprofit
27 organization in meeting the Blue Acres costs for the acquisition of
28 lands for a Blue Acres project.
- 29 (2) A grant by the State for lands to be acquired by a qualifying
30 tax exempt nonprofit organization for a Blue Acres project may
31 include up to 50 percent of the Blue Acres cost of acquisition of the
32 lands by the qualifying tax exempt nonprofit organization.
- 33 (a) A qualifying tax exempt nonprofit organization shall not use
34 as its matching share of the Blue Acres cost of acquisition of lands
35 for a Blue Acres project any constitutionally dedicated moneys, as
36 defined pursuant to section 3 of P.L.1999, c.152 (C.13:8C-3), or
37 any grant moneys obtained from a Green Acres bond act.
- 38 (b) To qualify to receive a grant from the Preserve New Jersey
39 Blue Acres Fund, the board of directors or governing body of the
40 applying tax exempt nonprofit organization shall:
- 41 (i) demonstrate to the commissioner that the organization
42 qualifies as a charitable conservancy for the purposes of P.L.1979,
43 c.378 (C.13:8B-1 et seq.);
- 44 (ii) demonstrate that the organization has the resources to match
45 the grant requested;
- 46 (iii) agree to make and keep the lands accessible to the public,
47 unless the commissioner determines that public accessibility would

1 be detrimental to the lands or any natural resources associated
2 therewith;

3 (iv) agree not to convey the lands except to the federal
4 government, the State, a local government unit, or another
5 qualifying tax exempt nonprofit organization, for recreation and
6 conservation purposes; and

7 (v) agree to execute and donate to the State at no charge a
8 conservation restriction pursuant to P.L.1979, c.378 (C.13:8B-1 et
9 seq.) on the lands to be acquired with the grant.

10 ¹l. In addition to any other reporting requirements required by
11 law, the department shall annually send a written report to the
12 Chairperson of the Senate Environment and Energy Committee, the
13 Assembly Agriculture and Natural Resources Committee, and the
14 Assembly Environment and Solid Waste Committee, or their
15 successors, identifying the projects funded with moneys pursuant to
16 subparagraph (b) of paragraph (1) of subsection j. of this section.
17 This report shall: (1) identify the project type, location, and cost for
18 each development project; and (2) identify the stewardship
19 activities, including the location and cost for each stewardship
20 activity, undertaken on lands administered by the Division of Fish
21 and Wildlife and Division of Parks and Forestry pursuant to
22 subparagraph (b) of paragraph (1) of subsection j. of this section.¹
23 (cf: P.L.2018, c.95, s.1)

24
25 ¹[3.] 4.¹ Section 8 of P.L.2016, c.12 (C.13:8C-50) is amended
26 to read as follows:

27 8. a. The State Treasurer shall establish a fund to be known as
28 the "Preserve New Jersey Farmland Preservation Fund" and shall
29 deposit all moneys received pursuant to paragraph (3) of subsection
30 a. of section 5 of **[this act]** P.L.2016, c.12 (C.13:8C-47), paragraph
31 (2) of subsection a. of section 1 of P.L. , c. (C.) (pending
32 before the Legislature as this bill), and any other moneys
33 appropriated by law for deposit into the fund.

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

41 b. (1) The moneys in the fund are specifically dedicated and
42 shall be used for the same purposes as those set forth in section 37
43 of P.L.1999, c.152 (C.13:8C-37) and as provided in paragraph (2)
44 of this subsection.

45 (2) Of the moneys deposited into the Preserve New Jersey
46 Farmland Preservation Fund ¹**[each year,]** : (a) in State fiscal year
47 2017 through and including State fiscal year 2019,¹ up to **[3]** three

1 percent shall be allocated by the committee on an annual basis for
 2 stewardship activities ¹; and (b) commencing in State fiscal year
 3 2020 and annually thereafter, up to four percent shall be allocated
 4 by the committee on an annual basis for stewardship activities¹.

5 ²(3) Notwithstanding any provision of P.L.2016, c.12 (C.13:8C-43
 6 et seq.) to the contrary, stewardship activities undertaken on farmland
 7 on which (a) the pinelands development credits have been acquired
 8 pursuant to P.L.1979, c.111 (C.13:18A-1 et seq.), and the pinelands
 9 comprehensive management plan adopted pursuant thereto, or the
 10 development rights have been acquired pursuant to a transfer of
 11 development rights program for the Highlands Region established
 12 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13), and (b) there is
 13 deed restriction approved by the committee, shall be eligible for
 14 funding pursuant to paragraph (2) of this subsection.²

15 c. Moneys in the fund shall not be expended except in
 16 accordance with appropriations from the fund made by law. Any
 17 act appropriating moneys from the Preserve New Jersey Farmland
 18 Preservation Fund shall identify any particular project or projects to
 19 be funded by the moneys, and any expenditure for a project for
 20 which the location is not identified by municipality and county in
 21 the appropriation shall require the approval of the Joint Budget
 22 Oversight Committee, or its successor, except as permitted
 23 otherwise in accordance with the same exceptions as those specified
 24 in paragraph (2) of subsection b. of section 23 of P.L.1999, c.152
 25 (C.13:8C-23).

26 d. Unexpended moneys due to project withdrawals,
 27 cancellations, or cost savings shall be returned to the fund.
 28 (cf: P.L.2016, c.12, s.8)

29

30 ¹**[4.] 5.¹** Section 9 of P.L.2016, c.12 (C.13:8C-51) is amended
 31 to read as follows:

32 9. a. The State Treasurer shall establish a fund to be known as
 33 the "Preserve New Jersey Historic Preservation Fund" and shall
 34 deposit all moneys received pursuant to paragraph (4) of subsection
 35 a. of section 5 of P.L.2016, c.12 (C.13:8C-47) , paragraph (3) of
 36 subsection a. of section 1 of P.L. , c. (C.) (pending before
 37 the Legislature as this bill), and any other moneys appropriated by
 38 law for deposit into the fund.

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

46 b. (1) The moneys in the fund are specifically dedicated and
 47 shall be used for ¹;

1 (a)¹ the same purposes as those set forth in section 41 of
2 P.L.1999, c.152 (C.13:8C-41) ¹**[, [and] for]** ;

3 (b)¹ emergency intervention and the acquisition of historic
4 preservation easements ¹**[, and shall be allocated by the New Jersey
5 Historic Trust as provided in subsection e. of this section]** ;

6 (c) matching grants to the Department of Environmental
7 Protection to meet the cost of preservation of State-owned historic
8 properties; and

9 (d) the purposes as provided in paragraphs (2) and (3) of this
10 subsection¹ .

11 (2) Notwithstanding any provision of P.L.2016, c.12 (C.13:8C-
12 43 et seq.) or P.L.1999, c.152 (C.13:8C-1 et seq.) to the contrary,
13 the Palisades Interstate Park Commission established pursuant to
14 P.L.1980, c.104 (C.32:14-1.1 et seq.) shall be eligible for grants
15 pursuant to the provisions of section 41 of P.L.1999, c.152
16 (C.13:8C-41) for projects located in New Jersey. A project by the
17 Palisades Interstate Park Commission for historic preservation
18 purposes shall be subject to the same criteria and conditions set
19 forth in section 41 of P.L.1999, c.152 (C.13:8C-41) applicable to a
20 project by a local government unit.

21 ¹(3) Notwithstanding any provision of P.L.2016, c.12 (C.13:8C-
22 43 et seq.) or P.L.1999, c.152 (C.13:8C-1 et seq.) to the contrary, an
23 amount not to exceed \$500,000 may be appropriated from the
24 Preserve New Jersey Historic Preservation Fund to the New Jersey
25 Historic Trust for the purposes of establishing an electronic
26 database to track projects that receive funding for historic
27 preservation puposes.¹

28 c. Moneys in the fund shall not be expended except in
29 accordance with appropriations from the fund made by law. Any
30 act appropriating moneys from the Preserve New Jersey Historic
31 Preservation Fund shall identify any particular project or projects to
32 be funded by the moneys, and any expenditure for a project for
33 which the location is not identified by municipality and county in
34 the appropriation shall require the approval of the Joint Budget
35 Oversight Committee, or its successor.

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

38 ¹e. Of the amount deposited in each State fiscal year
39 commencing in State fiscal year 2020 and annually thereafter into
40 the Preserve New Jersey Historic Preservation Fund pursuant to
41 paragraph (3) of subsection a. of section 1 of P.L. , c. (C.)
42 (pending before the Legislature as this bill), a minimum of 50
43 percent shall be allocated for Level II capital preservation grants.

44 As used in this subsection, “Level II capital preservation grant”
45 means a construction grant awarded by the New Jersey Historic
46 Trust for the preservation, restoration, or rehabilitation of a historic

1 property in an amount between \$150,001 to \$750,000.¹
2 (cf: P.L.2018, c.95, s.2)

3

4 ¹6. Section 13 of P.L.2016, c.12 (C.13:8C-55) is amended to
5 read as follows:

6 13. a. At least once **every two years** each State fiscal year ,
7 the Department of Environmental Protection, the State Agriculture
8 Development Committee, and the New Jersey Historic Trust shall
9 each submit to the Garden State Preservation Trust a list of projects
10 recommended to receive funding pursuant to **this act** P.L.2016,
11 c.12 (C.13:8C-43 et seq.) . Except as otherwise provided by **this**
12 **act** P.L.2016, c.12 (C.13:8C-43 et seq.) , such funding
13 recommendations shall be based upon the same respective priority
14 systems, ranking criteria, and funding policies as those established
15 pursuant to sections 23, 24, 26, 27, and 37 through 42 of P.L.1999,
16 c.152 (C.13:8C-23, C.13:8C-24, C.13:8C-26, C.13:8C-27, and
17 C.13:8C-37 through C.13:8C-42), section 7 of P.L.2005, c.178
18 (C.13:8C-38.1), and sections 1 and 2 of P.L.2001, c.405 (C.13:8C-
19 40.1 and C.13:8C-40.2), and any rules or regulations adopted
20 pursuant to thereto.

21 b. The Garden State Preservation Trust shall review the project
22 lists submitted pursuant to subsection a. of this section, and prepare,
23 and submit to the Governor and to the President of the Senate and
24 the Speaker of the General Assembly for introduction in the
25 Legislature, proposed legislation appropriating moneys pursuant to
26 **this act** P.L.2016, c.12 (C.13:8C-43 et seq.) to fund projects on
27 any such list. The Legislature may approve one or more
28 appropriation bills containing a project list or lists submitted by the
29 Garden State Preservation Trust pursuant to this subsection.¹
30 (cf: P.L.2016, c.12, s.13)

31

32 ¹7. Section 24 of P.L.1999, c.152 (C.13:8C-24) is amended to
33 read as follows:

34 24. a. (1) There is established in the Department of
35 Environmental Protection the Office of Green Acres. The
36 commissioner may appoint an administrator or director who shall
37 supervise the office, and the department may employ such other
38 personnel and staff as may be required to carry out the duties and
39 responsibilities of the department and the office pursuant to
40 P.L.1999, c.152 (C.13:8C-1 et al.) and P.L.2016, c.12 (C.13:8C-43
41 et **al.** seq.), all without regard to the provisions of Title 11A,
42 Civil Service, of the New Jersey Statutes. Persons appointed or
43 employed as provided pursuant to this subsection shall be
44 compensated in a manner similar to other employees in the
45 Executive Branch, and their compensation shall be determined by
46 the Civil Service Commission.

1 (2) The Green Acres Program in the Department of
2 Environmental Protection, together with all of its functions, powers
3 and duties, are continued and transferred to and constituted as the
4 Office of Green Acres in the Department of Environmental
5 Protection. Whenever, in any law, rule, regulation, order, contract,
6 document, judicial or administrative proceeding or otherwise,
7 reference is made to the Green Acres Program, the same shall mean
8 and refer to the Office of Green Acres in the Department of
9 Environmental Protection. This transfer shall be subject to the
10 provisions of the "State Agency Transfer Act," P.L.1971, c.375
11 (C.52:14D-1 et seq.).

12 b. The duties and responsibilities of the office shall be as
13 follows:

14 (1) Administer all provisions of P.L.1999, c.152 (C.13:8C-1 et
15 al.) and P.L.2016, c.12 (C.13:8C-43 et **al.** seq.) pertaining to
16 funding the acquisition and development of lands for recreation and
17 conservation purposes as authorized pursuant to Article VIII,
18 Section II, paragraph 6 and paragraph 7 of the State Constitution;

19 (2) Continue to administer all grant and loan programs for the
20 acquisition and development of lands for recreation and
21 conservation purposes, including the Green Trust, established or
22 funded for those purposes pursuant to: P.L.1961, c.45 (C.13:8A-1
23 et seq.); P.L.1971, c.419 (C.13:8A-19 et seq.); P.L.1975, c.155
24 (C.13:8A-35 et seq.); or any Green Acres bond act; **and**

25 (3) Adopt, with the approval of the commissioner and pursuant
26 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
27 1 et seq.), rules and regulations:

28 (a) establishing application procedures for grants and loans for
29 the acquisition and development of lands for recreation and
30 conservation purposes, criteria and policies for the evaluation and
31 priority ranking of projects for eligibility to receive funding for
32 recreation and conservation purposes using constitutionally
33 dedicated moneys pursuant to P.L.1999, c.152 (C.13:8C-1 et al.) or
34 constitutionally dedicated CBT moneys pursuant to P.L.2016, c.12
35 (C.13:8C-43 et **al.** seq.), any conditions that may be placed on the
36 award of a grant or loan for recreation and conservation purposes
37 pursuant to P.L.1999, c.152 (C.13:8C-1 et al.) or P.L.2016, c.12
38 (C.13:8C-43 et al.), and any restrictions that may be placed on the
39 use of lands acquired or developed with a grant or loan for
40 recreation and conservation purposes pursuant to P.L.1999, c.152
41 (C.13:8C-1 et al.) or P.L.2016, c.12 (C.13:8C-43 et **al.** seq.). The
42 criteria and policies established pursuant to this subparagraph for
43 the evaluation and priority ranking of projects for eligibility to
44 receive funding for recreation and conservation purposes using
45 constitutionally dedicated moneys pursuant to P.L.1999, c.152
46 (C.13:8C-1 et al.) or constitutionally dedicated CBT moneys
47 pursuant to P.L.2016, c.12 (C.13:8C-43 et **al.** seq.) may be based

1 upon, but need not be limited to, such factors as: protection of the
2 environment, natural resources, water resources, watersheds,
3 aquifers, wetlands, floodplains and flood-prone areas, stream
4 corridors, beaches and coastal resources, forests and grasslands,
5 scenic views, biodiversity, habitat for wildlife, rare, threatened, or
6 endangered species, and plants; vernal habitat; degree of likelihood
7 of development; promotion of greenways; provision for recreational
8 access and use; protection of geologic, historic, archaeological, and
9 cultural resources; relative cost; parcel size; and degree of public
10 support; **【and】**

11 (b) addressing any other matters deemed necessary to implement
12 and carry out the goals and objectives of Article VIII, Section II,
13 paragraph 6 and paragraph 7 of the State Constitution and P.L.1999,
14 c.152 (C.13:8C-1 et al.) and P.L.2016, c.12 (C.13:8C-
15 43 et **【al.】** seq.) with respect to the acquisition and development of
16 lands for recreation and conservation purposes, including the
17 acquisition of lands for recreation and conservation purposes that
18 have been damaged by, or may be prone to incurring damage caused
19 by, storms or storm-related flooding, or that may buffer or protect
20 other lands from such damage; and

21 (c) establishing application requirements and a fee schedule for
22 the review by the department of applications to convey, dispose of,
23 or divert to a use other than recreation and conservation purposes
24 lands acquired or developed by a local government unit or a
25 qualifying tax exempt nonprofit organization for recreation and
26 conservation purposes using funds from any Green Acres bond act,
27 constitutionally dedicated moneys pursuant to P.L.1999, c.152
28 (C.13:8C-1 et al.), or constitutionally dedicated CBT moneys
29 pursuant to P.L.2016, c.12 (C.13:8C-43 et seq.), or lands held by
30 the local government unit for recreation and conservation purposes
31 at the time of receipt of such funds. The fees established pursuant
32 to this subparagraph shall reflect the costs of the Office of Green
33 Acres incurred in processing and reviewing applications to convey,
34 dispose of, or divert lands acquired, developed, or held for
35 recreation and conservation purposes to a use other than recreation
36 and conservation purposes. All fees collected pursuant to the fee
37 schedule adopted pursuant to this subparagraph shall be used to
38 offset the administrative costs of the Office of Green Acres
39 associated with such reviews pursuant to the provisions of section
40 13 of P.L.1961, c.45 (C.13:8A-13), section 13 of P.L.1971, c.419
41 (C.13:8A-31), section 13 of P.L.1975, c.155 (C.13:8A-47), sections
42 31 through 35 of P.L.1999, c.152 (C.13:8C-31 through C.13:8C-
43 35), and section 11 of P.L.2016, c.12 (C.13:8C-53), as appropriate,
44 and any other applicable law; and

45 (4) Establishing criteria and policies for the evaluation and
46 priority ranking of State projects to acquire and develop lands for
47 recreation and conservation purposes using constitutionally
48 dedicated moneys pursuant to P.L.1999, c.152 (C.13:8C-1 et al.) or

1 constitutionally dedicated CBT moneys pursuant to P.L.2016, c.12
2 (C.13:8C-43 et [al.] seq.), which criteria and policies may be based
3 upon, but need not be limited to, such factors as: protection of the
4 environment, natural resources, water resources, watersheds,
5 aquifers, wetlands, floodplains and flood-prone areas, stream
6 corridors, beaches and coastal resources, forests and grasslands,
7 scenic views, biodiversity, habitat for wildlife, rare, threatened, or
8 endangered species, and plants; vernal habitat; degree of likelihood
9 of development; promotion of greenways; provision for recreational
10 access and use; protection of geologic, historic, archaeological, and
11 cultural resources; relative cost; parcel size; and degree of public
12 support.¹

13 (cf: P.L.2016, c.12, s.16)

14

15 ²8. Section 26 of P.L.1999, c.152 (C.13:8C-26) is amended to
16 read as follows:

17 26. a. Moneys appropriated from the Garden State Green Acres
18 Preservation Trust Fund to the Department of Environmental
19 Protection shall be used by the department to:

20 (1) Pay the cost of acquisition and development of lands by the
21 State for recreation and conservation purposes;

22 (2) Provide grants and loans to assist local government units to
23 pay the cost of acquisition and development of lands for recreation
24 and conservation purposes; and

25 (3) Provide grants to assist qualifying tax exempt nonprofit
26 organizations to pay the cost of acquisition and development of
27 lands for recreation and conservation purposes.

28 b. The expenditure and allocation of constitutionally dedicated
29 moneys for recreation and conservation purposes shall reflect the
30 geographic diversity of the State to the maximum extent practicable
31 and feasible.

32 c. (1) Notwithstanding the provisions of section 5 of P.L.1985,
33 c.310 (C.13:18A-34) or this act, or any rule or regulation adopted
34 pursuant thereto, to the contrary, the value of a pinelands
35 development credit, allocated to a parcel pursuant to P.L.1979,
36 c.111 (C.13:18A-1 et seq.) and the pinelands comprehensive
37 management plan adopted pursuant thereto, shall be made utilizing
38 a value to be determined by either appraisal, regional averaging
39 based upon appraisal data, or a formula supported by appraisal data.
40 The appraisal and appraisal data shall consider as appropriate: land
41 values in the pinelands regional growth areas; land values in
42 counties, municipalities, and other areas reasonably contiguous to,
43 but outside of, the pinelands area; and other relevant factors as may
44 be necessary to maintain the environmental, ecological, and
45 agricultural qualities of the pinelands area.

46 (2) No pinelands development credit allocated to a parcel of
47 land pursuant to P.L.1979, c.111 (C.13:18A-1 et seq.) and the
48 pinelands comprehensive management plan adopted pursuant

1 thereto that is acquired or obtained in connection with the
2 acquisition of the parcel for recreation and conservation purposes
3 by the State, a local government unit, or a qualifying tax exempt
4 nonprofit organization using constitutionally dedicated moneys in
5 whole or in part may be conveyed in any manner. All such
6 pinelands development credits shall be retired permanently.

7 d. (Deleted by amendment, P.L.2010, c.70)

8 e. Moneys appropriated from the fund may be used to match
9 grants, contributions, donations, or reimbursements from federal aid
10 programs or from other public or private sources established for the
11 same or similar purposes as the fund.

12 f. Moneys appropriated from the fund shall not be used by
13 local government units or qualifying tax exempt nonprofit
14 organizations to acquire lands that are already permanently
15 preserved for recreation and conservation purposes, as determined
16 by the department.

17 g. Whenever lands are donated to the State by a public utility,
18 as defined pursuant to Title 48 of the Revised Statutes, for
19 recreation and conservation purposes, the commissioner may make
20 and keep the lands accessible to the public, unless the commissioner
21 determines that public accessibility would be detrimental to the
22 lands or any natural resources associated therewith.

23 h. Whenever the State acquires land for recreation and
24 conservation purposes, the agency in the Department of
25 Environmental Protection responsible for administering the land
26 shall, within six months after the date of acquisition, inspect the
27 land for the presence of any buildings or structures thereon which
28 are or may be historic properties and, within 60 days after
29 completion of the inspection, provide to the New Jersey Historic
30 Preservation Office in the department (1) a written notice of its
31 findings, and (2) for any buildings or structures which are or may
32 be historic properties discovered on the land, a request for
33 determination of potential eligibility for inclusion of the historic
34 building or structure in the New Jersey Register of Historic Places.
35 Whenever such a building or structure is discovered, a copy of the
36 written notice provided to the New Jersey Historic Preservation
37 Office shall also be sent to the New Jersey Historic Trust and to the
38 county historical commission or advisory committee, the county
39 historical society, the local historic preservation commission or
40 advisory committee, and the local historical society if any of those
41 entities exist in the county or municipality wherein the land is
42 located.

43 i. (Deleted by amendment, P.L.2010, c.70)

44 j. (1) Commencing on the date of enactment of P.L.2004,
45 c.120 (C.13:20-1 et al.) and through June 30, **[2019]** 2024 for lands
46 located in the Highlands Region as defined pursuant to section 3 of
47 P.L.2004, c.120 (C.13:20-3), when the department, a local
48 government unit, or a qualifying tax exempt nonprofit organization

1 seeks to acquire lands for recreation and conservation purposes
2 using constitutionally dedicated moneys in whole or in part **[or]** ,
3 Green Acres bond act moneys in whole or in part, or
4 constitutionally dedicated CBT moneys pursuant to P.L.2016, c.12
5 (C.13:8C-43 et seq.) in whole or in part, it shall conduct or cause to
6 be conducted an appraisal or appraisals of the value of the lands that
7 shall be made using (a) the land use zoning of the lands, and any
8 State environmental laws or Department of Environmental
9 Protection rules and regulations that may affect the value of the
10 lands, subject to the appraisal and in effect at the time of proposed
11 acquisition, and (b) the land use zoning of the lands, and any State
12 environmental laws or Department of Environmental Protection
13 rules and regulations that may affect the value of the lands, subject
14 to the appraisal and in effect on January 1, 2004. The higher of
15 those two values shall be utilized by the department, a local
16 government unit, or a qualifying tax exempt nonprofit organization
17 as the basis for negotiation with the landowner with respect to the
18 acquisition price for the lands. The landowner shall be provided
19 with both values determined pursuant to this paragraph.

20 A landowner may waive any of the requirements of this
21 paragraph and may agree to sell the lands for less than the values
22 determined pursuant to this paragraph.

23 The provisions of this paragraph shall be applicable only to lands
24 the owner of which at the time of proposed acquisition is the same
25 person who owned the lands on the date of enactment of P.L.2004,
26 c.120 (C.13:20-1 et al.) and who has owned the lands continuously
27 since that enactment date, or is an immediate family member of that
28 person.

29 (2) (Deleted by amendment, P.L.2010, c.70)

30 (3) The requirements of this subsection shall be in addition to
31 any other requirements of law, rule, or regulation not inconsistent
32 therewith.

33 (4) This subsection shall not:

34 (a) apply in the case of lands to be acquired with federal moneys
35 in whole or in part;

36 (b) (Deleted by amendment, P.L.2010, c.70); or

37 (c) alter any requirements to disclose information to a
38 landowner pursuant to the "Eminent Domain Act of 1971,"
39 P.L.1971, c.361 (C.20:3-1 et seq.).

40 (5) For the purposes of this subsection, "immediate family
41 member" means a spouse, child, parent, sibling, aunt, uncle, niece,
42 nephew, first cousin, grandparent, grandchild, father-in-law,
43 mother-in-law, son-in-law, daughter-in-law, stepparent, stepchild,
44 stepbrother, stepsister, half brother, or half sister, whether the
45 individual is related by blood, marriage, or adoption.

46 k. The department shall adopt guidelines for the evaluation and
47 priority ranking process which shall be used in making decisions
48 concerning the acquisition of lands by the State for recreation and

1 conservation purposes using moneys from the Garden State Green
2 Acres Preservation Trust Fund and from any other source. The
3 guidelines shall be designed to provide, to the maximum extent
4 practicable and feasible, that such moneys are spent equitably
5 among the geographic areas of the State. The guidelines, and any
6 subsequent revisions thereto, shall be published in the New Jersey
7 Register. The adoption of the guidelines or of the revisions thereto,
8 shall not be subject to the requirements of the "Administrative
9 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

10 1. In making decisions concerning the acquisition of lands by
11 the State for recreation and conservation purposes using moneys
12 from the Garden State Green Acres Preservation Trust Fund, in the
13 evaluation and priority ranking process the department shall accord
14 three times the weight to acquisitions of lands that would protect
15 water resources, and two times the weight to acquisitions of lands
16 that would protect flood-prone areas, as those criteria are compared
17 to the other criteria in the priority ranking process.

18 m. The department, pursuant to the "Administrative Procedure
19 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and
20 regulations that establish standards and requirements regulating any
21 activity on lands acquired by the State for recreation and
22 conservation purposes using constitutionally dedicated moneys to
23 assure that the activity on those lands does not diminish the
24 protection of surface water or groundwater resources.

25 Any rules and regulations adopted pursuant to this subsection
26 shall not apply to activities on lands acquired prior to the adoption
27 of the rules and regulations.

28 n. (1) The department, within three months after the date of the
29 first meeting of the Highlands Water Protection and Planning
30 Council established pursuant to section 4 of P.L.2004, c.120
31 (C.13:20-4), shall consult with and solicit recommendations from
32 the council concerning land preservation strategies and acquisition
33 plans in the Highlands Region as defined in section 3 of P.L.2004,
34 c.120 (C.13:20-3).

35 The council's recommendations shall also address strategies and
36 plans concerning establishment by the department of a methodology
37 for prioritizing the acquisition of land in the Highlands preservation
38 area, as defined in section 3 of P.L.2004, c.120 (C.13:20-3), for
39 recreation and conservation purposes using moneys from the
40 Garden State Green Acres Preservation Trust Fund, especially with
41 respect to (a) any land that has declined substantially in value due
42 to the implementation of the "Highlands Water Protection and
43 Planning Act," P.L.2004, c.120 (C.13:20-1 et al.), and (b) any major
44 Highlands development, as defined in section 3 of P.L.2004, c.120
45 (C.13:20-3), that would have qualified for an exemption pursuant to
46 paragraph (3) of subsection a. of section 30 of P.L.2004, c.120
47 (C.13:20-28) but for the lack of a necessary State permit as
48 specified in subparagraph (b) or (c), as appropriate, of paragraph (3)

1 of subsection a. of section 30 of P.L.2004, c.120 (C.13:20-28), and
2 for which an application for such a permit had been submitted to the
3 Department of Environmental Protection and deemed by the
4 department to be complete for review on or before March 29, 2004.
5 The recommendations may also include a listing of specific parcels
6 in the Highlands preservation area that the council is aware of that
7 meet the criteria of subparagraph (a) or (b) of this paragraph and for
8 that reason should be considered by the department as a priority for
9 acquisition, but any such list shall remain confidential
10 notwithstanding any provision of P.L.1963, c.73 (C.47:1A-1 et seq.)
11 or any other law to the contrary.

12 (2) In making decisions concerning applications for funding
13 submitted by municipalities in the Highlands planning area, as
14 defined in section 3 of P.L.2004, c.120 (C.13:20-3), to acquire or
15 develop lands for recreation and conservation purposes using
16 moneys from the Garden State Green Acres Preservation Trust
17 Fund, in the evaluation and priority ranking process the department
18 shall accord a higher weight to any application submitted by a
19 municipality in the Highlands planning area that has amended its
20 development regulations in accordance with section 13 of P.L.2004,
21 c.120 (C.13:20-13) to establish one or more receiving zones for the
22 transfer of development potential from the Highlands preservation
23 area, as defined in section 3 of P.L.2004, c.120 (C.13:20-3), than
24 that which is accorded to comparable applications submitted by
25 other municipalities in the Highlands planning area that have not
26 made such amendments to their development regulations.

27 o. Notwithstanding any provision of P.L.1999, c.152 (C.13:8C-
28 1 et seq.) to the contrary, for State fiscal years 2005 through 2009,
29 the sum spent by the department in each of those fiscal years for the
30 acquisition of lands by the State for recreation and conservation
31 purposes using moneys from the Garden State Green Acres
32 Preservation Trust Fund in each county of the State shall be not
33 less, and may be greater if additional sums become available, than
34 the average annual sum spent by the department therefor in each
35 such county, respectively, for State fiscal years 2002 through 2004,
36 provided there is sufficient and appropriate lands within the county
37 to be so acquired by the State for such purposes.²

38 (cf: P.L.2015, c.5, s.1)

39

40 ²9. Section 38 of P.L.1999, c.152 (C.13:8C-38) is amended to
41 read as follows:

42 38. a. All acquisitions or grants made pursuant to section 37 of
43 P.L.1999, c.152 (C.13:8C-37) shall be made with respect to
44 farmland devoted to farmland preservation under programs
45 established by law.

46 b. The expenditure and allocation of constitutionally dedicated
47 moneys for farmland preservation purposes shall reflect the

1 geographic diversity of the State to the maximum extent practicable
2 and feasible.

3 c. The committee shall implement the provisions of section 37
4 of P.L.1999, c.152 (C.13:8C-37) in accordance with the procedures
5 and criteria established pursuant to the "Agriculture Retention and
6 Development Act," P.L.1983, c.32 (C.4:1C-11 et seq.) except as
7 provided otherwise by this act.

8 d. The committee shall adopt the same or a substantially
9 similar method for determining, for the purposes of this act, the
10 committee's share of the cost of a development easement on
11 farmland to be acquired by a local government as that which is
12 being used by the committee on the date of enactment of this act for
13 prior farmland preservation funding programs.

14 e. Notwithstanding the provisions of section 24 of P.L.1983,
15 c.32 (C.4:1C-31) or this act, or any rule or regulation adopted
16 pursuant thereto, to the contrary, whenever the value of a
17 development easement on farmland to be acquired using
18 constitutionally dedicated moneys in whole or in part is determined
19 based upon the value of any pinelands development credits
20 allocated to the parcel pursuant to P.L.1979, c.111 (C.13:18A-1 et
21 seq.) and the pinelands comprehensive management plan adopted
22 pursuant thereto, the committee shall determine the value of the
23 development easement by:

24 (1) conducting a sufficient number of fair market value
25 appraisals as it deems appropriate to determine the value for
26 farmland preservation purposes of the pinelands development
27 credits;

28 (2) considering development easement values in counties,
29 municipalities, and other areas (a) reasonably contiguous to, but
30 outside of, the pinelands area, which in the sole opinion of the
31 committee constitute reasonable development easement values in
32 the pinelands area for the purposes of this subsection, and (b) in the
33 pinelands area where pinelands development credits are or may be
34 utilized, which in the sole opinion of the committee constitute
35 reasonable development easement values in the pinelands area for
36 the purposes of this subsection;

37 (3) considering land values in the pinelands regional growth
38 areas;

39 (4) considering the importance of preserving agricultural lands
40 in the pinelands area; and

41 (5) considering such other relevant factors as may be necessary
42 to increase participation in the farmland preservation program by
43 owners of agricultural lands located in the pinelands area.

44 f. No pinelands development credit that is acquired or obtained
45 in connection with the acquisition of a development easement on
46 farmland or fee simple title to farmland by the State, a local
47 government unit, or a qualifying tax exempt nonprofit organization
48 using constitutionally dedicated moneys in whole or in part may be

1 conveyed in any manner. All such pinelands development credits
2 shall be retired permanently.

3 g. (Deleted by amendment, P.L.2010, c.70)

4 h. Any farmland for which a development easement or fee
5 simple title has been acquired pursuant to section 37 of P.L.1999,
6 c.152 (C.13:8C-37) shall be entitled to the benefits conferred by the
7 "Right to Farm Act," P.L.1983, c.31 (C.4:1C-1 et al.) and the
8 "Agriculture Retention and Development Act," P.L.1983, c.32
9 (C.4:1C-11 et al.).

10 i. (Deleted by amendment, P.L.2010, c.70)

11 j. (1) Commencing on the date of enactment of P.L.2004, c.120
12 (C.13:20-1 et al.) and through June 30, **[2019]** 2024 for lands
13 located in the Highlands Region as defined pursuant to section 3 of
14 P.L.2004, c.120 (C.13:20-3), when the committee, a local
15 government unit, or a qualifying tax exempt nonprofit organization
16 seeks to acquire a development easement on farmland or the fee
17 simple title to farmland for farmland preservation purposes using
18 constitutionally dedicated moneys in whole or in part **[or]** Green
19 Acres bond act moneys in whole or in part, or constitutionally
20 dedicated CBT moneys pursuant to P.L.2016, c.12 (C.13:8C-43 et
21 seq.) in whole or in part, it shall conduct or cause to be conducted
22 an appraisal or appraisals of the value of the lands that shall be
23 made using (a) the land use zoning of the lands, and any State
24 environmental laws or Department of Environmental Protection
25 rules and regulations that may affect the value of the lands, subject
26 to the appraisal and in effect at the time of proposed acquisition,
27 and (b) the land use zoning of the lands, and any State
28 environmental laws or Department of Environmental Protection
29 rules and regulations that may affect the value of the lands, subject
30 to the appraisal and in effect on January 1, 2004. The higher of
31 those two values shall be utilized by the committee, a local
32 government unit, or a qualifying tax exempt nonprofit organization
33 as the basis for negotiation with the landowner with respect to the
34 acquisition price for the lands. The landowner shall be provided
35 with both values determined pursuant to this paragraph.

36 A landowner may waive any of the requirements of this
37 paragraph and may agree to sell the lands for less than the values
38 determined pursuant to this paragraph.

39 The provisions of this paragraph shall be applicable only to lands
40 the owner of which at the time of proposed acquisition is the same
41 person who owned the lands on the date of enactment of P.L.2004,
42 c.120 (C.13:20-1 et al.) and who has owned the lands continuously
43 since that enactment date, or is an immediate family member of that
44 person.

45 (2) (Deleted by amendment, P.L.2010, c.70)

46 (3) The requirements of this subsection shall be in addition to
47 any other requirements of law, rule, or regulation not inconsistent
48 therewith.

1 (4) This subsection shall not:

2 (a) apply in the case of lands to be acquired with federal moneys
3 in whole or in part;

4 (b) (Deleted by amendment, P.L.2010, c.70); or

5 (c) alter any requirements to disclose information to a
6 landowner pursuant to the "Eminent Domain Act of 1971,"
7 P.L.1971, c.361 (C.20:3-1 et seq.).

8 (5) For the purposes of this subsection, "immediate family
9 member" means a spouse, child, parent, sibling, aunt, uncle, niece,
10 nephew, first cousin, grandparent, grandchild, father-in-law,
11 mother-in-law, son-in-law, daughter-in-law, stepparent, stepchild,
12 stepbrother, stepsister, half brother, or half sister, whether the
13 individual is related by blood, marriage, or adoption.

14 k. The committee and the Department of Environmental
15 Protection, pursuant to the "Administrative Procedure Act,"
16 P.L.1968, c.410 (C.52:14B-1 et seq.), shall jointly adopt rules and
17 regulations that establish standards and requirements regulating any
18 improvement on lands acquired by the State for farmland
19 preservation purposes using constitutionally dedicated moneys to
20 assure that any improvement does not diminish the protection of
21 surface water or groundwater resources.

22 Any rules and regulations adopted pursuant to this subsection
23 shall not apply to improvements on lands acquired prior to the
24 adoption of the rules and regulations.

25 l. (1) The committee, within three months after the date of the
26 first meeting of the Highlands Water Protection and Planning
27 Council established pursuant to section 4 of P.L.2004, c.120
28 (C.13:20-4), shall consult with and solicit recommendations from
29 the council concerning farmland preservation strategies and
30 acquisition plans in the Highlands Region as defined in section 3 of
31 P.L.2004, c.120 (C.13:20-3).

32 The council's recommendations shall also address strategies and
33 plans concerning establishment by the committee of a methodology
34 for prioritizing the acquisition of development easements and fee
35 simple titles to farmland in the Highlands preservation area, as
36 defined in section 3 of P.L.2004, c.120 (C.13:20-3), for farmland
37 preservation purposes using moneys from the Garden State
38 Farmland Preservation Trust Fund, especially with respect to
39 farmland that has declined substantially in value due to the
40 implementation of the "Highlands Water Protection and Planning
41 Act," P.L.2004, c.120 (C.13:20-1 et al.). The recommendations
42 may also include a listing of specific parcels in the Highlands
43 preservation area that the council is aware of that have experienced
44 a substantial decline in value and for that reason should be
45 considered by the committee as a priority for acquisition, but any
46 such list shall remain confidential notwithstanding any provision of
47 P.L.1963, c.73 (C.47:1A-1 et seq.) or any other law to the contrary.

1 (2) In prioritizing applications for funding submitted by local
2 government units in the Highlands planning area, as defined in
3 section 3 of P.L.2004, c.120 (C.13:20-3), to acquire development
4 easements on farmland in the Highlands planning area using
5 moneys from the Garden State Farmland Preservation Trust Fund,
6 the committee shall accord a higher weight to any application
7 submitted by a local government unit to preserve farmland in a
8 municipality in the Highlands planning area that has amended its
9 development regulations in accordance with section 13 of P.L.2004,
10 c.120 (C.13:20-13) to establish one or more receiving zones for the
11 transfer of development potential from the Highlands preservation
12 area, as defined in section 3 of P.L.2004, c.120 (C.13:20-3), than
13 that which is accorded to comparable applications submitted by
14 other local government units to preserve farmland in municipalities
15 in the Highlands planning area that have not made such
16 amendments to their development regulations.

17 m. Notwithstanding any provision of P.L.1999, c.152 (C.13:8C-
18 1 et seq.) to the contrary, for State fiscal years 2005 through 2009,
19 the sum spent by the committee in each of those fiscal years for the
20 acquisition by the committee of development easements and fee
21 simple titles to farmland for farmland preservation purposes using
22 moneys from the Garden State Farmland Preservation Trust Fund in
23 each county of the State shall be not less, and may be greater if
24 additional sums become available, than the average annual sum
25 spent by the department therefor in each such county, respectively,
26 for State fiscal years 2002 through 2004, provided there is sufficient
27 and appropriate farmland within the county to be so acquired by the
28 committee for such purposes.²

29 (cf: P.L.2015, c.5, s.2)

30

31 ²[18.] 10.² (New section) Notwithstanding the provisions of
32 paragraph (2) of subsection b. of section 18 of P.L.1999, c.152
33 (C.13:8C-18) or any Green Acres bond act to the contrary, any
34 repayments of the principal and interest on loans issued to local
35 government units for the acquisition or development of lands for
36 recreation and conservation purposes pursuant to subsection b. of
37 section 27 of P.L.1999, c.152 (C.13:8C-27) or any Green Acres
38 bond act, as applicable, shall be allocated only for the issuance of
39 additional grants or loans to local government units for the
40 acquisition or development of lands for recreation and conservation
41 purposes.¹

42

43 ²[19.] 11.² (New section) a. Whenever the Commissioner
44 of Environmental Protection finds that a person has violated section
45 13 of P.L.1961, c.45 (C.13:8A-13), section 13 of P.L.1971, c.419
46 (C.13:8A-31), section 13 of P.L.1975, c.155 (C.13:8A-47), sections
47 31 through 35 of P.L.1999, c.152 (C.13:8C-31 through C.13:8C-
48 35), or section 11 of P.L.2016, c.12 (C.13:8C-53), or any other

1 applicable law, or any rule or regulation adopted pursuant thereto,
2 concerning the conveyance, disposal, or diversion of lands acquired,
3 developed, or held for recreation and conservation purposes, the
4 commissioner may:

5 (1) issue an order requiring any such person to comply in
6 accordance with subsection b. of this section; or

7 (2) bring a civil action in accordance with subsection c. of this
8 section; or

9 (3) levy a civil administrative penalty in accordance with
10 subsection d. of this section; or

11 (4) bring an action for a civil penalty in accordance with
12 subsection e. of this section.

13 Recourse to any of the remedies available under this section shall
14 not preclude recourse to any of the other remedies prescribed in this
15 section or by any other applicable law.

16 b. Whenever, on the basis of available information, the
17 commissioner finds a person in violation of any provision of section
18 13 of P.L.1961, c.45 (C.13:8A-13), section 13 of P.L.1971, c.419
19 (C.13:8A-31), section 13 of P.L.1975, c.155 (C.13:8A-47), sections
20 31 through 35 of P.L.1999, c.152 (C.13:8C-31 through C.13:8C-
21 35), or section 11 of P.L.2016, c.12 (C.13:8C-53), or any other
22 applicable law, or any rule or regulation adopted pursuant thereto,
23 the commissioner may issue an order: (1) specifying the provision
24 or provisions of the law, rule, or regulation, being violated; (2)
25 citing the action which constituted the violation; (3) requiring
26 compliance with the provision or provisions violated; (4) requiring
27 the restoration of the area which is the site of the violation; and (5)
28 providing notice to the person of the right to a hearing on the
29 matters contained in the order.

30 c. The commissioner is authorized to institute a civil action in
31 Superior Court for appropriate relief from any violation of any
32 provision of any provision of section 13 of P.L.1961, c.45
33 (C.13:8A-13), section 13 of P.L.1971, c.419 (C.13:8A-31), section
34 13 of P.L.1975, c.155 (C.13:8A-47), sections 31 through 35 of
35 P.L.1999, c.152 (C.13:8C-31 through C.13:8C-35), or section 11 of
36 P.L.2016, c.12 (C.13:8C-53), or any other applicable law, or any
37 rule or regulation adopted pursuant thereto. Such relief may
38 include, singly or in combination:

39 (1) a temporary or permanent injunction;

40 (2) assessment of the violator for the costs of any investigation,
41 inspection, or monitoring survey which led to the establishment of
42 the violation, and for the reasonable costs of preparing and bringing
43 legal action under this subsection;

44 (3) assessment of the violator for any costs incurred by the State
45 in removing, correcting, or terminating the adverse effects resulting
46 from any unauthorized regulated activity for which legal action
47 under this subsection may have been brought;

1 (4) assessment against the violator for compensatory damages
2 for any loss or destruction of wildlife, fish or aquatic life, and for
3 any other actual damages caused by an unauthorized regulated
4 activity; or

5 (5) a requirement that the violator restore the site of the
6 violation to the maximum extent practicable and feasible.

7 d. The commissioner is authorized to assess a civil
8 administrative penalty of up to \$25,000 for each violation, and each
9 day during which each violation continues shall constitute an
10 additional, separate, and distinct offense. Any amount assessed
11 under this subsection shall fall within a range established by
12 regulation by the commissioner for violations of similar type,
13 seriousness, and duration. In adopting rules and regulations
14 establishing the amount of any penalty to be assessed, the
15 commissioner may take into account the economic benefits from the
16 violation gained by the violator. No assessment shall be levied
17 pursuant to this section until after the party has been notified by
18 certified mail or personal service. The notice shall: (1) identify the
19 section of the law, rule, or regulation violated; (2) recite the facts
20 alleged to constitute a violation; (3) state the amount of the civil
21 penalties to be imposed; and (4) affirm the rights of the alleged
22 violator to a hearing. The ordered party shall have 20 days from
23 receipt of the notice within which to deliver to the commissioner a
24 written request for a hearing. After the hearing and upon finding
25 that a violation has occurred, the commissioner may issue a final
26 order after assessing the amount of the fine specified in the notice.
27 If no hearing is requested, the notice shall become a final order after
28 the expiration of the 20-day period. Payment of the assessment is
29 due when a final order is issued or the notice becomes a final order.
30 The authority to levy an administrative penalty is in addition to all
31 other enforcement provisions in any other applicable law, rule, or
32 regulation, and the payment of any assessment shall not be deemed
33 to affect the availability of any other enforcement provisions in
34 connection with the violation for which the assessment is levied.
35 Any civil administrative penalty assessed under this section may be
36 compromised by the commissioner upon the posting of a
37 performance bond by the violator, or upon such terms and
38 conditions as the commissioner may establish by regulation.

39 e. A person who violates any provision of provision of section
40 13 of P.L.1961, c.45 (C.13:8A-13), section 13 of P.L.1971, c.419
41 (C.13:8A-31), section 13 of P.L.1975, c.155 (C.13:8A-47), sections
42 31 through 35 of P.L.1999, c.152 (C.13:8C-31 through C.13:8C-
43 35), or section 11 of P.L.2016, c.12 (C.13:8C-53), or any other
44 applicable law, or any rule or regulation adopted pursuant thereto,
45 an administrative order issued pursuant to subsection b. of this
46 section, or a court order issued pursuant to subsection c. of this
47 section, or who fails to pay a civil administrative penalty in full
48 pursuant to subsection d. of this section, shall be subject, upon

1 order of a court, to a civil penalty not to exceed \$10,000 per day of
2 such violation, and each day during which the violation continues
3 shall constitute an additional, separate, and distinct offense. Any
4 civil penalty imposed pursuant to this subsection may be collected
5 with costs in a summary proceeding pursuant to the "Penalty
6 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
7 In addition to any penalties, costs or interest charges, the court may
8 assess against the violator the amount of actual economic benefit
9 accruing to the violator from the violation. The Superior Court and
10 the municipal court shall have jurisdiction to enforce the provisions
11 of the "Penalty Enforcement Law of 1999" in connection with this
12 act.

13 f. The department may require an applicant to provide any
14 information the department requires to determine compliance with
15 any provision of section 13 of P.L.1961, c.45 (C.13:8A-13), section
16 13 of P.L.1971, c.419 (C.13:8A-31), section 13 of P.L.1975, c.155
17 (C.13:8A-47), sections 31 through 35 of P.L.1999, c.152 (C.13:8C-
18 31 through C.13:8C-35), or section 11 of P.L.2016, c.12 (C.13:8C-
19 53), or any other applicable law, or any rule or regulation adopted
20 pursuant thereto.

21 g. Any person who knowingly, recklessly, or negligently makes
22 a false statement, representation, or certification in any application,
23 record, or other document filed or required to be maintained under
24 section 13 of P.L.1961, c.45 (C.13:8A-13), section 13 of P.L.1971,
25 c.419 (C.13:8A-31), section 13 of P.L.1975, c.155 (C.13:8A-47),
26 sections 31 through 35 of P.L.1999, c.152 (C.13:8C-31 through
27 C.13:8C-35), or section 11 of P.L.2016, c.12 (C.13:8C-53), or any
28 other applicable law, or any rule or regulation adopted pursuant
29 thereto, shall be in violation and shall be subject to the penalties
30 assessed pursuant to subsections d. and e. of this section.

31 h. All penalties collected pursuant to this section shall either be
32 used, as determined by the department, for the purposes of
33 reviewing the conveyance, disposal, or diversion of lands acquired,
34 developed, or held for recreation and conservation purposes.¹
35

36 ²[10.] 12.² Notwithstanding the provisions of section 9 of
37 P.L.2016, c.12 (C.13:8C-51) or any other provision of law to the
38 contrary, there is appropriated the sum of \$500,000 from the
39 "Preserve New Jersey Historic Preservation Fund," established
40 pursuant to section 9 of P.L.2016, c.12 (C.13:8C-51), to the New
41 Jersey Historic Trust for the purpose of establishing an electronic
42 database to track projects that receive funding for historic
43 preservation purposes.¹
44

45 ¹[5. This] ²[11.] 13.² Sections 1 through ²[9] 11² of this¹ act
46 shall take effect immediately ¹, and section ²[10] 12² of this act
47 shall take effect on July 1, 2019 or immediately, whichever is later¹.

S2920 [2R]

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6

Establishes funding allocations for constitutionally dedicated CBT revenues for Fiscal Year 2020 and thereafter and revises law for State's open space, farmland, and historic preservation programs; appropriates \$500,000.

SENATE, No. 2920

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED SEPTEMBER 17, 2018

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator CHRISTOPHER "KIP" BATEMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

SYNOPSIS

Establishes funding allocations for constitutionally dedicated CBT revenues for State's open space, farmland, and historic preservation programs for Fiscal Year 2020 and thereafter.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/19/2018)

1 AN ACT concerning the constitutional dedication of corporation
2 business tax revenues for open space, farmland, and historic
3 preservation, and amending and supplementing P.L.2016, c.12.

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

7
8 1. (New section) a. In each State fiscal year commencing in
9 State fiscal year 2020 and annually thereafter, of the amount
10 credited by the State Treasurer to the Preserve New Jersey Fund
11 Account pursuant to subparagraph (b) of paragraph (1) of
12 subsection a. of section 4 of P.L.2016, c.12 (C.13:8C-46):

13 (1) 62 percent shall be deposited into the Preserve New Jersey
14 Green Acres Fund;

15 (2) 31 percent shall be deposited into the Preserve New Jersey
16 Farmland Preservation Fund; and

17 (3) seven percent shall be deposited into the Preserve New
18 Jersey Historic Preservation Fund.

19 b. (1) Beginning July 1, 2022, and annually thereafter, the
20 Garden State Preservation Trust shall conduct a review of the
21 appropriations of constitutionally dedicated CBT moneys to, and
22 the expenditures thereof by, the Department of Environmental
23 Protection, the State Agriculture Development Committee, and the
24 New Jersey Historic Trust for their respective programs for the
25 fiscal year ending two years prior to the year in which the review is
26 occurring. If the Garden State Preservation Trust determines that
27 the department, committee, or New Jersey Historic Trust have not
28 expended or contractually obligated the constitutionally dedicated
29 CBT moneys allocated pursuant to subsection a. of this section for
30 the fiscal year ending two years prior to the year in which the
31 review is occurring, the trust may reallocate the amount of
32 constitutionally dedicated CBT moneys that have not been
33 expended or contractually obligated for that particular fiscal year by
34 the department, committee, or New Jersey Historic Trust, as
35 applicable.

36 (2) If, after the review required pursuant to paragraph (1) of this
37 subsection, the Garden State Preservation Trust determines it is
38 appropriate, the trust, notwithstanding the provisions of section 6, 8,
39 or 9 of P.L.2016, c.12 (C.13:8C-48, 50, or 51) to the contrary, shall
40 allocate for appropriation pursuant to section 13 of P.L.2016, c.12
41 (C.13:8C-55) the amount of unexpended, unobligated, or
42 unappropriated constitutionally dedicated CBT moneys for the
43 fiscal year ending two years prior to the year in which the review is
44 occurring, and shall determine, for that amount:

45 (a) the appropriate funding allocations for the Preserve New
46 Jersey Green Acres Fund, the Preserve New Jersey Farmland

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

Matter underlined thus is new matter.

1 Preservation Fund, or the Preserve New Jersey Historic
2 Preservation Fund; and

3 (b) how the allocations pursuant to subparagraph (a) of this
4 paragraph shall be allocated for the acquisition or development of
5 lands for recreation and conservation purposes, including Blue
6 Acres projects, farmland preservation purposes, or historic
7 preservation purposes. The trust shall make its determinations
8 pursuant to this subparagraph based upon a demonstrated need for
9 funding for the acquisition or development of lands for recreation
10 and conservation purposes, including Blue Acres projects, farmland
11 preservation purposes, or historic preservation purposes based upon
12 available projects, applicant demand, and past appropriations and
13 expenditures for these purposes.

14 (3) The trust shall hold a public hearing to solicit public input
15 when making determinations pursuant to paragraph (2) of this
16 subsection.

17 (4) The trust shall notify the department, the committee, the
18 New Jersey Historic Trust, and the Department of the Treasury on
19 the results of its review and determinations pursuant to this
20 subsection. The trust shall also send written notification to the
21 Chairperson of the Senate Environment and Energy Committee and
22 the Assembly Environment and Solid Waste Committee, or their
23 successors, of any determinations and allocations made pursuant to
24 this subsection.

25 (5) A determination by the trust to reallocate constitutionally
26 dedicated CBT moneys for a particular fiscal year based on the
27 review and determination made pursuant to this subsection shall not
28 affect the allocations set forth in subsection a. of this section for
29 any subsequent fiscal year.

30

31 2. Section 6 of P.L.2016, c.12 (C.13:8C-48) is amended to read
32 as follows:

33 6. a. The State Treasurer shall establish a fund to be known as
34 the "Preserve New Jersey Green Acres Fund" and shall deposit into
35 the fund all moneys received pursuant to paragraph (1) of
36 subsection a. of section 5 of P.L.2016, c.12 (C.13:8C-47),
37 paragraph (1) of subsection a. of section 1 of P.L. , c. (C.)
38 (pending before the Legislature as this bill), and any other moneys
39 appropriated by law for deposit into the fund.

40 Moneys in the fund shall be invested in permitted investments or
41 shall be held in interest-bearing accounts in those depositories as
42 the State Treasurer may select, and may be invested and reinvested
43 in permitted investments or as other trust funds in the custody of the
44 State Treasurer in the manner provided by law. All interest or other
45 income or earnings derived from the investment or reinvestment of
46 moneys in the fund shall be credited to the fund. Moneys derived
47 from the payment of principal and interest on the loans to local

1 government units authorized by **[this act]** P.L.2016, c.12 (C.13:8C-
2 43 et seq.) shall also be held in the fund.

3 b. Of the amount deposited **[each State fiscal year]** in State
4 fiscal year 2017 through and including State fiscal year 2019 into
5 the Preserve New Jersey Green Acres Fund pursuant to paragraph
6 (1) of subsection a. of section 5 of P.L.2016, c.12 (C.13:8C-47):

7 (1) 55 percent shall be allocated for the purpose of paying the
8 cost of acquisition and development of lands by the State for
9 recreation and conservation purposes, and the amount provided
10 pursuant to this paragraph shall be allocated as follows:

11 (a) 50 percent shall be allocated for the purpose of paying the
12 cost of acquisition of lands by the State for recreation and
13 conservation purposes; and

14 (b) 50 percent shall be allocated for the purpose of paying the
15 cost of development of lands by the State for recreation and
16 conservation purposes, and of the amount provided pursuant to this
17 subparagraph:

18 (i) up to 22 percent shall be allocated for the purpose of paying
19 the cost for stewardship activities undertaken on lands administered
20 by the Division of Fish and Wildlife in the department; and

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

24 (2) 38 percent shall be allocated for the purposes of providing
25 grants and loans to assist local government units to pay the cost of
26 acquisition and development of lands for recreation and
27 conservation purposes, and of this amount, up to **[2]** two percent
28 shall be allocated for stewardship activities undertaken by local
29 government units; and

30 (3) **[7]** seven percent shall be allocated for the purposes of
31 providing grants to assist qualifying tax exempt nonprofit
32 organizations to pay the cost of acquisition and development of
33 lands for recreation and conservation purposes, and of this amount,
34 11 percent shall be allocated for stewardship activities undertaken
35 by qualifying tax exempt nonprofit organizations.

36 c. Any repayments of the principal and interest on loans issued
37 to local government units for the acquisition or development of
38 lands for recreation and conservation purposes using
39 constitutionally dedicated CBT moneys shall be deposited into the
40 Preserve New Jersey Green Acres Fund, and shall be specifically
41 dedicated for the issuance of additional loans in the same manner as
42 provided in subsection b. of section 27 of P.L.1999, c.152
43 (C.13:8C-27).

44 d. (1) The moneys in the fund are specifically dedicated and
45 shall be used for the same purposes and according to the same
46 criteria and provisions as those set forth in section 26 of P.L.1999,
47 c.152 (C.13:8C-26), and as provided pursuant to P.L.2016, c.12

1 (C.13:8C-43 et seq.) and **[paragraph (3) of]** this **[subsection]**
2 section .

3 (2) Grants and loans issued to local government units and grants
4 issued to qualifying tax exempt nonprofit organizations using
5 constitutionally dedicated CBT moneys for the acquisition and
6 development of lands for recreation and conservation purposes shall
7 be subject to the same provisions as those prescribed in section 27
8 of P.L.1999, c.152 (C.13:8C-27), except as otherwise provided in
9 section 10 of P.L.2016, c.12 (C.13:8C-52).

10 (3) Notwithstanding any provision of P.L.2016, c.12 (C.13:8C-
11 43 et seq.) or P.L.1999, c.152 (C.13:8C-1 et seq.) to the contrary,
12 projects of the Palisades Interstate Park Commission established
13 pursuant to P.L.1980, c.104 (C.32:14-1.1 et seq.) for the acquisition
14 or development of land for recreation and conservation purposes in
15 New Jersey shall be considered State projects for the purposes of
16 eligibility for funding pursuant to the provisions of P.L.2016, c.12
17 (C.13:8C-43 et seq.).

18 e. Moneys in the fund shall not be expended except in
19 accordance with appropriations from the fund made by law. Any
20 act appropriating moneys from the Preserve New Jersey Green
21 Acres Fund shall identify any particular project or projects to be
22 funded by the moneys, and any expenditure for a project for which
23 the location is not identified by municipality and county in the
24 appropriation shall require the approval of the Joint Budget
25 Oversight Committee, or its successor, except as permitted
26 otherwise in accordance with the same exceptions as those specified
27 in paragraph (2) of subsection a. of section 23 of P.L.1999, c.152
28 (C.13:8C-23).

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

31 g. Of the amount authorized pursuant to this section, not more
32 than five percent shall be utilized for organizational, administrative
33 and other work and services, including salaries, equipment and
34 materials necessary to administer the applicable provisions of **[this**
35 **act]** P.L.2016, c.12 (C.13:8C-43 et seq.) .

36 h. To the end that municipalities may not suffer a loss of taxes
37 by reason of the acquisition and ownership by the State of lands in
38 fee simple for recreation and conservation purposes, or the
39 acquisition and ownership by qualifying tax exempt nonprofit
40 organizations of lands in fee simple for recreation and conservation
41 purposes that become certified as exempt from property taxes
42 pursuant to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws,
43 the State shall make payments annually in the same manner as
44 payments are made pursuant to section 29 of P.L.1999, c.152
45 (C.13:8C-29).

46 i. The State shall not use the power of eminent domain in any
47 manner for the acquisition of lands by the State for recreation and
48 conservation purposes using constitutionally dedicated CBT

1 moneys in whole or in part unless a concurrent resolution approving
2 that use is approved by both Houses of the Legislature; except that,
3 without the need for such a concurrent resolution, the State may use
4 the power of eminent domain to the extent necessary to establish a
5 value for lands to be acquired from a willing seller by the State for
6 recreation and conservation purposes using constitutionally
7 dedicated CBT moneys in whole or in part.

8 j. Of the amount deposited in each State fiscal year
9 commencing in State fiscal year 2020 and annually thereafter into
10 the Preserve New Jersey Green Acres Fund pursuant to paragraph
11 (1) of subsection a. of section 1 of P.L. , c. (C.) (pending
12 before the Legislature as this bill):

13 (1) 60 percent shall be allocated for the purpose of paying the
14 cost of acquisition and development of lands by the State for
15 recreation and conservation purposes, and the amount provided
16 pursuant to this paragraph shall be allocated as follows:

17 (a) 50 percent shall be allocated for the purpose of paying the
18 cost of acquisition of lands by the State for recreation and
19 conservation purposes, including Blue Acres projects; and

20 (b) 50 percent shall be allocated for the purpose of paying the
21 cost of development of lands by the State for recreation and
22 conservation purposes, and of the amount provided pursuant to this
23 subparagraph:

24 (i) up to 22 percent shall be allocated for the purpose of paying
25 the cost for stewardship activities undertaken on lands administered
26 by the Division of Fish and Wildlife in the department; and

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

30 (2) 34 percent shall be allocated for the purposes of providing
31 grants and loans to assist local government units to pay the cost of
32 acquisition and development of lands for recreation and
33 conservation purposes, including Blue Acres projects, and of this
34 amount, up to two percent shall be allocated for stewardship
35 activities undertaken by local government units; and

36 (3) six percent shall be allocated for the purposes of providing
37 grants to assist qualifying tax exempt nonprofit organizations to pay
38 the cost of acquisition and development of lands for recreation and
39 conservation purposes, including Blue Acres projects, and of this
40 amount, 11 percent shall be allocated for stewardship activities
41 undertaken by qualifying tax exempt nonprofit organizations.

42 k. (1) In addition to the purposes set forth in subsection d. of
43 this section, moneys in the Preserve New Jersey Green Acres Fund
44 may be applied for the purposes of providing moneys to:

45 (a) meet the Blue Acres costs to the State for the acquisition of
46 lands for a Blue Acres project; or

47 (b) provide grants, pursuant to the provisions of paragraph (2) of
48 this subsection, to assist a qualifying tax exempt nonprofit

1 organization in meeting the Blue Acres costs for the acquisition of
2 lands for a Blue Acres project.

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

7 (a) A qualifying tax exempt nonprofit organization shall not use
8 as its matching share of the Blue Acres cost of acquisition of lands
9 for a Blue Acres project any constitutionally dedicated moneys, as
10 defined pursuant to section 3 of P.L.1999, c.152 (C.13:8C-3), or
11 any grant moneys obtained from a Green Acres bond act.

12 (b) To qualify to receive a grant from the Preserve New Jersey
13 Blue Acres Fund, the board of directors or governing body of the
14 applying tax exempt nonprofit organization shall:

15 (i) demonstrate to the commissioner that the organization
16 qualifies as a charitable conservancy for the purposes of P.L.1979,
17 c.378 (C.13:8B-1 et seq.);

18 (ii) demonstrate that the organization has the resources to match
19 the grant requested;

20 (iii) agree to make and keep the lands accessible to the public,
21 unless the commissioner determines that public accessibility would
22 be detrimental to the lands or any natural resources associated
23 therewith;

24 (iv) agree not to convey the lands except to the federal
25 government, the State, a local government unit, or another
26 qualifying tax exempt nonprofit organization, for recreation and
27 conservation purposes; and

28 (v) agree to execute and donate to the State at no charge a
29 conservation restriction pursuant to P.L.1979, c.378 (C.13:8B-1 et
30 seq.) on the lands to be acquired with the grant.

31 (cf: P.L.2018, c.95, s.1)

32

33 3. Section 8 of P.L.2016, c.12 (C.13:8C-50) is amended to read
34 as follows:

35 8. a. The State Treasurer shall establish a fund to be known as
36 the "Preserve New Jersey Farmland Preservation Fund" and shall
37 deposit all moneys received pursuant to paragraph (3) of subsection
38 a. of section 5 of **[this act]** P.L.2016, c.12 (C.13:8C-47), paragraph
39 (2) of subsection a. of section 1 of P.L. , c. (C.) (pending
40 before the Legislature as this bill), and any other moneys
41 appropriated by law for deposit into the fund.

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

1 b. (1) The moneys in the fund are specifically dedicated and
2 shall be used for the same purposes as those set forth in section 37
3 of P.L.1999, c.152 (C.13:8C-37) and as provided in paragraph (2)
4 of this subsection.

5 (2) Of the moneys deposited into the Preserve New Jersey
6 Farmland Preservation Fund each year, up to **[3]** three percent shall
7 be allocated by the committee on an annual basis for stewardship
8 activities.

9 c. Moneys in the fund shall not be expended except in
10 accordance with appropriations from the fund made by law. Any
11 act appropriating moneys from the Preserve New Jersey Farmland
12 Preservation Fund shall identify any particular project or projects to
13 be funded by the moneys, and any expenditure for a project for
14 which the location is not identified by municipality and county in
15 the appropriation shall require the approval of the Joint Budget
16 Oversight Committee, or its successor, except as permitted
17 otherwise in accordance with the same exceptions as those specified
18 in paragraph (2) of subsection b. of section 23 of P.L.1999, c.152
19 (C.13:8C-23).

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

22 (cf: P.L.2016, c.12, s.8)

23
24 4. Section 9 of P.L.2016, c.12 (C.13:8C-51) is amended to read
25 as follows:

26 9. a. The State Treasurer shall establish a fund to be known as
27 the "Preserve New Jersey Historic Preservation Fund" and shall
28 deposit all moneys received pursuant to paragraph (4) of subsection
29 a. of section 5 of P.L.2016, c.12 (C.13:8C-47) , paragraph (3) of
30 subsection a. of section 1 of P.L. , c. (C.) (pending before
31 the Legislature as this bill), and any other moneys appropriated by
32 law for deposit into the fund.

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

40 b. (1) The moneys in the fund are specifically dedicated and
41 shall be used for the same purposes as those set forth in section 41
42 of P.L.1999, c.152 (C.13:8C-41), **[and]** for emergency intervention
43 and the acquisition of historic preservation easements , and shall be
44 allocated by the New Jersey Historic Trust as provided in
45 subsection e. of this section .

46 (2) Notwithstanding any provision of P.L.2016, c.12 (C.13:8C-
47 43 et seq.) or P.L.1999, c.152 (C.13:8C-1 et seq.) to the contrary,
48 the Palisades Interstate Park Commission established pursuant to

1 P.L.1980, c.104 (C.32:14-1.1 et seq.) shall be eligible for grants
2 pursuant to the provisions of section 41 of P.L.1999, c.152
3 (C.13:8C-41) for projects located in New Jersey. A project by the
4 Palisades Interstate Park Commission for historic preservation
5 purposes shall be subject to the same criteria and conditions set
6 forth in section 41 of P.L.1999, c.152 (C.13:8C-41) applicable to a
7 project by a local government unit.

8 c. Moneys in the fund shall not be expended except in
9 accordance with appropriations from the fund made by law. Any
10 act appropriating moneys from the Preserve New Jersey Historic
11 Preservation Fund shall identify any particular project or projects to
12 be funded by the moneys, and any expenditure for a project for
13 which the location is not identified by municipality and county in
14 the appropriation shall require the approval of the Joint Budget
15 Oversight Committee, or its successor.

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

18 e. Of the amount deposited in each State fiscal year
19 commencing in State fiscal year 2020 and annually thereafter into
20 the Preserve New Jersey Historic Preservation Fund pursuant to
21 paragraph (3) of subsection a. of section 1 of P.L. , c. (C.)
22 (pending before the Legislature as this bill), a minimum of 50
23 percent shall be allocated for Level II capital preservation grants.

24 As used in this subsection, "Level II capital preservation grant"
25 means a construction grant awarded by the New Jersey Historic
26 Trust for the preservation, restoration, or rehabilitation of a historic
27 property in an amount between \$150,001 to \$750,000.

28 (cf: P.L.2018, c.95, s.2)

29

30 5. This act shall take effect immediately.

31

32

33

STATEMENT

34

35 This bill establishes the funding allocations for the constitutional
36 dedication of Corporation Business Tax (CBT) revenues for the
37 State's open space, farmland, and historic preservation programs for
38 fiscal year 2020 and thereafter.

39 The constitutional dedication of CBT revenues for open space,
40 farmland, and historic preservation pursuant to Article VIII, Section
41 II, paragraph 6 of the State Constitution, approved by the voters of
42 the State in November 2014, dedicates four percent of CBT
43 revenues for open space, farmland, and historic preservation, water
44 programs, public and private site remediation, and underground
45 storage tank programs for fiscal years 2016 through 2019. For
46 fiscal year 2020 and thereafter, this annual dedication for certain
47 environmental programs is increased from four percent to six
48 percent.

1 Specifically with regard to open space, farmland, and historic
2 preservation, commencing July 1, 2019 (i.e., for State fiscal year
3 2020 and thereafter), of the six percent CBT dedication, the State
4 Constitution dedicates annually 78 percent for the following
5 purposes: (1) providing funding, including loans or grants, for the
6 preservation, including acquisition, development, and stewardship,
7 of lands for recreation and conservation purposes, including lands
8 that protect water supplies and lands that have incurred flood or
9 storm damage or are likely to do so, or that may buffer or protect
10 other properties from flood or storm damage (i.e., Green Acres and
11 Blue Acres); (2) providing funding, including loans or grants, for
12 the preservation and stewardship of land for agricultural or
13 horticultural use and production (i.e., farmland preservation); (3)
14 providing funding, including loans or grants, for historic
15 preservation; and (4) paying administrative costs associated with
16 each of those efforts. Previously, for fiscal years 2016 through
17 2019, the State Constitution dedicated 71 percent of the four
18 percent CBT dedication for these four purposes.

19 Current law, the “Preserve New Jersey Act,” P.L.2016, c.12
20 (C.13:8C-43 et seq.), sets forth funding allocations for the
21 constitutional dedication of CBT revenues for open space, farmland,
22 and historic preservation for State fiscal years 2017 through 2019.
23 This bill supplements and amends the “Preserve New Jersey Act” in
24 order to implement the CBT revenue dedication and the “Preserve
25 New Jersey Act” for State fiscal year 2020 and beyond by
26 establishing funding allocations for the State’s existing open space,
27 farmland, and historic preservation programs based on the increase
28 in dedicated CBT revenue available for these purposes beginning
29 July 1, 2019.

30 Under this bill, for State fiscal year 2020 and thereafter, the
31 above-described dedicated CBT revenues would be allocated as
32 follows:

33 (1) 62 percent for the acquisition and development of lands for
34 public recreation and conservation purposes, including lands that
35 protect water supplies and lands that have incurred flood or storm
36 damage or are likely to do so, or that may buffer or protect other
37 properties from flood or storm damage;

38 (2) 31 percent for farmland preservation purposes; and

39 (3) seven percent for historic preservation purposes.

40 Of the funding allocated each year for recreation and
41 conservation purposes pursuant to this bill: 60 percent would be
42 used for State open space acquisition and development projects; 34
43 percent would be used for grants and loans to fund local
44 government open space acquisition and development projects; and
45 six percent would be used for grants to fund open space acquisition
46 and development projects undertaken by qualifying tax exempt
47 nonprofit organizations. These funds would be further allocated for
48 open space acquisition and development projects by the State, local

1 governments, and nonprofit organizations in the same manner as
2 provided in current law.

3 Beginning July 1, 2022, and annually thereafter, the bill directs
4 the Garden State Preservation Trust (GSPT) to review the
5 appropriations of constitutionally dedicated CBT moneys to, and
6 the expenditures thereof by, the Department of Environmental
7 Protection (DEP), the State Agriculture Development Committee
8 (SADC), and the New Jersey Historic Trust (NJHT) for their
9 respective programs for the fiscal year ending two years prior to the
10 year in which the review is occurring. If the GSPT determines that
11 the DEP, SADC, or NJHT have not expended or contractually
12 obligated the moneys allocated for the fiscal year ending two years
13 prior to the year in which the review is occurring, the bill provides
14 that the GSPT may reallocate the amount of moneys that have not
15 been expended or contractually obligated for that particular fiscal
16 year by the DEP, SADC, or NJHT, as applicable. If the GSPT
17 determines it is appropriate, the bill provides that the GSPT would
18 determine, of that amount, the appropriate funding allocations for
19 the Preserve New Jersey Green Acres Fund, the Preserve New
20 Jersey Farmland Preservation Fund, or the Preserve New Jersey
21 Historic Preservation Fund. The bill also provides that the GSPT
22 would determine how those amounts would be further allocated by
23 the DEP, SADC, or NJHT, as applicable. The bill requires the
24 GSPT to hold a public hearing to solicit public input when making
25 these determinations. The bill directs the GSPT to make its
26 determinations based upon a demonstrated need for funding for the
27 acquisition or development of lands for recreation and conservation
28 purposes, including Blue Acres projects, farmland preservation
29 purposes, or historic preservation purposes based upon available
30 projects, applicant demand, and past appropriations and
31 expenditures for these purposes. The bill further provides that if the
32 GSPT reallocates constitutionally dedicated CBT moneys for a
33 particular fiscal year as allowed by the bill, that reallocation would
34 not affect or alter allocations for any subsequent fiscal year.

35 The Blue Acres program is administered as a component of the
36 DEP's Green Acres program. "Blue Acres" is the term used to refer
37 to properties that have been damaged by storms or storm-related
38 flooding, that appear likely to incur such damage, or that may
39 buffer or protect other lands from such damage. Structures on a
40 purchased property are demolished, the debris is removed, and the
41 land is preserved as open space. Under this bill, the Blue Acres
42 program would not receive a separate funding allocation but would
43 continue to be administered as part of the overall funding allocation
44 provided to the Green Acres program. The bill incorporates the
45 purposes of the Preserve New Jersey Blue Acres Fund into the
46 Preserve New Jersey Green Acres Fund, rather than having two
47 separate funds providing moneys to the DEP's Green Acres

1 program for the acquisition of lands for recreation and conservation
2 purposes.

3 Lastly, the bill provides that of the amount deposited annually
4 into the Preserve New Jersey Historic Preservation Fund, a
5 minimum of 50 percent would be allocated for Level II capital
6 preservation grants. Capital preservation grants fund the
7 restoration, preservation, repair, and rehabilitation of historic
8 properties listed or eligible for listing in the State or National
9 Register of Historic Places. By regulation, the NJHT has
10 established two levels of capital preservation grants: Level I grants
11 of \$5,000 to \$150,000, and Level II grants of \$150,001 to \$750,000.
12 This bill would require that a minimum of 50 percent of the
13 allocated funding in each fiscal year be awarded to larger scale
14 historic preservation projects.

15 Based on the increase in the amount of the constitutionally
16 dedicated CBT revenue, there is expected to be an increase in
17 funding available for the State's open space, farmland, and historic
18 preservation purposes. Based on current estimates of CBT revenue,
19 there will be \$92 million available for these purposes for fiscal year
20 2019, and an estimated \$152 million available for fiscal year 2020.
21 The increase in dedicated CBT revenue beginning in fiscal year
22 2020 and the allocations provided in this bill will result in
23 additional funding being available for the State's open space,
24 farmland, and historic preservation programs.

ASSEMBLY AGRICULTURE AND NATURAL RESOURCES
COMMITTEE

STATEMENT TO

[Second Reprint]
SENATE, No. 2920

STATE OF NEW JERSEY

DATED: JUNE 13, 2019

The Assembly Agriculture and Natural Resources Committee favorably reports Senate Bill No. 2920.

Senate Bill No. 2920 establishes the funding allocations for the constitutional dedication of Corporation Business Tax (CBT) revenues for fiscal year 2020 and thereafter and revises the law concerning the State's open space, farmland, and historic preservation programs. In addition, this bill would appropriate \$500,000 from the "Preserve New Jersey Historic Preservation Fund" for the purpose of establishing an electronic database to track projects that receive funding for historic preservation purposes.

The constitutional dedication of CBT revenues for open space, farmland, and historic preservation pursuant to Article VIII, Section II, paragraph 6 of the State Constitution, approved by the voters of the State in November 2014, dedicates, for fiscal year 2020 and thereafter, six percent of CBT revenues for open space, farmland, and historic preservation, water programs, public and private site remediation, and underground storage tank programs. Specifically with regard to open space, farmland, and historic preservation, commencing July 1, 2019 (i.e., for State fiscal year 2020 and thereafter), of the six percent CBT dedication, the State Constitution dedicates annually 78 percent for the following purposes: (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.

Current law, the "Preserve New Jersey Act," P.L.2016, c.12 (C.13:8C-43 et seq.), sets forth funding allocations for the constitutional dedication of CBT revenues for open space, farmland,

and historic preservation for State fiscal years 2017 through 2019. This bill supplements and amends the “Preserve New Jersey Act” in order to implement the CBT revenue dedication and the “Preserve New Jersey Act” for State fiscal year 2020 and beyond by establishing funding allocations for the State’s existing open space, farmland, and historic preservation programs based on the increase in dedicated CBT revenue available for these purposes beginning July 1, 2019.

Under this bill, for State fiscal year 2020 and thereafter, the above-described dedicated CBT revenues would be allocated as follows:

- (1) 62 percent for the acquisition and development of lands for public 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) 31 percent for farmland preservation purposes; and
- (3) seven percent for historic preservation purposes.

Beginning July 1, 2022, and annually thereafter, the bill directs the Garden State Preservation Trust (GSPT) to review the appropriations of constitutionally dedicated CBT moneys to, and the expenditures thereof by, the Department of Environmental Protection (DEP), State Agriculture Development Committee (SADC), and New Jersey Historic Trust (NJHT) for their respective programs. In conducting this review, the GSPT would: (1) evaluate the demonstrated need for funding for the acquisition or development of lands for recreation and conservation purposes, including Blue Acres projects, farmland preservation purposes, or historic preservation purposes based upon available projects, applicant demand, and past appropriations and expenditures for these purposes; and (2) hold a public hearing to solicit public input on appropriate funding allocations for the DEP, SADC, and NJHT for the upcoming fiscal year. If the GSPT determines, based on this review, that it would be appropriate to revise the program funding allocations, the GSPT would send written notice to the Chairperson of the Senate Environment and Energy Committee, the Assembly Agriculture and Natural Resources Committee, and the Assembly Environment and Solid Waste Committee, or their successors, of its findings and recommendations concerning future funding allocations for the Preserve New Jersey Green Acres Fund, the Preserve New Jersey Farmland Preservation Fund, or the Preserve New Jersey Historic Preservation Fund. A recommendation by the GSPT would not alter the program funding allocations unless authorized by the Legislature.

Of the funding allocated each year for recreation and conservation purposes pursuant to this bill: 60 percent would be used for State open space acquisition and development projects; 30 percent would be used for grants and loans to fund local government open space acquisition and development projects; and 10 percent would be used for grants to

fund open space acquisition and development projects undertaken by qualifying tax exempt nonprofit organizations.

The bill further provides that of the funding for State open space acquisition and development projects: 45 percent would be used for acquisition projects, including Blue Acres projects, and 55 percent would be used for development projects, rather than 50 percent each as provided by current law. Of the funding for State open space acquisition projects, a minimum of 10 percent would be allocated for Blue Acres projects.

Further, of the allocated funding for open space acquisition and development projects by local government units, up to 10 percent would be used to fund stewardship activities, rather than up to two percent as provided by current law.

The Blue Acres program is administered as a component of the DEP's Green Acres program. "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. Under this bill, the Blue Acres program would not receive a separate funding allocation but would continue to be administered as part of the overall funding allocation provided to the Green Acres program. The bill incorporates the purposes of the Preserve New Jersey Blue Acres Fund into the Preserve New Jersey Green Acres Fund, rather than having two separate funds providing moneys to the DEP's Green Acres program for the acquisition of lands for recreation and conservation purposes.

With regard to farmland preservation, the bill amends current law to provide that, for State fiscal year 2020 and thereafter, of the moneys allocated for farmland preservation, up to four percent may be used for stewardship activities on preserved farmland, rather than up to three percent under current law. The bill also amends the definition of stewardship activity for the purposes of the farmland preservation program to include projects that improve the resiliency of farmland soils. In addition, the bill provides that that stewardship activities undertaken on farmland on which (1) the pinelands development credits have been acquired pursuant to the "Pinelands Protection Act," and the pinelands comprehensive management plan adopted pursuant thereto, or the development rights have been acquired pursuant to a transfer of development rights program for the Highlands Region established pursuant to the "Highlands Water Protection and Planning Act," and (2) there is a deed restriction approved by the SADC, would be eligible to receive funding from the SADC.

With regard to historic preservation, the bill amends current law to provide that the DEP would be eligible for grants from the Preserve New Jersey Historic Preservation Fund for State-owned historic properties. In addition, the bill would authorize the appropriation to

the NJHT of \$500,000 from the Preserve New Jersey Historic Preservation Fund for the purpose of establishing an electronic database to track projects that receive funding for historic preservation purposes. The bill would also make this appropriation for fiscal year 2020.

The bill amends current law to require that the DEP, SADC, and NJHT, each submit to the GSPT, at least once every fiscal year, projects recommended to receive funding under the bill. Under current law, the programs are required to submit project recommendations at least once every two years.

The bill would also amend and supplement current law to allow 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 from the Preserve New Jersey Green Acres Fund, the Garden State Green Acres Preservation Trust Fund, or any Green Acres bond fund to be used to provide additional grants or loans to local government units, rather than only loans as provided in current law.

In addition, the bill would extend the expiration date of the special appraisal process provided by law for State-funded land acquisitions under the Green Acres program and the farmland preservation program from June 30, 2019 to June 30, 2024 for lands located in the Highlands Region, and specify that this special appraisal process is to be used when acquiring lands with constitutionally dedicated CBT moneys pursuant to the "Preserve New Jersey Act." Under this appraisal process, the State, local government units, or qualifying tax exempt nonprofit organizations are currently required by law to conduct two appraisals of lands in the Highlands Region that are proposed for acquisition for recreation and conservation purposes or farmland preservation purposes. The first appraisal is based on the property value on the proposed acquisition date, and the other is based on the value of the property as of January 1, 2004. The higher of the two values is used as the basis of negotiation with the landowner when determining the property's final acquisition price.

Lastly, the bill would authorize the DEP to adopt rules and regulations establishing a fee schedule for the review of applications to convey, dispose of, or divert of lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation purposes. The bill also adds a section establishing penalties for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation purposes.

As reported by the Assembly Agriculture and Natural Resources Committee, Senate Bill No. 2920 (2R) is identical to the Assembly Committee Substitute for Assembly Bill No. 4477 as also reported by the committee.

SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATEMENT TO

SENATE, No. 2920

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 24, 2019

The Senate Environment and Energy Committee favorably reports Senate Bill No. 2920 with committee amendments.

This bill, as amended, establishes the funding allocations for the constitutional dedication of Corporation Business Tax (CBT) revenues for fiscal year 2020 and thereafter and revises the law concerning the State's open space, farmland, and historic preservation programs. In addition, this bill would appropriate \$500,000 from the "Preserve New Jersey Historic Preservation Fund" for the purpose of establishing an electronic database to track projects that receive funding for historic preservation purposes.

The constitutional dedication of CBT revenues for open space, farmland, and historic preservation pursuant to Article VIII, Section II, paragraph 6 of the State Constitution, approved by the voters of the State in November 2014, dedicates, for fiscal year 2020 and thereafter, six percent of CBT revenues for open space, farmland, and historic preservation, water programs, public and private site remediation, and underground storage tank programs. Specifically with regard to open space, farmland, and historic preservation, commencing July 1, 2019 (i.e., for State fiscal year 2020 and thereafter), of the six percent CBT dedication, the State Constitution dedicates annually 78 percent for the following purposes: (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.

Current law, the "Preserve New Jersey Act," P.L.2016, c.12 (C.13:8C-43 et seq.), sets forth funding allocations for the constitutional dedication of CBT revenues for open space, farmland,

and historic preservation for State fiscal years 2017 through 2019. This bill supplements and amends the “Preserve New Jersey Act” in order to implement the CBT revenue dedication and the “Preserve New Jersey Act” for State fiscal year 2020 and beyond by establishing funding allocations for the State’s existing open space, farmland, and historic preservation programs based on the increase in dedicated CBT revenue available for these purposes beginning July 1, 2019.

Under this bill, for State fiscal year 2020 and thereafter, the above-described dedicated CBT revenues would be allocated as follows:

- (1) 62 percent for the acquisition and development of lands for public 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) 31 percent for farmland preservation purposes; and
- (3) seven percent for historic preservation purposes.

Beginning July 1, 2022, and annually thereafter, the bill directs the Garden State Preservation Trust (GSPT) to review the appropriations of constitutionally dedicated CBT moneys to, and the expenditures thereof by, the Department of Environmental Protection (DEP), State Agriculture Development Committee (SADC), and New Jersey Historic Trust (NJHT) for their respective programs. In conducting this review, the GSPT would: (1) evaluate the demonstrated need for funding for the acquisition or development of lands for recreation and conservation purposes, including Blue Acres projects, farmland preservation purposes, or historic preservation purposes based upon available projects, applicant demand, and past appropriations and expenditures for these purposes; and (2) hold a public hearing to solicit public input on appropriate funding allocations for the DEP, SADC, and NJHT for the upcoming fiscal year. If the GSPT determines, based on this review, that it would be appropriate to revise the program funding allocations, the GSPT would send written notice to the Chairperson of the Senate Environment and Energy Committee, the Assembly Agriculture and Natural Resources Committee, and the Assembly Environment and Solid Waste Committee, or their successors, of its findings and recommendations concerning future funding allocations for the Preserve New Jersey Green Acres Fund, the Preserve New Jersey Farmland Preservation Fund, or the Preserve New Jersey Historic Preservation Fund. A recommendation by the GSPT would not alter the program funding allocations unless authorized by the Legislature.

Of the funding allocated each year for recreation and conservation purposes pursuant to this bill: 60 percent would be used for State open space acquisition and development projects; 30 percent would be used for grants and loans to fund local

government open space acquisition and development projects; and 10 percent would be used for grants to fund open space acquisition and development projects undertaken by qualifying tax exempt nonprofit organizations.

The bill further provides that of the funding for State open space acquisition and development projects: 45 percent would be used for acquisition projects, including Blue Acres projects, and 55 percent would be used for development projects, rather than 50 percent each as provided by current law. Of the funding for State open space acquisition projects, a minimum of 10 percent would be allocated for Blue Acres projects.

Further, of the allocated funding for open space acquisition and development projects by local government units, up to 10 percent would be used to fund stewardship activities, rather than up to two percent as provided by current law.

The Blue Acres program is administered as a component of the DEP's Green Acres program. "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. Under this bill, the Blue Acres program would not receive a separate funding allocation but would continue to be administered as part of the overall funding allocation provided to the Green Acres program. The bill incorporates the purposes of the Preserve New Jersey Blue Acres Fund into the Preserve New Jersey Green Acres Fund, rather than having two separate funds providing moneys to the DEP's Green Acres program for the acquisition of lands for recreation and conservation purposes.

With regard to farmland preservation, the bill amends current law to provide that, for State fiscal year 2020 and thereafter, of the moneys allocated for farmland preservation, up to four percent may be used for stewardship activities on preserved farmland, rather than up to three percent under current law. The bill also amends the definition of stewardship activity for the purposes of the farmland preservation program to include projects that improve the resiliency of farmland soils.

With regard to historic preservation, the bill amends current law to provide that the DEP would be eligible for grants from the Preserve New Jersey Historic Preservation Fund for State-owned historic properties. In addition, the bill would authorize the appropriation to the NJHT of \$500,000 from the Preserve New Jersey Historic Preservation Fund for the purpose of establishing an electronic database to track projects that receive funding for historic preservation purposes. The bill would also make this appropriation for fiscal year 2020.

The bill amends current law to require that the DEP, SADC, and NJHT, each submit to the GSPT, at least once every fiscal year, projects recommended to receive funding under the bill. Under current law, the programs are required to submit project recommendations at least once every two years.

The bill would also amend and supplement current law to allow 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 from the Preserve New Jersey Green Acres Fund, the Garden State Green Acres Preservation Trust Fund, or any Green Acres bond fund to be used to provide additional grants or loans to local government units, rather than only loans as provided in current law.

Lastly, the bill would authorize the DEP to adopt rules and regulations establishing a fee schedule for the review of applications to convey, dispose of, or divert of lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation purposes. The bill also adds a section establishing penalties for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation purposes.

The committee amendments to the bill:

(1) amend section 1 of the bill to delete the language that would have established a new procedure for the GSPT to reallocate certain funds after conducting a review of prior appropriations, and add language requiring the GSPT to review the appropriations of constitutionally dedicated CBT moneys to, and the expenditures thereof by, the DEP, the SADC, and the NJHT for their respective programs and make a recommendation to the Legislature as to whether it is appropriate to revise the program allocations;

(2) provide that of the amount allocated to be used for State open space acquisition and development projects, 45 percent would be for acquisition projects and 55 percent would be for development projects, rather than 50 percent each, and provide that of the funding for State open space acquisition projects, a minimum of 10 percent would be allocated for Blue Acres projects;

(3) change the allocations for recreation and conservation purposes to decrease from 34 percent to 30 percent the amount to be used for grants and loans to fund local government open space acquisition and development projects, and increase from six percent to 10 percent the amount to be used for grants to fund open space acquisition and development projects undertaken by qualifying tax exempt nonprofit organizations;

(4) increase the amount of funding to be allocated for stewardship activities for recreation and conservation purposes by local government units from up to two percent to up to 10 percent;

(5) provide that of the moneys allocated for farmland preservation, for State fiscal year 2020 and thereafter, up to four percent may be used for stewardship activities on preserved farmland, rather than up to three percent under current law, and amend the definition of stewardship activity for the purposes of the farmland preservation program to include projects that improve the resiliency of farmland soils;

(6) allow 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 from the Preserve New Jersey Green Acres Fund, the Garden State Green Acres Preservation Trust Fund, or any Green Acres bond fund to be used to provide additional grants or loans to local government units, rather than only loans;

(7) amend current law to provide that the DEP would be eligible to receive grants from the Preserve New Jersey Historic Preservation Fund for historic properties owned by the DEP;

(8) delete the requirement in the bill that would have required, of the amount deposited annually into the Preserve New Jersey Historic Preservation Fund, a minimum of 50 percent to be allocated for Level II capital preservation grants;

(9) amend current law to require the DEP, SADC, and NJHT, each, to submit project recommendations for funding to the GSPT at least once every fiscal year, rather than at least once every two years;

(10) authorize the DEP to adopt rules and regulations establishing a fee schedule for the review of applications to convey, dispose of, or divert of lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation purposes, and add a new section establishing penalties for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation;

(11) require the DEP to annually send a written report to the Chairpersons of the Senate Environment and Energy Committee, the Assembly Agriculture and Natural Resources Committee, and the Assembly Environment and Solid Waste Committee identifying the projects funded with moneys allocated for the purpose of paying the cost of development of lands by the State for recreation and conservation purposes, including stewardship activities;

(12) authorize the use of up to \$500,000 from the Preserve New Jersey Historic Preservation Fund for the purpose of establishing an electronic database to track projects that receive funding for historic preservation purposes, and add a new section 10 to the bill appropriating \$500,000 to the NJHT for this purpose; and

(13) revise the effective date of the bill to provide that section 10 of the bill would take effect upon enactment of the bill into law or on July 1, 2019, whichever is later.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2920

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 18, 2019

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2920 (1R), with committee amendments.

Senate Bill No. 2920 (1R), as amended, establishes the funding allocations for the constitutional dedication of Corporation Business Tax (CBT) revenues for fiscal year 2020 and thereafter and revises the law concerning the State's open space, farmland, and historic preservation programs. In addition, this bill would appropriate \$500,000 from the "Preserve New Jersey Historic Preservation Fund" for the purpose of establishing an electronic database to track projects that receive funding for historic preservation purposes.

The constitutional dedication of CBT revenues for open space, farmland, and historic preservation pursuant to Article VIII, Section II, paragraph 6 of the State Constitution, approved by the voters of the State in November 2014, dedicates, for fiscal year 2020 and thereafter, six percent of CBT revenues for open space, farmland, and historic preservation, water programs, public and private site remediation, and underground storage tank programs. Specifically with regard to open space, farmland, and historic preservation, commencing July 1, 2019 (i.e., for State fiscal year 2020 and thereafter), of the six percent CBT dedication, the State Constitution dedicates annually 78 percent for the following purposes: (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.

Current law, the "Preserve New Jersey Act," P.L.2016, c.12 (C.13:8C-43 et seq.), sets forth funding allocations for the

constitutional dedication of CBT revenues for open space, farmland, and historic preservation for State fiscal years 2017 through 2019. This bill supplements and amends the “Preserve New Jersey Act” in order to implement the CBT revenue dedication and the “Preserve New Jersey Act” for State fiscal year 2020 and beyond by establishing funding allocations for the State’s existing open space, farmland, and historic preservation programs based on the increase in dedicated CBT revenue available for these purposes beginning July 1, 2019.

Under this bill, for State fiscal year 2020 and thereafter, the above-described dedicated CBT revenues would be allocated as follows:

(1) 62 percent for the acquisition and development of lands for public 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) 31 percent for farmland preservation purposes; and

(3) seven percent for historic preservation purposes.

Beginning July 1, 2022, and annually thereafter, the bill directs the Garden State Preservation Trust (GSPT) to review the appropriations of constitutionally dedicated CBT moneys to, and the expenditures thereof by, the Department of Environmental Protection (DEP), State Agriculture Development Committee (SADC), and New Jersey Historic Trust (NJHT) for their respective programs. In conducting this review, the GSPT would: (1) evaluate the demonstrated need for funding for the acquisition or development of lands for recreation and conservation purposes, including Blue Acres projects, farmland preservation purposes, or historic preservation purposes based upon available projects, applicant demand, and past appropriations and expenditures for these purposes; and (2) hold a public hearing to solicit public input on appropriate funding allocations for the DEP, SADC, and NJHT for the upcoming fiscal year. If the GSPT determines, based on this review, that it would be appropriate to revise the program funding allocations, the GSPT would send written notice to the Chairperson of the Senate Environment and Energy Committee, the Assembly Agriculture and Natural Resources Committee, and the Assembly Environment and Solid Waste Committee, or their successors, of its findings and recommendations concerning future funding allocations for the Preserve New Jersey Green Acres Fund, the Preserve New Jersey Farmland Preservation Fund, or the Preserve New Jersey Historic Preservation Fund. A recommendation by the GSPT would not alter the program funding allocations unless authorized by the Legislature.

Of the funding allocated each year for recreation and conservation purposes pursuant to this bill: 60 percent would be used for State open space acquisition and development projects; 30 percent would be used for grants and loans to fund local government open space acquisition and development projects; and 10 percent would be used for grants to

fund open space acquisition and development projects undertaken by qualifying tax exempt nonprofit organizations.

The bill further provides that of the funding for State open space acquisition and development projects: 45 percent would be used for acquisition projects, including Blue Acres projects, and 55 percent would be used for development projects, rather than 50 percent each as provided by current law. Of the funding for State open space acquisition projects, a minimum of 10 percent would be allocated for Blue Acres projects.

Further, of the allocated funding for open space acquisition and development projects by local government units, up to 10 percent would be used to fund stewardship activities, rather than up to two percent as provided by current law.

The Blue Acres program is administered as a component of the DEP's Green Acres program. "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. Under this bill, the Blue Acres program would not receive a separate funding allocation but would continue to be administered as part of the overall funding allocation provided to the Green Acres program. The bill incorporates the purposes of the Preserve New Jersey Blue Acres Fund into the Preserve New Jersey Green Acres Fund, rather than having two separate funds providing moneys to the DEP's Green Acres program for the acquisition of lands for recreation and conservation purposes.

With regard to farmland preservation, the bill amends current law to provide that, for State fiscal year 2020 and thereafter, of the moneys allocated for farmland preservation, up to four percent may be used for stewardship activities on preserved farmland, rather than up to three percent under current law. The bill also amends the definition of stewardship activity for the purposes of the farmland preservation program to include projects that improve the resiliency of farmland soils. In addition, the bill provides that that stewardship activities undertaken on farmland on which (1) the pinelands development credits have been acquired pursuant to the "Pinelands Protection Act," and the pinelands comprehensive management plan adopted pursuant thereto, or the development rights have been acquired pursuant to a transfer of development rights program for the Highlands Region established pursuant to the "Highlands Water Protection and Planning Act," and (2) there is a deed restriction approved by the SADC, would be eligible to receive funding from the SADC.

With regard to historic preservation, the bill amends current law to provide that the DEP would be eligible for grants from the Preserve New Jersey Historic Preservation Fund for State-owned historic properties. In addition, the bill would authorize the appropriation to

the NJHT of \$500,000 from the Preserve New Jersey Historic Preservation Fund for the purpose of establishing an electronic database to track projects that receive funding for historic preservation purposes. The bill would also make this appropriation for fiscal year 2020.

The bill amends current law to require that the DEP, SADC, and NJHT, each submit to the GSPT, at least once every fiscal year, projects recommended to receive funding under the bill. Under current law, the programs are required to submit project recommendations at least once every two years.

The bill would also amend and supplement current law to allow 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 from the Preserve New Jersey Green Acres Fund, the Garden State Green Acres Preservation Trust Fund, or any Green Acres bond fund to be used to provide additional grants or loans to local government units, rather than only loans as provided in current law.

In addition, the bill would extend the expiration date of the special appraisal process provided by law for State-funded land acquisitions under the Green Acres program and the farmland preservation program from June 30, 2019 to June 30, 2024 for lands located in the Highlands Region, and specify that this special appraisal process is to be used when acquiring lands with constitutionally dedicated CBT moneys pursuant to the "Preserve New Jersey Act." Under this appraisal process, the State, local government units, or qualifying tax exempt nonprofit organizations are currently required by law to conduct two appraisals of lands in the Highlands Region that are proposed for acquisition for recreation and conservation purposes or farmland preservation purposes. The first appraisal is based on the property value on the proposed acquisition date, and the other is based on the value of the property as of January 1, 2004. The higher of the two values is used as the basis of negotiation with the landowner when determining the property's final acquisition price.

Lastly, the bill would authorize the DEP to adopt rules and regulations establishing a fee schedule for the review of applications to convey, dispose of, or divert of lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation purposes. The bill also adds a section establishing penalties for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation purposes.

COMMITTEE AMENDMENTS:

The committee amendments to the bill:

1) provide that stewardship activities undertaken on farmland on which (a) the pinelands development credits, or the development rights pursuant to a transfer of development rights program for the Highlands Region, have been acquired, and (b) there is a deed restriction approved by the SADC, would be eligible to receive funding; and

2) extend the expiration date of the special appraisal process provided by law for State-funded land acquisitions under the Green Acres program and the farmland preservation program from June 30, 2019 to June 30, 2024 for lands located in the Highlands Region, and also specify that this special appraisal process is to be used when acquiring lands with constitutionally dedicated CBT moneys pursuant to the “Preserve New Jersey Act.”

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the Department of Environmental Protection (DEP) will realize an indeterminate increase in revenue from the fees collected from local governments and tax exempt non-profit organizations for the review of applications to convey, dispose of, or divert lands acquired, developed, or held for recreation and conservation; and an indeterminate increase in revenue from any penalties collected for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation purposes.

The OLS determines that local governments will incur an indeterminate increase in cost to submit certain applications to the Office of Green Acres for review. The OLS is unable to provide the extent of the increase because it lacks pertinent information about the fee schedule for the applications and the number of applications that local governments will submit.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2920

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: MARCH 8, 2019

SUMMARY

- Synopsis:** Establishes funding allocations for constitutionally dedicated CBT revenues for Fiscal Year 2020 and thereafter and revises law for State's open space, farmland, and historic preservation programs; appropriates \$500,000.
- Type of Impact:** State revenue increase; local expenditure increase
- Agencies Affected:** Department of Environmental Protection and local governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Revenue Increase		Indeterminate	
Local Expenditure Increase		Indeterminate	

- The Office of Legislative Services (OLS) concludes that the Department of Environmental Protection (DEP) will realize an indeterminate increase in revenue from the fees collected from local governments and tax exempt non-profit organizations for the review of applications to convey, dispose of, or divert lands acquired, developed, or held for recreation and conservation; and an indeterminate increase in revenue from any penalties collected for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation purposes.
- The OLS determines that local governments will incur an indeterminate increase in cost to submit certain applications to the Office of Green Acres for review. The OLS is unable to provide the extent of the increase because it lacks pertinent information about the fee schedule for the applications and the number of applications that local governments will submit.

BILL DESCRIPTION

This bill establishes the funding allocations for the constitutional dedication of Corporation Business Tax (CBT) revenues for fiscal year 2020 and thereafter and revises the law concerning the State's open space, farmland, and historic preservation programs. In

addition, this bill would appropriate \$500,000 from the “Preserve New Jersey Historic Preservation Fund” for the purpose of establishing an electronic database to track projects that receive funding for historic preservation purposes.

The constitutional dedication of CBT revenues pursuant to Article VIII, Section II, paragraph 6 of the State Constitution, approved by the voters of the State in November 2014, dedicates, for fiscal year 2020 and thereafter, six percent of CBT revenues for open space, farmland, and historic preservation, water programs, public and private site remediation, and underground storage tank programs. Specifically with regard to open space, farmland, and historic preservation, commencing July 1, 2019 (i.e., for State fiscal year 2020 and thereafter), of the six percent CBT dedication, the State Constitution dedicates annually 78 percent for the following purposes: (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.

Current law, the “Preserve New Jersey Act,” P.L.2016, c.12 (C.13:8C-43 et seq.), sets forth funding allocations for the constitutional dedication of CBT revenues for open space, farmland, and historic preservation for State fiscal years 2017 through 2019. This bill supplements and amends the “Preserve New Jersey Act” in order to implement the CBT revenue dedication and the “Preserve New Jersey Act” for State fiscal year 2020 and beyond by establishing funding allocations for the State’s existing open space, farmland, and historic preservation programs based on the increase in dedicated CBT revenue available for these purposes beginning July 1, 2019.

The bill would also authorize the DEP to adopt rules and regulations establishing a fee schedule for the review of applications to convey, dispose of, or divert lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation purposes. The bill also adds a section establishing penalties for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation purposes.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS notes that the DEP and the State House Commission has been required to review and approve applications from local governments to convey, dispose of, or divert lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation purposes since 1961, pursuant to P.L.1961, c.45 (C.13:8A-13); however the DEP has not been authorized to charge a fee for the review of such applications.

Under the bill, the DEP is authorized to establish a fee schedule for the review of applications from local governments and tax exempt non-profit organizations and to establish penalties for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation.

The fee schedule established by the DEP would reflect the costs incurred by of the Office of Green Acres in the DEP to process and review the applications submitted by local governments and tax exempt non-profit organizations. The OLS notes that the DEP currently implements rules that classify the conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation into “major” and “minor” categories. The OLS believes that the fee schedule may be based, in part, on these existing classifications. The OLS determines that the DEP will realize an indeterminate increase in revenue from the fees collected from local governments and tax exempt non-profit organizations for the review of applications, and an indeterminate increase in revenue from any penalties collected for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation.

The OLS notes that local governments are already required to submit applications for review to convey, dispose of, or divert lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation purposes; therefore the OLS determines that there will be no additional administrative cost to local governments to submit such applications. However, the OLS determines that local governments will incur an indeterminate increase in cost, in the form of application fees to submit applications to the Office of Green Acres in the DEP for review. The OLS is unable to provide the extent of the increase because it lacks pertinent information about the fee schedule for the applications and the number of applications that local governments will submit.

Section: Environment, Agriculture, Energy and Natural Resources

*Analyst: Neha Mehta Patel
Associate Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

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

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

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 2920

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: MARCH 29, 2019

SUMMARY

- Synopsis:** Establishes funding allocations for constitutionally dedicated CBT revenues for Fiscal Year 2020 and thereafter and revises law for State's open space, farmland, and historic preservation programs; appropriates \$500,000.
- Type of Impact:** State revenue increase; local expenditure increase.
- Agencies Affected:** Department of Environmental Protection and local governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Revenue Increase		Indeterminate	
Local Expenditure Increase		Indeterminate	

- The Office of Legislative Services (OLS) concludes that the Department of Environmental Protection (DEP) will realize an indeterminate increase in revenue from the fees collected from local governments and tax exempt non-profit organizations for the review of applications to convey, dispose of, or divert lands acquired, developed, or held for recreation and conservation; and an indeterminate increase in revenue from any penalties collected for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation purposes.
- The OLS determines that local governments will incur an indeterminate increase in cost to submit certain applications to the Office of Green Acres for review. The OLS is unable to provide the extent of the increase because it lacks pertinent information about the fee schedule for the applications and the number of applications that local governments will submit.

BILL DESCRIPTION

This bill establishes the funding allocations for the constitutional dedication of Corporation Business Tax (CBT) revenues for fiscal year 2020 and thereafter and revises the law concerning

the State's open space, farmland, and historic preservation programs. In addition, this bill appropriates \$500,000 from the "Preserve New Jersey Historic Preservation Fund" for the purpose of establishing an electronic database to track projects that receive funding for historic preservation purposes.

Beginning in fiscal year 2020, Article VIII, Section II, paragraph 6 of the State Constitution dedicates six percent of annual CBT revenues (up from four percent) for open space, farmland, and historic preservation; water management projects; public and private site remediation; and underground storage tank programs. Also beginning in fiscal year 2020, the State Constitution dedicates 78 percent (up from 71 percent) of these CBT revenues for open space, farmland, and historic preservation. These funds are to be used for the following purposes: (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 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.

Current law, the "Preserve New Jersey Act," P.L.2016, c.12 (C.13:8C-43 et seq.), sets forth funding allocations for the constitutional dedication of CBT revenues for open space, farmland, and historic preservation for State fiscal years 2017 through 2019. This bill supplements and amends the "Preserve New Jersey Act" and amends the "Garden State Preservation Trust Act," P.L.1999, c.152 (C.13:8C-1 et seq.), in order to implement the CBT revenue dedication and the State's open space, farmland, and historic preservation programs for State fiscal year 2020 and thereafter.

In addition, the bill authorizes the DEP to adopt rules and regulations establishing a fee schedule for the review of applications to convey, dispose of, or divert lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation. The bill also adds a section establishing penalties for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation purposes.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill would result in an indeterminate State revenue increase and an indeterminate local expenditure increase, both related to a provision in the bill that allows the DEP to begin charging fees to review applications from local governments and non-profit organizations that wish to convey, dispose of, or divert lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation.

The OLS notes that the DEP and the State House Commission have been required to review and approve applications from local governments to convey, dispose of, or divert lands

acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation since 1961, pursuant to P.L.1961, c.45 (C.13:8A-13). However, the DEP has not been authorized to charge a fee for the review of such applications. Under the bill, the DEP is authorized to establish a fee schedule for the review of applications from local governments and tax-exempt non-profit organizations and to establish penalties for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation.

The fee schedule established by the DEP would reflect the costs incurred by of the Office of Green Acres in the DEP to process and review the applications submitted by local governments and tax-exempt non-profit organizations. The OLS notes that the DEP currently implements rules that classify the conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation into “major” and “minor” categories. The OLS believes that the fee schedule may be based, in part, on these existing classifications. The OLS determines that the DEP will realize an indeterminate increase in revenue from the fees collected from local governments and tax-exempt non-profit organizations for the review of applications, and an indeterminate increase in revenue from any penalties collected for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation.

Similarly, the OLS notes that local governments are already required to submit applications for review to convey, dispose of, or divert lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation. Thus, there will be no additional administrative cost to local governments to submit such applications. However, local governments will incur an indeterminate expenditure increase in the form of application fees, whenever they submit applications to the Office of Green Acres in the DEP for review. The OLS is unable to provide the extent of the increase because it is unclear what fee schedule the DEP will adopt. It is also unclear how many local governments will submit such applications.

Section: Environment, Agriculture, Energy and Natural Resources

*Analyst: Eric Hansen
Assistant Research Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

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

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

ASSEMBLY, No. 4477

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED SEPTEMBER 24, 2018

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

Assemblywoman NANCY J. PINKIN

District 18 (Middlesex)

Assemblyman ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:

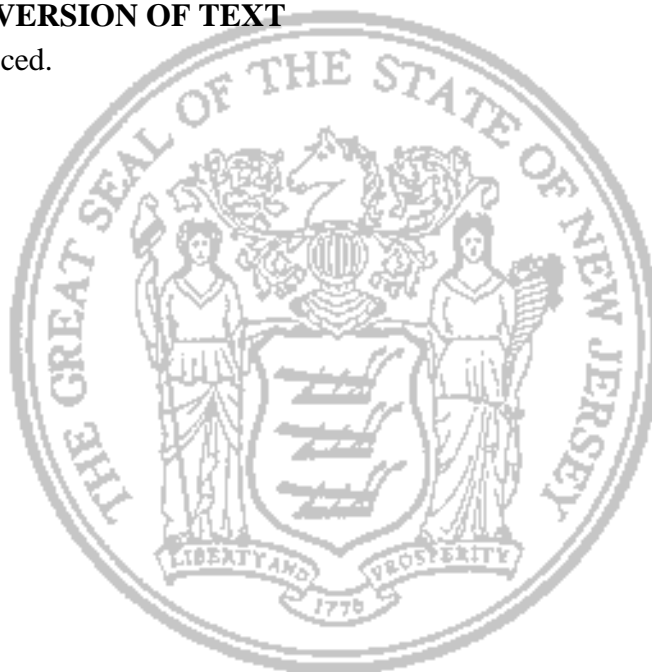
Assemblywoman Jasey

SYNOPSIS

Establishes funding allocations for constitutionally dedicated CBT revenues for State's open space, farmland, and historic preservation programs for Fiscal Year 2020 and thereafter.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/29/2019)

1 AN ACT concerning the constitutional dedication of corporation
2 business tax revenues for open space, farmland, and historic
3 preservation, and amending and supplementing P.L.2016, c.12.

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

7
8 1. (New section) a. In each State fiscal year commencing in
9 State fiscal year 2020 and annually thereafter, of the amount
10 credited by the State Treasurer to the Preserve New Jersey Fund
11 Account pursuant to subparagraph (b) of paragraph (1) of
12 subsection a. of section 4 of P.L.2016, c.12 (C.13:8C-46):

13 (1) 62 percent shall be deposited into the Preserve New Jersey
14 Green Acres Fund;

15 (2) 31 percent shall be deposited into the Preserve New Jersey
16 Farmland Preservation Fund; and

17 (3) seven percent shall be deposited into the Preserve New
18 Jersey Historic Preservation Fund.

19 b. (1) Beginning July 1, 2022, and annually thereafter, the
20 Garden State Preservation Trust shall conduct a review of the
21 appropriations of constitutionally dedicated CBT moneys to, and
22 the expenditures thereof by, the Department of Environmental
23 Protection, the State Agriculture Development Committee, and the
24 New Jersey Historic Trust for their respective programs for the
25 fiscal year ending two years prior to the year in which the review is
26 occurring. If the Garden State Preservation Trust determines that
27 the department, committee, or New Jersey Historic Trust have not
28 expended or contractually obligated the constitutionally dedicated
29 CBT moneys allocated pursuant to subsection a. of this section for
30 the fiscal year ending two years prior to the year in which the
31 review is occurring, the trust may reallocate the amount of
32 constitutionally dedicated CBT moneys that have not been
33 expended or contractually obligated for that particular fiscal year by
34 the department, committee, or New Jersey Historic Trust, as
35 applicable.

36 (2) If, after the review required pursuant to paragraph (1) of this
37 subsection, the Garden State Preservation Trust determines it is
38 appropriate, the trust, notwithstanding the provisions of section 6, 8,
39 or 9 of P.L.2016, c.12 (C.13:8C-48, 50, or 51) to the contrary, shall
40 allocate for appropriation pursuant to section 13 of P.L.2016, c.12
41 (C.13:8C-55) the amount of unexpended, unobligated, or
42 unappropriated constitutionally dedicated CBT moneys for the
43 fiscal year ending two years prior to the year in which the review is
44 occurring, and shall determine, for that amount:

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

Matter underlined thus is new matter.

1 (a) the appropriate funding allocations for the Preserve New
2 Jersey Green Acres Fund, the Preserve New Jersey Farmland
3 Preservation Fund, or the Preserve New Jersey Historic
4 Preservation Fund; and

5 (b) how the allocations pursuant to subparagraph (a) of this
6 paragraph shall be allocated for the acquisition or development of
7 lands for recreation and conservation purposes, including Blue
8 Acres projects, farmland preservation purposes, or historic
9 preservation purposes. The trust shall make its determinations
10 pursuant to this subparagraph based upon a demonstrated need for
11 funding for the acquisition or development of lands for recreation
12 and conservation purposes, including Blue Acres projects, farmland
13 preservation purposes, or historic preservation purposes based upon
14 available projects, applicant demand, and past appropriations and
15 expenditures for these purposes.

16 (3) The trust shall hold a public hearing to solicit public input
17 when making determinations pursuant to paragraph (2) of this
18 subsection.

19 (4) The trust shall notify the department, the committee, the
20 New Jersey Historic Trust, and the Department of the Treasury on
21 the results of its review and determinations pursuant to this
22 subsection. The trust shall also send written notification to the
23 Chairperson of the Senate Environment and Energy Committee and
24 the Assembly Environment and Solid Waste Committee, or their
25 successors, of any determinations and allocations made pursuant to
26 this subsection.

27 (5) A determination by the trust to reallocate constitutionally
28 dedicated CBT moneys for a particular fiscal year based on the
29 review and determination made pursuant to this subsection shall not
30 affect the allocations set forth in subsection a. of this section for
31 any subsequent fiscal year.

32

33 2. Section 6 of P.L.2016, c.12 (C.13:8C-48) is amended to read
34 as follows:

35 6. a. The State Treasurer shall establish a fund to be known as
36 the "Preserve New Jersey Green Acres Fund" and shall deposit into
37 the fund all moneys received pursuant to paragraph (1) of
38 subsection a. of section 5 of P.L.2016, c.12 (C.13:8C-47) ,
39 paragraph (1) of subsection a. of section 1 of P.L. , c. (C.)
40 (pending before the Legislature as this bill), and any other moneys
41 appropriated by law for deposit into the fund.

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

1 from the payment of principal and interest on the loans to local
2 government units authorized by **[this act]** P.L.2016, c.12 (C.13:8C-
3 43 et seq.) shall also be held in the fund.

4 b. Of the amount deposited **[each State fiscal year]** in State
5 fiscal year 2017 through and including State fiscal year 2019 into
6 the Preserve New Jersey Green Acres Fund pursuant to paragraph
7 (1) of subsection a. of section 5 of P.L.2016, c.12 (C.13:8C-47):

8 (1) 55 percent shall be allocated for the purpose of paying the
9 cost of acquisition and development of lands by the State for
10 recreation and conservation purposes, and the amount provided
11 pursuant to this paragraph shall be allocated as follows:

12 (a) 50 percent shall be allocated for the purpose of paying the
13 cost of acquisition of lands by the State for recreation and
14 conservation purposes; and

15 (b) 50 percent shall be allocated for the purpose of paying the
16 cost of development of lands by the State for recreation and
17 conservation purposes, and of the amount provided pursuant to this
18 subparagraph:

19 (i) up to 22 percent shall be allocated for the purpose of paying
20 the cost for stewardship activities undertaken on lands administered
21 by the Division of Fish and Wildlife in the department; and

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

25 (2) 38 percent shall be allocated for the purposes of providing
26 grants and loans to assist local government units to pay the cost of
27 acquisition and development of lands for recreation and
28 conservation purposes, and of this amount, up to **[2]** two percent
29 shall be allocated for stewardship activities undertaken by local
30 government units; and

31 (3) **[7]** seven percent shall be allocated for the purposes of
32 providing grants to assist qualifying tax exempt nonprofit
33 organizations to pay the cost of acquisition and development of
34 lands for recreation and conservation purposes, and of this amount,
35 11 percent shall be allocated for stewardship activities undertaken
36 by qualifying tax exempt nonprofit organizations.

37 c. Any repayments of the principal and interest on loans issued
38 to local government units for the acquisition or development of
39 lands for recreation and conservation purposes using
40 constitutionally dedicated CBT moneys shall be deposited into the
41 Preserve New Jersey Green Acres Fund, and shall be specifically
42 dedicated for the issuance of additional loans in the same manner as
43 provided in subsection b. of section 27 of P.L.1999, c.152
44 (C.13:8C-27).

45 d. (1) The moneys in the fund are specifically dedicated and
46 shall be used for the same purposes and according to the same
47 criteria and provisions as those set forth in section 26 of P.L.1999,
48 c.152 (C.13:8C-26), and as provided pursuant to P.L.2016, c.12

1 (C.13:8C-43 et seq.) and **[paragraph (3) of]** this **[subsection]**
2 section .

3 (2) Grants and loans issued to local government units and grants
4 issued to qualifying tax exempt nonprofit organizations using
5 constitutionally dedicated CBT moneys for the acquisition and
6 development of lands for recreation and conservation purposes shall
7 be subject to the same provisions as those prescribed in section 27
8 of P.L.1999, c.152 (C.13:8C-27), except as otherwise provided in
9 section 10 of P.L.2016, c.12 (C.13:8C-52).

10 (3) Notwithstanding any provision of P.L.2016, c.12 (C.13:8C-
11 43 et seq.) or P.L.1999, c.152 (C.13:8C-1 et seq.) to the contrary,
12 projects of the Palisades Interstate Park Commission established
13 pursuant to P.L.1980, c.104 (C.32:14-1.1 et seq.) for the acquisition
14 or development of land for recreation and conservation purposes in
15 New Jersey shall be considered State projects for the purposes of
16 eligibility for funding pursuant to the provisions of P.L.2016, c.12
17 (C.13:8C-43 et seq.).

18 e. Moneys in the fund shall not be expended except in
19 accordance with appropriations from the fund made by law. Any
20 act appropriating moneys from the Preserve New Jersey Green
21 Acres Fund shall identify any particular project or projects to be
22 funded by the moneys, and any expenditure for a project for which
23 the location is not identified by municipality and county in the
24 appropriation shall require the approval of the Joint Budget
25 Oversight Committee, or its successor, except as permitted
26 otherwise in accordance with the same exceptions as those specified
27 in paragraph (2) of subsection a. of section 23 of P.L.1999, c.152
28 (C.13:8C-23).

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

31 g. Of the amount authorized pursuant to this section, not more
32 than five percent shall be utilized for organizational, administrative
33 and other work and services, including salaries, equipment and
34 materials necessary to administer the applicable provisions of **[this**
35 **act]** P.L.2016, c.12 (C.13:8C-43 et seq.) .

36 h. To the end that municipalities may not suffer a loss of taxes
37 by reason of the acquisition and ownership by the State of lands in
38 fee simple for recreation and conservation purposes, or the
39 acquisition and ownership by qualifying tax exempt nonprofit
40 organizations of lands in fee simple for recreation and conservation
41 purposes that become certified as exempt from property taxes
42 pursuant to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws,
43 the State shall make payments annually in the same manner as
44 payments are made pursuant to section 29 of P.L.1999, c.152
45 (C.13:8C-29).

46 i. The State shall not use the power of eminent domain in any
47 manner for the acquisition of lands by the State for recreation and
48 conservation purposes using constitutionally dedicated CBT

1 moneys in whole or in part unless a concurrent resolution approving
2 that use is approved by both Houses of the Legislature; except that,
3 without the need for such a concurrent resolution, the State may use
4 the power of eminent domain to the extent necessary to establish a
5 value for lands to be acquired from a willing seller by the State for
6 recreation and conservation purposes using constitutionally
7 dedicated CBT moneys in whole or in part.

8 j. Of the amount deposited in each State fiscal year
9 commencing in State fiscal year 2020 and annually thereafter into
10 the Preserve New Jersey Green Acres Fund pursuant to paragraph
11 (1) of subsection a. of section 1 of P.L. , c. (C.) (pending
12 before the Legislature as this bill):

13 (1) 60 percent shall be allocated for the purpose of paying the
14 cost of acquisition and development of lands by the State for
15 recreation and conservation purposes, and the amount provided
16 pursuant to this paragraph shall be allocated as follows:

17 (a) 50 percent shall be allocated for the purpose of paying the
18 cost of acquisition of lands by the State for recreation and
19 conservation purposes, including Blue Acres projects; and

20 (b) 50 percent shall be allocated for the purpose of paying the
21 cost of development of lands by the State for recreation and
22 conservation purposes, and of the amount provided pursuant to this
23 subparagraph:

24 (i) up to 22 percent shall be allocated for the purpose of paying
25 the cost for stewardship activities undertaken on lands administered
26 by the Division of Fish and Wildlife in the department; and

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

30 (2) 34 percent shall be allocated for the purposes of providing
31 grants and loans to assist local government units to pay the cost of
32 acquisition and development of lands for recreation and
33 conservation purposes, including Blue Acres projects, and of this
34 amount, up to two percent shall be allocated for stewardship
35 activities undertaken by local government units; and

36 (3) six percent shall be allocated for the purposes of providing
37 grants to assist qualifying tax exempt nonprofit organizations to pay
38 the cost of acquisition and development of lands for recreation and
39 conservation purposes, including Blue Acres projects, and of this
40 amount, 11 percent shall be allocated for stewardship activities
41 undertaken by qualifying tax exempt nonprofit organizations.

42 k. (1) In addition to the purposes set forth in subsection d. of
43 this section, moneys in the Preserve New Jersey Green Acres Fund
44 may be applied for the purposes of providing moneys to:

45 (a) meet the Blue Acres costs to the State for the acquisition of
46 lands for a Blue Acres project; or

47 (b) provide grants, pursuant to the provisions of paragraph (2) of
48 this subsection, to assist a qualifying tax exempt nonprofit

1 organization in meeting the Blue Acres costs for the acquisition of
2 lands for a Blue Acres project.

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

7 (a) A qualifying tax exempt nonprofit organization shall not use
8 as its matching share of the Blue Acres cost of acquisition of lands
9 for a Blue Acres project any constitutionally dedicated moneys, as
10 defined pursuant to section 3 of P.L.1999, c.152 (C.13:8C-3), or
11 any grant moneys obtained from a Green Acres bond act.

12 (b) To qualify to receive a grant from the Preserve New Jersey
13 Blue Acres Fund, the board of directors or governing body of the
14 applying tax exempt nonprofit organization shall:

15 (i) demonstrate to the commissioner that the organization
16 qualifies as a charitable conservancy for the purposes of P.L.1979,
17 c.378 (C.13:8B-1 et seq.);

18 (ii) demonstrate that the organization has the resources to match
19 the grant requested;

20 (iii) agree to make and keep the lands accessible to the public,
21 unless the commissioner determines that public accessibility would
22 be detrimental to the lands or any natural resources associated
23 therewith;

24 (iv) agree not to convey the lands except to the federal
25 government, the State, a local government unit, or another
26 qualifying tax exempt nonprofit organization, for recreation and
27 conservation purposes; and

28 (v) agree to execute and donate to the State at no charge a
29 conservation restriction pursuant to P.L.1979, c.378 (C.13:8B-1 et
30 seq.) on the lands to be acquired with the grant.

31 (cf: P.L.2018, c.95, s.1)

32
33 3. Section 8 of P.L.2016, c.12 (C.13:8C-50) is amended to read
34 as follows:

35 8. a. The State Treasurer shall establish a fund to be known as
36 the "Preserve New Jersey Farmland Preservation Fund" and shall
37 deposit all moneys received pursuant to paragraph (3) of subsection
38 a. of section 5 of **[this act]** P.L.2016, c.12 (C.13:8C-47), paragraph
39 (2) of subsection a. of section 1 of P.L. , c. (C.) (pending
40 before the Legislature as this bill), and any other moneys
41 appropriated by law for deposit into the fund.

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

1 b. (1) The moneys in the fund are specifically dedicated and
2 shall be used for the same purposes as those set forth in section 37
3 of P.L.1999, c.152 (C.13:8C-37) and as provided in paragraph (2)
4 of this subsection.

5 (2) Of the moneys deposited into the Preserve New Jersey
6 Farmland Preservation Fund each year, up to **[3]** three percent shall
7 be allocated by the committee on an annual basis for stewardship
8 activities.

9 c. Moneys in the fund shall not be expended except in
10 accordance with appropriations from the fund made by law. Any
11 act appropriating moneys from the Preserve New Jersey Farmland
12 Preservation Fund shall identify any particular project or projects to
13 be funded by the moneys, and any expenditure for a project for
14 which the location is not identified by municipality and county in
15 the appropriation shall require the approval of the Joint Budget
16 Oversight Committee, or its successor, except as permitted
17 otherwise in accordance with the same exceptions as those specified
18 in paragraph (2) of subsection b. of section 23 of P.L.1999, c.152
19 (C.13:8C-23).

20 d. Unexpended moneys due to project withdrawals,
21 cancellations, or cost savings shall be returned to the fund.
22 (cf: P.L.2016, c.12, s.8)

23
24 4. Section 9 of P.L.2016, c.12 (C.13:8C-51) is amended to read
25 as follows:

26 9. a. The State Treasurer shall establish a fund to be known as
27 the "Preserve New Jersey Historic Preservation Fund" and shall
28 deposit all moneys received pursuant to paragraph (4) of subsection
29 a. of section 5 of P.L.2016, c.12 (C.13:8C-47) , paragraph (3) of
30 subsection a. of section 1 of P.L. , c. (C.) (pending before
31 the Legislature as this bill), and any other moneys appropriated by
32 law for deposit into the fund.

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

40 b. (1) The moneys in the fund are specifically dedicated and
41 shall be used for the same purposes as those set forth in section 41
42 of P.L.1999, c.152 (C.13:8C-41), **[and]** for emergency intervention
43 and the acquisition of historic preservation easements , and shall be
44 allocated by the New Jersey Historic Trust as provided in
45 subsection e. of this section .

46 (2) Notwithstanding any provision of P.L.2016, c.12 (C.13:8C-
47 43 et seq.) or P.L.1999, c.152 (C.13:8C-1 et seq.) to the contrary,
48 the Palisades Interstate Park Commission established pursuant to

1 P.L.1980, c.104 (C.32:14-1.1 et seq.) shall be eligible for grants
2 pursuant to the provisions of section 41 of P.L.1999, c.152
3 (C.13:8C-41) for projects located in New Jersey. A project by the
4 Palisades Interstate Park Commission for historic preservation
5 purposes shall be subject to the same criteria and conditions set
6 forth in section 41 of P.L.1999, c.152 (C.13:8C-41) applicable to a
7 project by a local government unit.

8 c. Moneys in the fund shall not be expended except in
9 accordance with appropriations from the fund made by law. Any
10 act appropriating moneys from the Preserve New Jersey Historic
11 Preservation Fund shall identify any particular project or projects to
12 be funded by the moneys, and any expenditure for a project for
13 which the location is not identified by municipality and county in
14 the appropriation shall require the approval of the Joint Budget
15 Oversight Committee, or its successor.

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

18 e. Of the amount deposited in each State fiscal year
19 commencing in State fiscal year 2020 and annually thereafter into
20 the Preserve New Jersey Historic Preservation Fund pursuant to
21 paragraph (3) of subsection a. of section 1 of P.L. , c. (C.)
22 (pending before the Legislature as this bill), a minimum of 50
23 percent shall be allocated for Level II capital preservation grants.

24 As used in this subsection, "Level II capital preservation grant"
25 means a construction grant awarded by the New Jersey Historic
26 Trust for the preservation, restoration, or rehabilitation of a historic
27 property in an amount between \$150,001 to \$750,000.

28 (cf: P.L.2018, c.95, s.2)

29

30 5. This act shall take effect immediately.

31

32

33

STATEMENT

34

35 This bill establishes the funding allocations for the constitutional
36 dedication of Corporation Business Tax (CBT) revenues for the
37 State's open space, farmland, and historic preservation programs for
38 fiscal year 2020 and thereafter.

39 The constitutional dedication of CBT revenues for open space,
40 farmland, and historic preservation pursuant to Article VIII, Section
41 II, paragraph 6 of the State Constitution, approved by the voters of
42 the State in November 2014, dedicates four percent of CBT
43 revenues for open space, farmland, and historic preservation, water
44 programs, public and private site remediation, and underground
45 storage tank programs for fiscal years 2016 through 2019. For
46 fiscal year 2020 and thereafter, this annual dedication for certain
47 environmental programs is increased from four percent to six
48 percent.

1 Specifically with regard to open space, farmland, and historic
2 preservation, commencing July 1, 2019 (i.e., for State fiscal year
3 2020 and thereafter), of the six percent CBT dedication, the State
4 Constitution dedicates annually 78 percent for the following
5 purposes: (1) providing funding, including loans or grants, for the
6 preservation, including acquisition, development, and stewardship,
7 of lands for recreation and conservation purposes, including lands
8 that protect water supplies and lands that have incurred flood or
9 storm damage or are likely to do so, or that may buffer or protect
10 other properties from flood or storm damage (i.e., Green Acres and
11 Blue Acres); (2) providing funding, including loans or grants, for
12 the preservation and stewardship of land for agricultural or
13 horticultural use and production (i.e., farmland preservation); (3)
14 providing funding, including loans or grants, for historic
15 preservation; and (4) paying administrative costs associated with
16 each of those efforts. Previously, for fiscal years 2016 through
17 2019, the State Constitution dedicated 71 percent of the four
18 percent CBT dedication for these four purposes.

19 Current law, the “Preserve New Jersey Act,” P.L.2016, c.12
20 (C.13:8C-43 et seq.), sets forth funding allocations for the
21 constitutional dedication of CBT revenues for open space, farmland,
22 and historic preservation for State fiscal years 2017 through 2019.
23 This bill supplements and amends the “Preserve New Jersey Act” in
24 order to implement the CBT revenue dedication and the “Preserve
25 New Jersey Act” for State fiscal year 2020 and beyond by
26 establishing funding allocations for the State’s existing open space,
27 farmland, and historic preservation programs based on the increase
28 in dedicated CBT revenue available for these purposes beginning
29 July 1, 2019.

30 Under this bill, for State fiscal year 2020 and thereafter, the
31 above-described dedicated CBT revenues would be allocated as
32 follows:

33 (1) 62 percent for the acquisition and development of lands for
34 public recreation and conservation purposes, including lands that
35 protect water supplies and lands that have incurred flood or storm
36 damage or are likely to do so, or that may buffer or protect other
37 properties from flood or storm damage;

38 (2) 31 percent for farmland preservation purposes; and

39 (3) seven percent for historic preservation purposes.

40 Of the funding allocated each year for recreation and
41 conservation purposes pursuant to this bill: 60 percent would be
42 used for State open space acquisition and development projects; 34
43 percent would be used for grants and loans to fund local
44 government open space acquisition and development projects; and
45 six percent would be used for grants to fund open space acquisition
46 and development projects undertaken by qualifying tax exempt
47 nonprofit organizations. These funds would be further allocated for
48 open space acquisition and development projects by the State, local

1 governments, and nonprofit organizations in the same manner as
2 provided in current law.

3 Beginning July 1, 2022, and annually thereafter, the bill directs
4 the Garden State Preservation Trust (GSPT) to review the
5 appropriations of constitutionally dedicated CBT moneys to, and
6 the expenditures thereof by, the Department of Environmental
7 Protection (DEP), the State Agriculture Development Committee
8 (SADC), and the New Jersey Historic Trust (NJHT) for their
9 respective programs for the fiscal year ending two years prior to the
10 year in which the review is occurring. If the GSPT determines that
11 the DEP, SADC, or NJHT have not expended or contractually
12 obligated the moneys allocated for the fiscal year ending two years
13 prior to the year in which the review is occurring, the bill provides
14 that the GSPT may reallocate the amount of moneys that have not
15 been expended or contractually obligated for that particular fiscal
16 year by the DEP, SADC, or NJHT, as applicable. If the GSPT
17 determines it is appropriate, the bill provides that the GSPT would
18 determine, of that amount, the appropriate funding allocations for
19 the Preserve New Jersey Green Acres Fund, the Preserve New
20 Jersey Farmland Preservation Fund, or the Preserve New Jersey
21 Historic Preservation Fund. The bill also provides that the GSPT
22 would determine how those amounts would be further allocated by
23 the DEP, SADC, or NJHT, as applicable. The bill requires the
24 GSPT to hold a public hearing to solicit public input when making
25 these determinations. The bill directs the GSPT to make its
26 determinations based upon a demonstrated need for funding for the
27 acquisition or development of lands for recreation and conservation
28 purposes, including Blue Acres projects, farmland preservation
29 purposes, or historic preservation purposes based upon available
30 projects, applicant demand, and past appropriations and
31 expenditures for these purposes. The bill further provides that if the
32 GSPT reallocates constitutionally dedicated CBT moneys for a
33 particular fiscal year as allowed by the bill, that reallocation would
34 not affect or alter allocations for any subsequent fiscal year.

35 The Blue Acres program is administered as a component of the
36 DEP's Green Acres program. "Blue Acres" is the term used to refer
37 to properties that have been damaged by storms or storm-related
38 flooding, that appear likely to incur such damage, or that may
39 buffer or protect other lands from such damage. Structures on a
40 purchased property are demolished, the debris is removed, and the
41 land is preserved as open space. Under this bill, the Blue Acres
42 program would not receive a separate funding allocation but would
43 continue to be administered as part of the overall funding allocation
44 provided to the Green Acres program. The bill incorporates the
45 purposes of the Preserve New Jersey Blue Acres Fund into the
46 Preserve New Jersey Green Acres Fund, rather than having two
47 separate funds providing moneys to the DEP's Green Acres

1 program for the acquisition of lands for recreation and conservation
2 purposes.

3 Lastly, the bill provides that of the amount deposited annually
4 into the Preserve New Jersey Historic Preservation Fund, a
5 minimum of 50 percent would be allocated for Level II capital
6 preservation grants. Capital preservation grants fund the
7 restoration, preservation, repair, and rehabilitation of historic
8 properties listed or eligible for listing in the State or National
9 Register of Historic Places. By regulation, the NJHT has
10 established two levels of capital preservation grants: Level I grants
11 of \$5,000 to \$150,000, and Level II grants of \$150,001 to \$750,000.
12 This bill would require that a minimum of 50 percent of the
13 allocated funding in each fiscal year be awarded to larger scale
14 historic preservation projects.

15 Based on the increase in the amount of the constitutionally
16 dedicated CBT revenue, there is expected to be an increase in
17 funding available for the State's open space, farmland, and historic
18 preservation purposes. Based on current estimates of CBT revenue,
19 there will be \$92 million available for these purposes for fiscal year
20 2019, and an estimated \$152 million available for fiscal year 2020.
21 The increase in dedicated CBT revenue beginning in fiscal year
22 2020 and the allocations provided in this bill will result in
23 additional funding being available for the State's open space,
24 farmland, and historic preservation programs.

ASSEMBLY AGRICULTURE AND NATURAL RESOURCES
COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4477

STATE OF NEW JERSEY

DATED: JUNE 13, 2019

The Assembly Agriculture and Natural Resources Committee favorably reports an Assembly Committee Substitute for Assembly Bill No. 4477.

The committee substitute establishes the funding allocations for the constitutional dedication of Corporation Business Tax (CBT) revenues for fiscal year 2020 and thereafter and revises the law concerning the State's open space, farmland, and historic preservation programs. In addition, this committee substitute would appropriate \$500,000 from the "Preserve New Jersey Historic Preservation Fund" for the purpose of establishing an electronic database to track projects that receive funding for historic preservation purposes.

The constitutional dedication of CBT revenues for open space, farmland, and historic preservation pursuant to Article VIII, Section II, paragraph 6 of the State Constitution, approved by the voters of the State in November 2014, dedicates, for fiscal year 2020 and thereafter, six percent of CBT revenues for open space, farmland, and historic preservation, water programs, public and private site remediation, and underground storage tank programs. Specifically with regard to open space, farmland, and historic preservation, commencing July 1, 2019 (i.e., for State fiscal year 2020 and thereafter), of the six percent CBT dedication, the State Constitution dedicates annually 78 percent for the following purposes:

(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.

Current law, the “Preserve New Jersey Act,” P.L.2016, c.12 (C.13:8C-43 et seq.), sets forth funding allocations for the constitutional dedication of CBT revenues for open space, farmland, and historic preservation for State fiscal years 2017 through 2019. This committee substitute supplements and amends the “Preserve New Jersey Act” in order to implement the CBT revenue dedication and the “Preserve New Jersey Act” for State fiscal year 2020 and beyond by establishing funding allocations for the State’s existing open space, farmland, and historic preservation programs based on the increase in dedicated CBT revenue available for these purposes beginning July 1, 2019.

Under this committee substitute, for State fiscal year 2020 and thereafter, the above-described dedicated CBT revenues would be allocated as follows:

(1) 62 percent for the acquisition and development of lands for public 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) 31 percent for farmland preservation purposes; and

(3) seven percent for historic preservation purposes.

Beginning July 1, 2022, and annually thereafter, the committee substitute directs the Garden State Preservation Trust (GSPT) to review the appropriations of constitutionally dedicated CBT moneys to, and the expenditures thereof by, the Department of Environmental Protection (DEP), State Agriculture Development Committee (SADC), and New Jersey Historic Trust (NJHT) for their respective programs. In conducting this review, the GSPT would:

(1) evaluate the demonstrated need for funding for the acquisition or development of lands for recreation and conservation purposes, including Blue Acres projects, farmland preservation purposes, or historic preservation purposes based upon available projects, applicant demand, and past appropriations and expenditures for these purposes; and

(2) hold a public hearing to solicit public input on appropriate funding allocations for the DEP, SADC, and NJHT for the upcoming fiscal year. If the GSPT determines, based on this review, that it would be appropriate to revise the program funding allocations, the GSPT would send written notice to the Chairperson of the Senate Environment and Energy Committee, the Assembly Agriculture and Natural Resources Committee, and the Assembly Environment and Solid Waste Committee, or their successors, of its findings and recommendations concerning future funding allocations for the Preserve New Jersey Green Acres Fund, the Preserve New Jersey Farmland Preservation Fund, or the Preserve New Jersey Historic

Preservation Fund. A recommendation by the GSPT would not alter the program funding allocations unless authorized by the Legislature.

Of the funding allocated each year for recreation and conservation purposes pursuant to this committee substitute:

(1) 60 percent would be used for State open space acquisition and development projects;

(2) 30 percent would be used for grants and loans to fund local government open space acquisition and development projects; and

(3) 10 percent would be used for grants to fund open space acquisition and development projects undertaken by qualifying tax exempt nonprofit organizations.

The committee substitute further provides that of the funding for State open space acquisition and development projects: 45 percent would be used for acquisition projects, including Blue Acres projects, and 55 percent would be used for development projects, rather than 50 percent each as provided by current law. Of the funding for State open space acquisition projects, a minimum of 10 percent would be allocated for Blue Acres projects.

Further, of the allocated funding for open space acquisition and development projects by local government units, up to 10 percent would be used to fund stewardship activities, rather than up to two percent as provided by current law.

The Blue Acres program is administered as a component of the DEP's Green Acres program. "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. Under this committee substitute, the Blue Acres program would not receive a separate funding allocation but would continue to be administered as part of the overall funding allocation provided to the Green Acres program. The committee substitute incorporates the purposes of the Preserve New Jersey Blue Acres Fund into the Preserve New Jersey Green Acres Fund, rather than having two separate funds providing moneys to the DEP's Green Acres program for the acquisition of lands for recreation and conservation purposes.

With regard to farmland preservation, the committee substitute amends current law to provide that, for State fiscal year 2020 and thereafter, of the moneys allocated for farmland preservation, up to four percent may be used for stewardship activities on preserved farmland, rather than up to three percent under current law. The committee substitute also amends the definition of stewardship activity for the purposes of the farmland preservation program to include projects that improve the resiliency of farmland soils. In addition, the committee substitute provides that that stewardship activities undertaken on farmland on which (1) the pinelands development

credits have been acquired pursuant to the “Pinelands Protection Act,” and the pinelands comprehensive management plan adopted pursuant thereto, or the development rights have been acquired pursuant to a transfer of development rights program for the Highlands Region established pursuant to the “Highlands Water Protection and Planning Act,” and (2) there is a deed restriction approved by the SADC, would be eligible to receive funding from the SADC.

With regard to historic preservation, the committee substitute amends current law to provide that the DEP would be eligible for grants from the Preserve New Jersey Historic Preservation Fund for State-owned historic properties. In addition, the committee substitute would authorize the appropriation to the NJHT of \$500,000 from the Preserve New Jersey Historic Preservation Fund for the purpose of establishing an electronic database to track projects that receive funding for historic preservation purposes. The committee substitute would also make this appropriation for fiscal year 2020.

The committee substitute amends current law to require that the DEP, SADC, and NJHT, each submit to the GSPT, at least once every fiscal year, projects recommended to receive funding under the committee substitute. Under current law, the programs are required to submit project recommendations at least once every two years.

The committee substitute would also amend and supplement current law to allow 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 from the Preserve New Jersey Green Acres Fund, the Garden State Green Acres Preservation Trust Fund, or any Green Acres bond fund to be used to provide additional grants or loans to local government units, rather than only loans as provided in current law.

In addition, the committee substitute would extend the expiration date of the special appraisal process provided by law for State-funded land acquisitions under the Green Acres program and the farmland preservation program from June 30, 2019 to June 30, 2024 for lands located in the Highlands Region, and specify that this special appraisal process is to be used when acquiring lands with constitutionally dedicated CBT moneys pursuant to the “Preserve New Jersey Act.” Under this appraisal process, the State, local government units, or qualifying tax exempt nonprofit organizations are currently required by law to conduct two appraisals of lands in the Highlands Region that are proposed for acquisition for recreation and conservation purposes or farmland preservation purposes. The first appraisal is based on the property value on the proposed acquisition date, and the other is based on the value of the property as of January 1, 2004. The higher of the two values is used as the basis of negotiation with the landowner when determining the property’s final acquisition price.

Lastly, the committee substitute would authorize the DEP to adopt rules and regulations establishing a fee schedule for the review of applications to convey, dispose of, or divert of lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation purposes. The committee substitute also adds a section establishing penalties for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation purposes.

As reported by the Assembly Agriculture and Natural Resources Committee, the Assembly Committee Substitute for Assembly Bill No. 4477 is identical to Senate Bill No. 2920 (2R) as also reported by the committee.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4477
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: JUNE 25, 2019

SUMMARY

- Synopsis:** Establishes funding allocations for constitutionally dedicated CBT revenues for Fiscal Year 2020 and thereafter and revises law for State’s open space, farmland, and historic preservation programs; appropriates \$500,000.
- Type of Impact:** Annual State revenue increase; Annual local expenditure increase.
- Agencies Affected:** Department of Environmental Protection and local governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Revenue Increase		Indeterminate	
Local Expenditure Increase		Indeterminate	

- The Office of Legislative Services (OLS) concludes that the Department of Environmental Protection (DEP) will realize an indeterminate annual increase in revenue from the fees collected from local governments and tax exempt non-profit organizations for the review of applications to convey, dispose of, or divert lands acquired, developed, or held for recreation and conservation; and an indeterminate increase in revenue from any penalties collected for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation purposes.
- The OLS determines that local governments will incur an indeterminate annual increase in costs to submit certain applications to the Office of Green Acres for review. The OLS is unable to provide the extent of the increase because it lacks pertinent information about the fee schedule for the applications and the number of applications that local governments will submit.

BILL DESCRIPTION

This bill establishes the funding allocations for the constitutional dedication of Corporation Business Tax (CBT) revenues for fiscal year 2020 and thereafter and revises the law concerning

the State's open space, farmland, and historic preservation programs. In addition, this bill appropriates \$500,000 from the "Preserve New Jersey Historic Preservation Fund" for the purpose of establishing an electronic database to track projects that receive funding for historic preservation purposes.

Beginning in fiscal year 2020, Article VIII, Section II, paragraph 6 of the State Constitution dedicates six percent of annual CBT revenues (up from four percent) for open space, farmland, and historic preservation; water management projects; public and private site remediation; and underground storage tank programs. Also beginning in fiscal year 2020, the State Constitution dedicates 78 percent (up from 71 percent) of these CBT revenues for open space, farmland, and historic preservation. These funds are to be used for the following purposes: (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 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.

Current law, the "Preserve New Jersey Act," P.L.2016, c.12 (C.13:8C-43 et seq.), sets forth funding allocations for the constitutional dedication of CBT revenues for open space, farmland, and historic preservation for State fiscal years 2017 through 2019. This bill supplements and amends the "Preserve New Jersey Act" and amends the "Garden State Preservation Trust Act," P.L.1999, c.152 (C.13:8C-1 et seq.), in order to implement the CBT revenue dedication and the State's open space, farmland, and historic preservation programs for State fiscal year 2020 and thereafter.

In addition, the bill authorizes the DEP to adopt rules and regulations establishing a fee schedule for the review of applications to convey, dispose of, or divert lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation. The bill also adds a section establishing penalties for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation purposes.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill would result in an indeterminate annual State revenue increase and an indeterminate annual local expenditure increase, both related to a provision in the bill that allows the DEP to begin charging fees to review applications from local governments and non-profit organizations that wish to convey, dispose of, or divert lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation.

The OLS notes that the DEP and the State House Commission have been required to review and approve applications from local governments to convey, dispose of, or divert lands

acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation since 1961, pursuant to P.L.1961, c.45 (C.13:8A-13). However, the DEP has not been authorized to charge a fee for the review of such applications. Under the bill, the DEP is authorized to establish a fee schedule for the review of applications from local governments and tax-exempt non-profit organizations and to establish penalties for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation.

The fee schedule established by the DEP would reflect the costs incurred by of the Office of Green Acres in the DEP to process and review the applications submitted by local governments and tax-exempt non-profit organizations. The OLS notes that the DEP currently implements rules that classify the conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation into “major” and “minor” categories. The OLS believes that the fee schedule may be based, in part, on these existing classifications. The OLS determines that the DEP will realize an indeterminate increase in revenue from the fees collected from local governments and tax-exempt non-profit organizations for the review of applications, and an indeterminate increase in revenue from any penalties collected for an unauthorized conveyance, disposal, or diversion of lands acquired, developed, or held for recreation and conservation.

Similarly, the OLS notes that local governments are already required to submit applications for review to convey, dispose of, or divert lands acquired, developed, or held for recreation and conservation purposes to a purpose other than recreation and conservation. Thus, there will be no additional administrative cost to local governments to submit such applications. However, local governments will incur an indeterminate expenditure increase in the form of application fees, whenever they submit applications to the Office of Green Acres in the DEP for review. The OLS is unable to provide the extent of the increase because it is unclear what fee schedule the DEP will adopt. It is also unclear how many local governments will submit such applications.

Section: Environmental, Agriculture, and Natural Resources

*Analyst: Carrie Anne Calvo-Hahn
Principal Research Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

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

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



Governor Phil Murphy

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Newark, N.J.

Governor Murphy Takes Action on Legislation

06/26/2019

TRENTON – Today, Governor Phil Murphy signed the following bills into law:

A5381 (Reynolds-Jackson, Verrelli/Turner) – Authorizes State Treasurer to sell surplus real property located in City of Trenton, Mercer County.

S2863 (Sarlo, Sweeney/Benson, Jones, Calabrese) – Revises requirements for grant recipients of Transportation Trust Fund Authority local aid program.

S2920 (Smith, Bateman, Greenstein/McKeon, Pinkin, Zwicker) – Establishes funding allocations for constitutionally dedicated CBT revenues for Fiscal Year 2020 and thereafter and revises law for State's open space, farmland, and historic preservation programs; appropriates \$500,000.

S3164 (Greenstein, Diegnan/Benson, Lopez, Murphy) – "New Jersey Transit Corporation Employee Protection Act"; prohibits NJT from asserting sovereign immunity in certain situations and subjects NJT to certain federal statutes and regulations.

S3587 (Turner/Reynolds-Jackson, Verrelli) – Establishes Trenton Capital City Aid Program; appropriates \$10 million.

S3651 (Pou, Singleton/Conaway, Mukherji) – Revises law concerning Medicare supplement insurance coverage.

Governor Phil Murphy

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