

13:1E-99.2

LEGISLATIVE HISTORY CHECK

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LAWS OF: 1999 **CHAPTER:** 418

NJSA: 13:1E-99.2 (Clean Communities Account—revises)

BILL NO: A671 (Substituted for S583)

SPONSOR(S): Gibson and Asselta

DATE INTRODUCED: Pre-filed

COMMITTEE: **ASSEMBLY:** Appropriations; Solid and Hazardous Waste

SENATE: Environment; Budget and Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** June 10, 1999

SENATE: January 10, 2000

DATE OF APPROVAL: January 18, 2000

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#): Assembly Committee Substitute (First Reprint)
(Amendments during passage denoted by superscript numbers)

A671

[SPONSORS STATEMENT](#): (Begins on page 5 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** [Yes](#) [12-10-98 \(Solid & Haz.\)](#)
 [3-18-99 \(Appropriations\)](#)

SENATE: [Yes](#) [12-6-99 \(Environment\)](#)
 [12-13-99 \(Budget\)](#)

FLOOR AMENDMENT STATEMENTS: No

[LEGISLATIVE FISCAL ESTIMATE](#): [Yes](#)

S583

[SPONSORS STATEMENT](#): (Begins on page 5 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: [Yes](#) [12-6-99](#)
Identical to Senate Environment Statement for A671
 [12-13-99](#)
Identical to Senate Budget & Approp. Statement for A671

FLOOR AMENDMENT STATEMENTS: No

[LEGISLATIVE FISCAL ESTIMATE](#): [Yes](#)

VETO MESSAGE:

No

GOVERNOR'S PRESS RELEASE ON SIGNING:

No

FOLLOWING WERE PRINTED:

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REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

P.L. 1999, CHAPTER 418, *approved January 18, 2000*
Assembly Committee Substitute (*First Reprint*) for
Assembly, No. 671

1 ANACT concerning litter abatement, and amending and supplementing
2 P.L.1985, c.533.

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

6
7 1. Section 7 of P.L.1985, c.533 (C.13:1E-99.2) is amended to
8 read as follows:

9 7. The Clean Communities Account is established as a nonlapsing,
10 revolving fund in the Department of the Treasury to carry out the
11 purposes of this act. The Clean Communities Account shall be
12 administered by the Department of Environmental Protection and
13 credited, in addition to any appropriations made thereto, with all taxes
14 and penalties levied or imposed pursuant to sections 6 and 10 of
15 P.L.1985, c.533 (C.13:1E-99.1 and 13:1E-99.5), and any sums
16 received as voluntary contributions from private sources. Interest
17 received on moneys in the account shall be credited to the account.
18 Unless otherwise expressly provided by the specific appropriation
19 thereof by the Legislature, which shall take the form of a discrete
20 legislative appropriations act and shall not be included within the
21 annual appropriations act, all available moneys in the Clean
22 Communities Account shall be appropriated annually solely for the
23 following purposes and no others:

24 a. **5%** ~~10%~~ of the estimated annual balance of the account shall
25 be used for a State program of litter pickup and removal **and of public**
26 **education and information relating to litter abatement** and of
27 enforcement of litter-related laws and ordinances in State owned
28 places and areas that are accessible to the public;

29 b. 50% of the estimated annual balance of the account shall be
30 distributed as State aid to eligible municipalities with total housing
31 units of 200 or more for programs of litter pickup and removal,
32 including establishing an "Adopt-A-Highway" program, of public
33 education and information relating to litter abatement and of
34 enforcement of litter-related laws and ordinances. The amount of State
35 aid due each municipality shall be solely calculated based on the
36 proportion which the housing units of a qualifying municipality bear to
37 the total housing units in the State. Total housing units shall be
38 determined using the most recent federal decennial population
39 estimates for New Jersey and its municipalities, filed in the office of

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:

¹ Assembly AAP committee amendments adopted March 18, 1999.

1 the Secretary of State. Moneys in the account may also be used by an
2 eligible municipality to abate graffiti;

3 c. 30% of the estimated annual balance of the account shall be
4 distributed as State aid to eligible municipalities with total housing
5 units of 200 or more for programs of litter pickup and removal,
6 including establishing an "Adopt-A-Highway" program, of public
7 education and information relating to litter abatement and of
8 enforcement of litter-related laws and ordinances. The amount of State
9 aid due each municipality shall be solely calculated based on the
10 proportion which the municipal road mileage of a qualifying
11 municipality bears to the total municipal road mileage within the State.
12 For the purposes of this subsection, "municipal road mileage" means
13 that road mileage under the jurisdiction of municipalities, as
14 determined by the Department of Transportation. Moneys in the
15 account may also be used by an eligible municipality to abate graffiti;

16 d. 10% of the estimated annual balance of the account shall be
17 distributed as State aid to eligible counties for programs of litter
18 pickup and removal, including establishing an "Adopt-A-Highway"
19 program, of public education and information relating to litter
20 abatement and of enforcement of litter-related laws and ordinances.
21 The amount of State aid due each county shall be solely calculated
22 based on the proportion which the county road mileage of an eligible
23 county bears to the total county road mileage within the State. For the
24 purposes of this subsection, "county road mileage" means that road
25 mileage under the jurisdiction of counties, as determined by the
26 Department of Transportation. Moneys in the account may also be
27 used by an eligible county to abate graffiti;

28 e. **【**The Department of Environmental Protection shall develop
29 model municipal and county litter control programs. A model county
30 or municipal litter control program shall provide that funds distributed
31 from the Clean Communities Account to a county or municipality shall
32 be used solely to supplement existing litter pickup and removal
33 activities, and that that portion of the litter picked up with State aid
34 made available pursuant to this subsection which is recyclable shall be
35 recycled.

36 (1) To be eligible for State aid under this section, a municipality
37 or county must certify to the Department of Environmental Protection
38 the adoption of one of the programs. Upon certification by the
39 municipality or county of the enactment of an ordinance or resolution
40 or regional plan establishing one of the model programs, the
41 department shall distribute the State aid based upon the percentage
42 distribution specified in this section subject to the appropriation made
43 therefor.

44 (2) Every county and municipality shall submit an annual report to
45 the Department of Environmental Protection on the implementation of
46 the model program and the expenditure of funds. Failure to submit a

1 report or submission of an unsatisfactory report shall result in a denial
2 of future funds and an obligation to return the funds received.

3 (3) No eligible municipality shall receive less than \$4,000.00 in
4 State aid as apportioned pursuant to subsections b. and c. of this
5 section. A municipality or county may use up to 5% of its State aid for
6 administrative expenses;

7 f. **[5%]** Prior to the distribution of funds pursuant to subsections
8 a. through d. of this section, \$200,000 of the estimated annual balance
9 of the account shall be annually appropriated to [and used by] the
10 department [for State administrative expenses] and made available on
11 July 1 of every year to the organization under contract with the
12 department pursuant to section 2 of P.L. , c. (C.) (pending
13 before the Legislature as this bill) for a [State] statewide public
14 information and education program concerning antilittering activities
15 and other aspects of responsible solid waste handling behavior . The
16 organization under contract with the department pursuant to section
17 2 of P.L. , c. (C.) (pending before the Legislature as this bill)
18 shall, no later than the date on which the contract period concludes,
19 submit a report to the Governor and the Legislature concerning its
20 activities during the contract period and any recommendations
21 concerning improving the program;

22 g. **[The department shall annually submit a report to the Governor**
23 **and the Legislature detailing the administration of and disbursements**
24 **made from the Clean Communities Account during the previous**
25 **calendar year, including the uses and expenditure of moneys**
26 **appropriated to the department pursuant to subsections a. and f. of this**
27 **section.]**

28 As used in this section, "graffiti" means any inscription drawn,
29 painted or otherwise made on a bridge, building, public transportation
30 vehicle, rock, wall, sidewalk, street or other exposed surface on public
31 property.

32 The department may carry forward any unexpended balances in the
33 Clean Communities Account as of June 30 of each year.

34 (cf: P.L.1995, c.301, s.2)

35

36 2. (New section) a. No later than 90 days after the effective date
37 of P.L. , c. (C.) (pending before the Legislature as this bill),
38 the Department of Environmental Protection shall negotiate and enter
39 into a contract with an organization to administer a Clean
40 Communities statewide public information and education program
41 concerning antilittering activities and other aspects of responsible solid
42 waste handling behavior. An organization may be awarded a contract
43 with the department if it meets the following criteria:

44 (1) the organization is exempt from federal income tax under
45 section 501(c)(3) of the United States Internal Revenue Code (26
46 U.S.C.501(c)(3));

1 (2) the organization qualifies for tax deductible contributions
2 under section 170(b)(1)(A)(vi) or (viii) of the United States Internal
3 Revenue Code (¹~~26 U.S.C.501(c)(3)~~²26 U.S.C.170(b)(1)(A)(vi) or
4 (viii)¹);

5 (3) the organization is incorporated under and subject to the
6 provisions of Title 15 of the Revised Statutes or Title 15A of the New
7 Jersey Statutes and the "Charitable Registration and Investigation
8 Act," P.L.1994, c.16 (C.45:17A-18 et seq.);

9 (4) the sole purpose of the organization is the ¹funding and¹
10 administration of a Clean Communities statewide public information
11 and education program concerning antilittering activities and other
12 aspects of responsible solid waste handling behavior;

13 (5) the organization demonstrates that it has raised funds or has
14 the capability to raise funds from the private sector for the same
15 purposes moneys in the Clean Communities Account are appropriated;
16 and

17 (6) the membership of the governing board of the organization
18 consists of representatives of private sector companies or
19 organizations that are subject to the tax on the sale of litter-generating
20 products levied pursuant to section 6 of P.L.1985, c.533 (C.13:1E-
21 99.1), representatives of the public sector who are local clean
22 community coordinators duly appointed by their county or municipal
23 governing bodies, ¹the Commissioner of the Department of
24 Environmental Protection and the State Treasurer or their designees,¹
25 and representatives of community organizations, academia and
26 organizations that have an interest in litter prevention and education.

27 b. The contract to administer the Clean Communities statewide
28 public information and education program concerning antilittering
29 activities and other aspects of responsible solid waste handling
30 behavior shall provide:

31 (1) the terms and conditions of the contract;

32 (2) conditions under which the contract may be terminated and
33 grant funds recaptured by the Department of Environmental
34 Protection; and

35 (3) that the Commissioner of the Department of Environmental
36 Protection and the State Treasurer, or their designees, are included as
37 members on the Board of Trustees of the organization.

38 c. The contract shall be for a period of two years and a contract
39 recipient shall be eligible for a subsequent contract unless the recipient
40 is otherwise disqualified or fails to meet the conditions provided in this
41 section.

42

43 3. This act shall take effect immediately.

44

45

46

47 Revises allocation of Clean Communities Account.

ASSEMBLY, No. 671

STATE OF NEW JERSEY 208th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 1998 SESSION

Sponsored by:

Assemblyman JOHN C. GIBSON

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman NICHOLAS ASSELTA

District 1 (Cape May, Atlantic and Cumberland)

SYNOPSIS

Revises administration of Clean Communities Account.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



A671 GIBSON, ASSELTA

2

1 AN ACT concerning litter abatement, and amending and supplementing
2 P.L.1985, c.533.

3

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

6

7 1. Section 7 of P.L.1985, c.533 (C.13:1E-99.2) is amended to read
8 as follows:

9 7. The Clean Communities Account is established as a nonlapsing,
10 revolving fund in the Department of the Treasury to carry out the
11 purposes of this act. The Clean Communities Account shall be
12 administered by an organization under contract with the Department
13 of **[Environmental Protection]** the Treasury pursuant to section 2 of
14 P.L. , c. (C.) (pending in the Legislature as this bill) and credited,
15 in addition to any appropriations made thereto, with all taxes and
16 penalties levied or imposed pursuant to sections 6 and 10 of P.L.1985,
17 c.533 (C.13:1E-99.1 and 13:1E-99.5), and any sums received as
18 voluntary contributions from private sources. Interest received on
19 moneys in the account shall be credited to the account. Unless
20 otherwise expressly provided by the specific appropriation thereof by
21 the Legislature, which shall take the form of a discrete legislative
22 appropriations act and shall not be included within the annual
23 appropriations act, all available moneys in the Clean Communities
24 Account shall be appropriated annually solely for the following
25 purposes and no others:

26 a. **[5%] 8%** of the estimated annual balance of the account shall
27 be used for a State program of litter pickup and removal **[, of public**
28 **education and information relating to litter abatement]** and of
29 enforcement of litter-related laws and ordinances in State owned
30 places and areas that are accessible to the public;

31 b. 50% of the estimated annual balance of the account shall be
32 distributed as State aid to eligible municipalities with total housing
33 units of 200 or more for programs of litter pickup and removal,
34 including establishing an "Adopt-A-Highway" program, of public
35 education and information relating to litter abatement and of
36 enforcement of litter-related laws and ordinances. The amount of
37 State aid due each municipality shall be solely calculated based on the
38 proportion which the housing units of a qualifying municipality bear to
39 the total housing units in the State. Total housing units shall be
40 determined using the most recent federal decennial population
41 estimates for New Jersey and its municipalities, filed in the office of
42 the Secretary of State. Monies may also be used by an eligible
43 municipality to abate graffiti;

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

Matter underlined thus is new matter.

1 c. 30% of the estimated annual balance of the account shall be
2 distributed as State aid to eligible municipalities with total housing
3 units of 200 or more for programs of litter pickup and removal,
4 including establishing an "Adopt-A-Highway" program, of public
5 education and information relating to litter abatement and of
6 enforcement of litter-related laws and ordinances. The amount of
7 State aid due each municipality shall be solely calculated based on the
8 proportion which the municipal road mileage of a qualifying
9 municipality bears to the total municipal road mileage within the State.
10 For the purposes of this subsection, "municipal road mileage" means
11 that road mileage under the jurisdiction of municipalities, as
12 determined by the Department of Transportation. Monies may also be
13 by used an eligible municipality to abate graffiti;

14 d. 10% of the estimated annual balance of the account shall be
15 distributed as State aid to eligible counties for programs of litter
16 pickup and removal, including establishing an "Adopt-A-Highway"
17 program, of public education and information relating to litter
18 abatement and of enforcement of litter-related laws and ordinances.
19 The amount of State aid due each county shall be solely calculated
20 based on the proportion which the county road mileage of an eligible
21 county bears to the total county road mileage within the State. For the
22 purposes of this subsection, "county road mileage" means that road
23 mileage under the jurisdiction of counties, as determined by the
24 Department of Transportation. Monies may also be used by an eligible
25 county to abate graffiti;

26 e. The **【Department of Environmental Protection】** organization
27 under contract with the Department of the Treasury pursuant to
28 section 2 of P.L. , c. (C.) (pending before the Legislature as
29 this bill) shall develop model municipal and county litter control
30 programs. A model county or municipal litter control program shall
31 provide that funds distributed from the Clean Communities Account
32 to a county or municipality shall be used solely to supplement existing
33 litter pickup and removal activities, and that that portion of the litter
34 picked up with State aid made available pursuant to this subsection
35 which is recyclable shall be recycled.

36 (1) To be eligible for State aid under this section, a municipality or
37 county must certify to the Department of **【Environmental Protection】**
38 the Treasury and the organization under contract with the Department
39 of the Treasury pursuant to section 2 of P.L. , c. (C.) (pending
40 before the Legislature as this bill) the adoption of one of the programs.
41 Upon certification by the municipality or county of the enactment of
42 an ordinance or resolution or regional plan establishing one of the
43 model programs, the **【department】** Department of the Treasury shall
44 distribute the State aid based upon the percentage distribution
45 specified in this section subject to the appropriation made therefor.

46 (2) Every county **【and】** , municipality and state agency receiving

1 funds from the Clean Communities Account shall submit an annual
2 report to the Department of ~~Environmental Protection~~ the Treasury
3 and the organization under contract with the Department of the
4 Treasury pursuant to section 2 of P.L. , c. (C.) (pending
5 before the Legislature as this bill) on the implementation of the model
6 program and the expenditure of funds. Failure to submit a report or
7 submission of an unsatisfactory report shall result in a denial of future
8 funds and an obligation to return the funds received.

9 (3) No eligible municipality shall receive less than \$4,000.00 in
10 State aid as apportioned pursuant to subsections b. and c. of this
11 section. A municipality or county may use up to 5% of its State aid
12 for administrative expenses;

13 f. ~~5%~~ 2% of the estimated annual balance of the account shall be
14 annually appropriated to ~~and used by~~ the ~~department~~ Department
15 of the Treasury and made available on July 1 of every year to the
16 organization under contract with the department pursuant to section
17 2 of P.L. , c. (C.) (pending before the Legislature as this bill)
18 for State administrative expenses and a State public information and
19 education program concerning antilittering activities and other aspects
20 of responsible solid waste handling behavior , except that not more
21 than \$200,000 may annually be appropriated for this purpose and any
22 amount in excess thereof shall be distributed as provided in
23 subsections a. through d. of this section;

24 g. The ~~department~~ Department of the Treasury shall annually
25 submit a report to the Governor and the Legislature detailing the
26 administration of and disbursements made from the Clean
27 Communities Account during the previous calendar year, including the
28 uses and expenditure of moneys appropriated to the department
29 pursuant to subsections a. and f. of this section.

30 h. As used in this section, "graffiti" means any inscription drawn,
31 painted or otherwise made on a bridge, building, public transportation
32 vehicle, rock, wall, sidewalk, street or other exposed surface on public
33 property.

34 The department may carry forward any unexpended balances in the
35 Clean Communities Account as of June 30 of each year.

36 (cf: P.L.1995, c.301, s.2)

37

38 2. (New section) a. No later than 60 days after the effective date
39 of P.L. , c. (C.) (pending before the Legislature as this bill),
40 the Department of the Treasury shall negotiate and enter into a
41 contract with an organization to administer the Clean Communities
42 Account established pursuant to section 7 of P.L.1985, c.533
43 (C.13:1E-99.2). An organization may be awarded a contract with the
44 department if it meets the following criteria:

45 (1) the organization is exempt from federal income tax under

- 1 section 501(c)(3) of the United States Internal Revenue Code (26
2 U.S.C.501(c)(3));
- 3 (2) the organization qualifies for tax deductible contributions under
4 section 170(b)(1)(A)(vi) or (viii) of the United States Internal Revenue
5 Code (26 U.S.C.501(c)(3));
- 6 (3) the organization is incorporated under and subject to the
7 provisions of Title 15 of the Revised Statutes or Title 15A of the New
8 Jersey Statutes and the "Charitable Registration and Investigation
9 Act," P.L.1994, c.16 (C.45:17A-18 et seq.);
- 10 (4) the sole purpose of the organization is the administration of the
11 Clean Communities Account;
- 12 (5) the organization demonstrates that it has raised funds or has the
13 capability to raise funds from the private sector for the same purposes
14 monies in the Clean Communities Account are appropriated; and
- 15 (6) the membership of the governing board of the organization
16 consists of representatives of private sector companies or
17 organizations that are subject to the tax on the sale of litter-generating
18 products pursuant to section 6 of P.L.1985, c.533 (C.13:1E-99.1), and
19 representatives of the public sector who are local clean community
20 coordinators.
- 21 b. The contract to administer the Clean Communities Account shall
22 provide:
- 23 (1) the terms and conditions of the contract;
- 24 (2) conditions under which the contract may be terminated and
25 grant funds recaptured by the Department of the Treasury ; and
- 26 (3) that the Commissioner of the Department of Environmental
27 Protection and the State Treasurer, or their designee, are included as
28 members on the Board of Trustees of the organization.
- 29 c. The contract shall be for a period of two years and a contract
30 recipient shall be eligible for a subsequent contract.
- 31
- 32 3. This act shall take effect immediately.
- 33
- 34

35 STATEMENT

36

37 P.L.1985, c.533 imposed a tax on the sale of litter-generating
38 products to provide funds to finance a Statewide anti-litter program.
39 The manufacturers, wholesalers, and distributors of litter-generating
40 products are taxed at the rate of \$300 per \$1,000,000 in sales per year;
41 retailers, including restaurants, are taxed at the rate of \$225 per
42 \$1,000,000 in annual sales. The fifteen categories of litter-generating
43 products include alcoholic beverages, soft drinks, cigarettes, paper
44 products, food and groceries, among others. Monies collected from
45 the tax are deposited in the Clean Communities Account. The law
46 provides that 90 percent of the estimated annual balance of the

1 account must be used for grants to counties and municipalities for
2 local litter control programs and activities. The tax will expire on
3 December 31, 2000.

4 The FY1997 budget reallocated the portion of the fund previously
5 used for program oversight functions. This bill would reinstate a
6 mechanism for oversight of the expenditure of monies in the Clean
7 Communities Account, and encourage greater participation by the
8 private sector in the program.

9 This bill would direct the Department of the Treasury to negotiate
10 and enter into a contract with an organization to administer the Clean
11 Communities Account. The Department of the Treasury shall be
12 appropriated 2% of the estimated annual balance of the account to be
13 made available to the organization under contract for administration,
14 oversight and education, except that not more than \$200,000 may
15 annually be appropriated for this purpose and any amount in excess
16 thereof shall be distributed as otherwise provided by law. An
17 organization may be awarded a contract with the Department of the
18 Treasury if it meets the following criteria:

19 (1) the organization is exempt from federal income tax under
20 section 501(c)(3) of the Internal Revenue Code;

21 (2) the organization qualifies for tax deductible contributions under
22 section 170(b)(1)(A)(vi) or (viii) of the Internal Revenue Code;

23 (3) the organization is incorporated under and subject to the
24 provisions of Title 15 of the Revised Statutes or Title 15A of the New
25 Jersey Statutes and the "Charitable Registration and Investigation
26 Act," P.L.1994, c.16 (C.45:17A-18 et seq.);

27 (4) the sole purpose of the organization is the administration of the
28 Clean Communities Account;

29 (5) the organization demonstrates that it has raised funds or has the
30 capability to raise funds from the private sector for the same purposes
31 monies in the Clean Communities Account are appropriated; and

32 (6) the membership of the governing board of the organization
33 consists of representatives of private sector companies or
34 organizations that are subject to the tax on the sale of litter-generating
35 products, and representatives of the public sector who are local clean
36 community coordinators.

37 The contract shall provide:

38 (1) the terms and conditions of the contract;

39 (2) conditions under which the contract may be terminated and
40 grant funds recaptured by the Department of the Treasury; and

41 (3) that the Commissioner of the Department of Environmental
42 Protection and the State Treasurer, or their designee, are included as
43 members on the Board of Trustees of the organization.

44 The contract shall be for a period of two years and a contract
45 recipient shall be eligible for a subsequent contract.

46 Finally, the bill would expand the permitted uses of funds from the

A671 GIBSON, ASSELTA

7

1 account by eligible municipalities and counties to include the
2 abatement of graffiti.

3 It is the bill's intent that the organization under contract be one that,
4 in addition to meeting the conditions listed above, is very
5 knowledgeable about the history and current operation of the clean
6 communities program, and is clearly capable of advancing and
7 promoting the program in the future.

ASSEMBLY SOLID AND HAZARDOUS WASTE COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, No. 671**

STATE OF NEW JERSEY

DATED: DECEMBER 10, 1998

The Assembly Solid and Hazardous Waste Committee favorably reports an Assembly Committee Substitute for Assembly Bill No. 671.

P.L.1985, c.533 imposed a tax on the sale of litter-generating products to provide funds to finance a Statewide anti-litter program. The manufacturers, wholesalers, and distributors of litter-generating products are taxed at the rate of \$300 per \$1,000,000 in sales per year; retailers, including restaurants, are taxed at the rate of \$225 per \$1,000,000 in annual sales. The fifteen categories of litter-generating products include alcoholic beverages, soft drinks, cigarettes, paper products, food and groceries, among others. Moneys collected from the tax are deposited in the Clean Communities Account. The law provides that 90 percent of the estimated annual balance of the account must be used for grants to counties and municipalities for local litter control programs and activities. The tax will expire on December 31, 2000.

The substitute bill would direct the Department of Environmental Protection to negotiate and enter into a contract with an organization to administer a Clean Communities statewide public information and education program concerning antilittering activities and other aspects of responsible solid waste handling behavior. The Department of Environmental Protection shall be appropriated \$200,000 of the estimated annual balance of the account prior to the distribution of funds as provided by law to be made available to the organization under contract for this purpose. An organization may be awarded a contract with the department if it meets the following criteria:

(1) the organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code;

(2) the organization qualifies for tax deductible contributions under section 170(b)(1)(A)(vi) or (viii) of the Internal Revenue Code;

(3) the organization is incorporated under and subject to the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes and the "Charitable Registration and Investigation Act," P.L.1994, c.16 (C.45:17A-18 et seq.);

(4) the sole purpose of the organization is the administration of a Clean Communities statewide public information and education

program concerning antilittering activities and other aspects of responsible solid waste handling behavior;

(5) the organization demonstrates that it has raised funds or has the capability to raise funds from the private sector for the same purposes monies in the Clean Communities Account are appropriated; and

(6) the membership of the governing board of the organization consists of representatives of private sector companies or organizations that are subject to the tax on the sale of litter-generating products, representatives of the public sector who are local clean community coordinators, and representatives of community organizations, academia and organizations that have an interest in litter prevention and education.

The contract shall provide:

(1) the terms and conditions of the contract;

(2) conditions under which the contract may be terminated and grant funds recaptured by the Department of the Treasury; and

(3) that the Commissioner of the Department of Environmental Protection and the State Treasurer, or their designees, are included as members on the Board of Trustees of the organization.

The contract shall be for a period of two years and a contract recipient shall be eligible for a subsequent contract.

Finally, the substitute bill would expand the permitted uses of funds from the account by eligible municipalities and counties to include the abatement of graffiti.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, No. 671**

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MARCH 18, 1999

The Assembly Appropriations Committee reports favorably Assembly Bill No. 671 (ACS) with committee amendments.

Assembly Bill No. 671 (ACS), as amended, directs the Department of Environmental Protection to negotiate and enter into a contract with an organization to administer a Clean Communities Statewide public information and education program concerning antilittering activities and other aspects of responsible solid waste handling behavior.

P.L.1985, c.533 imposed a tax on the sale of litter-generating products to provide funds to finance a Statewide anti-litter program. The manufacturers, wholesalers, and distributors of litter-generating products are taxed at the rate of \$300 per \$1,000,000 in sales per year; retailers, including restaurants, are taxed at the rate of \$225 per \$1,000,000 in annual sales. The fifteen categories of litter-generating products include alcoholic beverages, soft drinks, cigarettes, paper products, food and groceries, among others. Moneys collected from the tax are deposited in the Clean Communities Account. The law currently requires that 90 percent of the estimated annual balance of the account be used for grants to counties and municipalities for local litter control programs and activities, 5 percent for a Statewide program of litter pickup and removal and 5 percent for a Statewide public information and education program concerning antilittering activities. The tax will expire on December 31, 2000.

The bill sets the State expenditure on the Statewide public information and education program concerning antilittering activities at \$200,000 annually, and directs the Department of Environmental Protection to negotiate and enter into a contract with an organization to administer a Clean Communities Statewide public information and education program, reallocating the remaining funds.

The bill also expands the permitted uses of funds from the account by eligible municipalities and counties to include the abatement of graffiti.

FISCAL IMPACT:

The bill will not increase or decrease the revenues from the tax on litter-generating products, which generated \$13.4 million in FY1997. If an equal amount were anticipated for FY2000, the effect of limiting the amount spent on the Statewide public information and education program concerning antilittering activities would be an expenditure decrease from 5 percent of that total, or approximately \$670,000, to \$200,000. The bill reallocates the bulk of the \$470,000 difference to the Statewide litter pickup and removal program.

COMMITTEE AMENDMENTS:

The amendments make a technical correction to a legal reference and clarify the criteria applicable to the organizations qualifying for the Clean Communities Statewide public information program contract.

SENATE ENVIRONMENT COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, No. 671**

STATE OF NEW JERSEY

DATED: DECEMBER 6, 1999

The Senate Environment Committee favorably reports Assembly Bill No. 671 (ACS)(1R).

Assembly Bill No. 671 (ACS)(1R) directs the Department of Environmental Protection to negotiate and enter into a contract with an organization to administer a Clean Communities Statewide public information and education program concerning antilittering activities and other aspects of responsible solid waste handling behavior.

P.L.1985, c.533 imposed a tax on the sale of litter-generating products to provide funds to finance a Statewide anti-litter program. The manufacturers, wholesalers, and distributors of litter-generating products are taxed at the rate of \$300 per \$1,000,000 in sales per year; retailers, including restaurants, are taxed at the rate of \$225 per \$1,000,000 in annual sales. The fifteen categories of litter-generating products include alcoholic beverages, soft drinks, cigarettes, paper products, food and groceries, among others. Moneys collected from the tax are deposited in the Clean Communities Account. The law currently requires that 90 percent of the estimated annual balance of the account be used for grants to counties and municipalities for local litter control programs and activities, 5 percent for a Statewide program of litter pickup and removal and 5 percent for a Statewide public information and education program concerning antilittering activities. The tax will expire on December 31, 2000.

The bill sets the State expenditure on the Statewide public information and education program concerning antilittering activities at \$200,000 annually, and directs the Department of Environmental Protection to negotiate and enter into a contract with an organization to administer a Clean Communities Statewide public information and education program, reallocating the remaining funds. Specifically, the five per cent of the fund formerly allocated for DEP administrative costs is now allocated to state anti-litter programs.

The bill also expands the permitted uses of funds from the account by eligible municipalities and counties to include the abatement of

graffiti.

As reported by the committee, A671(ACS)(1R) is identical to S-583 as amended and reported by the committee.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 671

STATE OF NEW JERSEY

DATED: DECEMBER 13, 1999

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 671 ACS (1R).

This bill revises the funding and administration of the statewide antilittering program financed from the Clean Communities Account established in the Department of the Treasury and administered by the Department of Environmental Protection (DEP).

P.L.1985, c.533 imposed a tax on the sale of litter-generating products to provide funds to finance a Statewide anti-litter program. The manufacturers, wholesalers, and distributors of litter-generating products are taxed at the rate of \$300 per \$1,000,000 in sales per year; retailers, including restaurants, are taxed at the rate of \$225 per \$1,000,000 in annual sales. The fifteen categories of litter-generating products include alcoholic beverages, soft drinks, cigarettes, paper products, food and groceries, among others. Moneys collected from the tax are deposited in the Clean Communities Account. The law currently provides that, of the estimated annual balance of the account, 90% is to be used for grants to counties and municipalities for local litter control programs and activities, 5% is to be used for a Statewide program of litter pickup and removal, and 5% is to be used to cover DEP administrative expenses and fund a Statewide public information and education program concerning antilittering activities and responsible solid waste handling behavior. The tax is scheduled to expire on December 31, 2000.

The bill sets the level of State expenditure on the Statewide public information and education program concerning antilittering/responsible solid waste handling at \$200,000 annually, and directs the DEP to negotiate and enter into a contract with an organization to administer a statewide Clean Communities public information and education program. The contracting organization would have to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, qualify for tax deductible contributions under section 170(b)(1)(A)(vi) or (viii) of the Code, be incorporated under and

subject to the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes and the "Charitable Registration and Investigation Act," P.L.1994, c.16 (C.45:17A-18 et seq.), and meet various other qualifications specified in the bill.

In conjunction with the establishment of the \$200,000 annual funding level for the information program, the bill eliminates the dedication of 5% of the Clean Communities Account's annual balance to fund that program and DEP administrative expenses, and increases to 10% the proportion of that annual balance that is dedicated to the statewide litter pickup and removal program.

The bill also expands the permitted uses of funds from the account by eligible municipalities and counties to include the abatement of graffiti.

The provisions of this bill are identical to those of Senate Bill No. 583 (1R), also reported this day by the committee.

FISCAL IMPACT:

The bill will not increase or decrease the revenues from the tax on litter-generating products, which generated \$14.2 million in FY1998. If an equal amount were anticipated for FY2000, the effect of limiting the amount spent on the Statewide public information and education program concerning antilittering activities would be an expenditure decrease from 5 percent of that total, or approximately \$710,000, to \$200,000. The bill reallocates the bulk of the \$510,000 difference to the Statewide litter pickup and removal program.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 671

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: JUNE 24, 1999

Assembly Committee Substitute (1R) for Assembly Bill No. 671 of 1998 amends and supplements the "Clean Communities and Recycling Act" (P.L.1985, c.533) by directing the Department of Environmental Protection (DEP) to enter into a contract with a nonprofit organization to administer a statewide Clean Communities public information and education program concerning anti-littering activities and other aspects of responsible solid waste handling behavior. The DEP would annually receive \$200,000 for this purpose from revenues collected under the State litter tax, which funds the Clean Communities formula grant program.

The Office of Legislative Services (OLS) estimates that the bill's annual allocation of \$200,000 to support a statewide public information program would not affect the tax revenues annually available for Clean Communities grants to municipalities and counties, or for litter pickup programs in State-owned areas. Since the Clean Communities account usually carries a year-end balance of \$5 million to over \$7 million, it can support this \$200,000 appropriation for many years before program balances are affected.

In making available the \$200,000 allocation, the bill revises the non-grant percentage allocations of Clean Communities funds, i.e. it doubles the 5 percent allocation for litter pickup in State-owned areas and eliminates the 5 percent allocation for State administrative expenses. The OLS estimates that these revisions will have no fiscal impacts on these activities because of funding formula changes effectuated for this program in FY 1997.

Beginning in FY 1997, the annual Appropriations Act has contained budget language that authorizes \$725,000 from the Clean Communities account for litter pickup in State parks, as well as language that guarantees that Clean Communities grants will be distributed by the same criteria used in FY 1996. These provisions allowed grants to be processed and distributed by formula rather than

through a discretionary process, thereby eliminating much of the program's administrative costs (as supported by litter tax revenues).

As a result of these changes, litter tax revenues authorized for administrative expenses have been used to supplement monies authorized for litter pickup in State-owned areas. The bill's doubling of the 5 percent allocation for litter pickup in State-owned areas essentially achieves the same purpose.

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.

SENATE, No. 583

STATE OF NEW JERSEY
208th LEGISLATURE

INTRODUCED FEBRUARY 23, 1998

Sponsored by:

Senator JAMES S. CAFIERO

District 1 (Cape May, Atlantic and Cumberland)

SYNOPSIS

Revises administration of Clean Communities Account.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning litter abatement, and amending and supplementing
2 P.L.1985, c.533.

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

6
7 1. Section 7 of P.L.1985, c.533 (C.13:1E-99.2) is amended to read
8 as follows:

9 7. The Clean Communities Account is established as a nonlapsing,
10 revolving fund in the Department of the Treasury to carry out the
11 purposes of this act. The Clean Communities Account shall be
12 administered by an organization under contract with the Department
13 of **[Environmental Protection]** the Treasury pursuant to section 2 of
14 P.L. , c. (C.) (pending in the Legislature as this bill) and credited,
15 in addition to any appropriations made thereto, with all taxes and
16 penalties levied or imposed pursuant to sections 6 and 10 of P.L.1985,
17 c.533 (C.13:1E-99.1 and 13:1E-99.5), and any sums received as
18 voluntary contributions from private sources. Interest received on
19 moneys in the account shall be credited to the account. Unless
20 otherwise expressly provided by the specific appropriation thereof by
21 the Legislature, which shall take the form of a discrete legislative
22 appropriations act and shall not be included within the annual
23 appropriations act, all available moneys in the Clean Communities
24 Account shall be appropriated annually solely for the following
25 purposes and no others:

26 a. **[5%]** 8% of the estimated annual balance of the account shall
27 be used for a State program of litter pickup and removal **[, of public**
28 **education and information relating to litter abatement]** and of
29 enforcement of litter-related laws and ordinances in State owned
30 places and areas that are accessible to the public;

31 b. 50% of the estimated annual balance of the account shall be
32 distributed as State aid to eligible municipalities with total housing
33 units of 200 or more for programs of litter pickup and removal,
34 including establishing an "Adopt-A-Highway" program, of public
35 education and information relating to litter abatement and of
36 enforcement of litter-related laws and ordinances. The amount of
37 State aid due each municipality shall be solely calculated based on the
38 proportion which the housing units of a qualifying municipality bear to
39 the total housing units in the State. Total housing units shall be
40 determined using the most recent federal decennial population
41 estimates for New Jersey and its municipalities, filed in the office of
42 the Secretary of State. Monies may also be used by an eligible
43 municipality to abate graffiti;

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

Matter underlined thus is new matter.

1 c. 30% of the estimated annual balance of the account shall be
2 distributed as State aid to eligible municipalities with total housing
3 units of 200 or more for programs of litter pickup and removal,
4 including establishing an "Adopt-A-Highway" program, of public
5 education and information relating to litter abatement and of
6 enforcement of litter-related laws and ordinances. The amount of
7 State aid due each municipality shall be solely calculated based on the
8 proportion which the municipal road mileage of a qualifying
9 municipality bears to the total municipal road mileage within the State.
10 For the purposes of this subsection, "municipal road mileage" means
11 that road mileage under the jurisdiction of municipalities, as
12 determined by the Department of Transportation. Monies may also be
13 by used an eligible municipality to abate graffiti;

14 d. 10% of the estimated annual balance of the account shall be
15 distributed as State aid to eligible counties for programs of litter
16 pickup and removal, including establishing an "Adopt-A-Highway"
17 program, of public education and information relating to litter
18 abatement and of enforcement of litter-related laws and ordinances.
19 The amount of State aid due each county shall be solely calculated
20 based on the proportion which the county road mileage of an eligible
21 county bears to the total county road mileage within the State. For the
22 purposes of this subsection, "county road mileage" means that road
23 mileage under the jurisdiction of counties, as determined by the
24 Department of Transportation. Monies may also be used by an eligible
25 county to abate graffiti;

26 e. The **【Department of Environmental Protection】** organization
27 under contract with the Department of the Treasury pursuant to
28 section 2 of P.L. , c. (C.) (pending before the Legislature as
29 this bill) shall develop model municipal and county litter control
30 programs. A model county or municipal litter control program shall
31 provide that funds distributed from the Clean Communities Account
32 to a county or municipality shall be used solely to supplement existing
33 litter pickup and removal activities, and that that portion of the litter
34 picked up with State aid made available pursuant to this subsection
35 which is recyclable shall be recycled.

36 (1) To be eligible for State aid under this section, a municipality or
37 county must certify to the Department of **【Environmental Protection】**
38 the Treasury and the organization under contract with the Department
39 of the Treasury pursuant to section 2 of P.L. , c. (C.) (pending
40 before the Legislature as this bill) the adoption of one of the programs.
41 Upon certification by the municipality or county of the enactment of
42 an ordinance or resolution or regional plan establishing one of the
43 model programs, the **【department】** Department of the Treasury shall
44 distribute the State aid based upon the percentage distribution
45 specified in this section subject to the appropriation made therefor.

46 (2) Every county **【and】** , municipality and state agency receiving

1 funds from the Clean Communities Account shall submit an annual
2 report to the Department of ~~Environmental Protection~~ the Treasury
3 and the organization under contract with the Department of the
4 Treasury pursuant to section 2 of P.L. , c. (C.) (pending
5 before the Legislature as this bill) on the implementation of the model
6 program and the expenditure of funds. Failure to submit a report or
7 submission of an unsatisfactory report shall result in a denial of future
8 funds and an obligation to return the funds received.

9 (3) No eligible municipality shall receive less than \$4,000.00 in
10 State aid as apportioned pursuant to subsections b. and c. of this
11 section. A municipality or county may use up to 5% of its State aid
12 for administrative expenses;

13 f. ~~5%~~ 2% of the estimated annual balance of the account shall be
14 annually appropriated to ~~and used by~~ the ~~department~~ Department
15 of the Treasury and made available on July 1 of every year to the
16 organization under contract with the department pursuant to section
17 2 of P.L. , c. (C.) (pending before the Legislature as this bill)
18 for State administrative expenses and a State public information and
19 education program concerning antilittering activities and other aspects
20 of responsible solid waste handling behavior , except that not more
21 than \$200,000 may annually be appropriated for this purpose and any
22 amount in excess thereof shall be distributed as provided in
23 subsections a. through d. of this section;

24 g. The ~~department~~ Department of the Treasury shall annually
25 submit a report to the Governor and the Legislature detailing the
26 administration of and disbursements made from the Clean
27 Communities Account during the previous calendar year, including the
28 uses and expenditure of moneys appropriated to the department
29 pursuant to subsections a. and f. of this section.

30 h. As used in this section, "graffiti" means any inscription drawn,
31 painted or otherwise made on a bridge, building, public transportation
32 vehicle, rock, wall, sidewalk, street or other exposed surface on public
33 property.

34 The department may carry forward any unexpended balances in the
35 Clean Communities Account as of June 30 of each year.

36 (cf: P.L.1995, c.301, s.2)

37

38 2. (New section) a. No later than 60 days after the effective date
39 of P.L. , c. (C.) (pending before the Legislature as this bill),
40 the Department of the Treasury shall negotiate and enter into a
41 contract with an organization to administer the Clean Communities
42 Account established pursuant to section 7 of P.L.1985, c.533
43 (C.13:1E-99.2). An organization may be awarded a contract with the
44 department if it meets the following criteria:

45 (1) the organization is exempt from federal income tax under

- 1 section 501(c)(3) of the United States Internal Revenue Code (26
2 U.S.C.501(c)(3));
- 3 (2) the organization qualifies for tax deductible contributions under
4 section 170(b)(1)(A)(vi) or (viii) of the United States Internal Revenue
5 Code (26 U.S.C.501(c)(3));
- 6 (3) the organization is incorporated under and subject to the
7 provisions of Title 15 of the Revised Statutes or Title 15A of the New
8 Jersey Statutes and the "Charitable Registration and Investigation
9 Act," P.L.1994, c.16 (C.45:17A-18 et seq.);
- 10 (4) the sole purpose of the organization is the administration of the
11 Clean Communities Account;
- 12 (5) the organization demonstrates that it has raised funds or has the
13 capability to raise funds from the private sector for the same purposes
14 monies in the Clean Communities Account are appropriated; and
- 15 (6) the membership of the governing board of the organization
16 consists of representatives of private sector companies or
17 organizations that are subject to the tax on the sale of litter-generating
18 products pursuant to section 6 of P.L.1985, c.533 (C.13:1E-99.1), and
19 representatives of the public sector who are local clean community
20 coordinators.
- 21 b. The contract to administer the Clean Communities Account shall
22 provide:
- 23 (1) the terms and conditions of the contract;
- 24 (2) conditions under which the contract may be terminated and
25 grant funds recaptured by the Department of the Treasury ; and
- 26 (3) that the Commissioner of the Department of Environmental
27 Protection and the State Treasurer, or their designee, are included as
28 members on the Board of Trustees of the organization.
- 29 c. The contract shall be for a period of two years and a contract
30 recipient shall be eligible for a subsequent contract.
- 31
- 32 3. This act shall take effect immediately.
- 33
- 34

35 STATEMENT

36

37 P.L.1985, c.533 imposed a tax on the sale of litter-generating
38 products to provide funds to finance a Statewide anti-litter program.
39 The manufacturers, wholesalers, and distributors of litter-generating
40 products are taxed at the rate of \$300 per \$1,000,000 in sales per year;
41 retailers, including restaurants, are taxed at the rate of \$225 per
42 \$1,000,000 in annual sales. The fifteen categories of litter-generating
43 products include alcoholic beverages, soft drinks, cigarettes, paper
44 products, food and groceries, among others. Monies collected from
45 the tax are deposited in the Clean Communities Account. The law
46 provides that 90 percent of the estimated annual balance of the

1 account must be used for grants to counties and municipalities for
2 local litter control programs and activities. The tax will expire on
3 December 31, 2000.

4 The FY1997 budget reallocated the portion of the fund previously
5 used for program oversight functions. This bill would reinstate a
6 mechanism for oversight of the expenditure of monies in the Clean
7 Communities Account, and encourage greater participation by the
8 private sector in the program.

9 This bill would direct the Department of the Treasury to negotiate
10 and enter into a contract with an organization to administer the Clean
11 Communities Account. The Department of the Treasury shall be
12 appropriated 2% of the estimated annual balance of the account to be
13 made available to the organization under contract for administration,
14 oversight and education, except that not more than \$200,000 may
15 annually be appropriated for this purpose and any amount in excess
16 thereof shall be distributed as otherwise provided by law. An
17 organization may be awarded a contract with the Department of the
18 Treasury if it meets the following criteria:

19 (1) the organization is exempt from federal income tax under
20 section 501(c)(3) of the Internal Revenue Code;

21 (2) the organization qualifies for tax deductible contributions under
22 section 170(b)(1)(A)(vi) or (viii) of the Internal Revenue Code;

23 (3) the organization is incorporated under and subject to the
24 provisions of Title 15 of the Revised Statutes or Title 15A of the New
25 Jersey Statutes and the "Charitable Registration and Investigation
26 Act," P.L.1994, c.16 (C.45:17A-18 et seq.);

27 (4) the sole purpose of the organization is the administration of the
28 Clean Communities Account;

29 (5) the organization demonstrates that it has raised funds or has the
30 capability to raise funds from the private sector for the same purposes
31 monies in the Clean Communities Account are appropriated; and

32 (6) the membership of the governing board of the organization
33 consists of representatives of private sector companies or
34 organizations that are subject to the tax on the sale of litter-generating
35 products, and representatives of the public sector who are local clean
36 community coordinators.

37 The contract shall provide:

38 (1) the terms and conditions of the contract;

39 (2) conditions under which the contract may be terminated and
40 grant funds recaptured by the Department of the Treasury; and

41 (3) that the Commissioner of the Department of Environmental
42 Protection and the State Treasurer, or their designee, are included as
43 members on the Board of Trustees of the organization.

44 The contract shall be for a period of two years and a contract
45 recipient shall be eligible for a subsequent contract.

46 Finally, the bill would expand the permitted uses of funds from the

S583 CAFIERO

7

1 account by eligible municipalities and counties to include the
2 abatement of graffiti.

3 It is the bill's intent that the organization under contract be one that,
4 in addition to meeting the conditions listed above, is very
5 knowledgeable about the history and current operation of the clean
6 communities program, and is clearly capable of advancing and
7 promoting the program in the future.

SENATE ENVIRONMENT COMMITTEE

STATEMENT TO

SENATE, No. 583

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 6, 1999

The Senate Environment Committee favorably reports Senate Bill No. 583 with committee amendments.

Senate Bill No. 583, as amended by the committee, directs the Department of Environmental Protection to negotiate and enter into a contract with an organization to administer a Clean Communities Statewide public information and education program concerning antilittering activities and other aspects of responsible solid waste handling behavior.

P.L.1985, c.533 imposed a tax on the sale of litter-generating products to provide funds to finance a Statewide anti-litter program. The manufacturers, wholesalers, and distributors of litter-generating products are taxed at the rate of \$300 per \$1,000,000 in sales per year; retailers, including restaurants, are taxed at the rate of \$225 per \$1,000,000 in annual sales. The fifteen categories of litter-generating products include alcoholic beverages, soft drinks, cigarettes, paper products, food and groceries, among others. Moneys collected from the tax are deposited in the Clean Communities Account. The law currently requires that 90 percent of the estimated annual balance of the account be used for grants to counties and municipalities for local litter control programs and activities, 5 percent for a Statewide program of litter pickup and removal and 5 percent for a Statewide public information and education program concerning antilittering activities. The tax will expire on December 31, 2000.

The bill sets the State expenditure on the Statewide public information and education program concerning antilittering activities at \$200,000 annually, and directs the Department of Environmental Protection to negotiate and enter into a contract with an organization to administer a Clean Communities Statewide public information and education program, reallocating the remaining funds. Specifically, the five per cent of the fund formerly allocated for DEP administrative costs is now allocated to state anti- litter programs.

The bill also expands the permitted uses of funds from the account by eligible municipalities and counties to include the abatement of graffiti

As amended by the committee, S-583 is identical to A-671 (ACS/1R), also reported by the committee.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 583

STATE OF NEW JERSEY

DATED: DECEMBER 13, 1999

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 583 (1R).

This bill revises the funding and administration of the statewide antilittering program financed from the Clean Communities Account established in the Department of the Treasury and administered by the Department of Environmental Protection (DEP).

P.L.1985, c.533 imposed a tax on the sale of litter-generating products to provide funds to finance a Statewide anti-litter program. The manufacturers, wholesalers, and distributors of litter-generating products are taxed at the rate of \$300 per \$1,000,000 in sales per year; retailers, including restaurants, are taxed at the rate of \$225 per \$1,000,000 in annual sales. The fifteen categories of litter-generating products include alcoholic beverages, soft drinks, cigarettes, paper products, food and groceries, among others. Moneys collected from the tax are deposited in the Clean Communities Account. The law currently provides that, of the estimated annual balance of the account, 90% is to be used for grants to counties and municipalities for local litter control programs and activities, 5% is to be used for a Statewide program of litter pickup and removal, and 5% is to be used to cover DEP administrative expenses and fund a Statewide public information and education program concerning antilittering activities and responsible solid waste handling behavior. The tax is scheduled to expire on December 31, 2000.

The bill sets the level of State expenditure on the Statewide public information and education program concerning antilittering/responsible solid waste handling at \$200,000 annually, and directs the DEP to negotiate and enter into a contract with an organization to administer a statewide Clean Communities public information and education program. The contracting organization would have to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, qualify for tax deductible contributions under section 170(b)(1)(A)(vi) or (viii) of the Code, be incorporated under and subject to the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes and the "Charitable Registration and

Investigation Act," P.L.1994, c.16 (C.45:17A-18 et seq.), and meet various other qualifications specified in the bill.

In conjunction with the establishment of the \$200,000 annual funding level for the information program, the bill eliminates the dedication of 5% of the Clean Communities Account's annual balance to fund that program and DEP administrative expenses, and increases to 10% the proportion of that annual balance that is dedicated to the statewide litter pickup and removal program.

The bill also expands the permitted uses of funds from the account by eligible municipalities and counties to include the abatement of graffiti.

The provisions of this bill are identical to those of Assembly Bill No. 671 ACS (1R), also reported this day by the committee.

FISCAL IMPACT:

The bill will not increase or decrease the revenues from the tax on litter-generating products, which generated \$14.2 million in FY1998. If an equal amount were anticipated for FY2000, the effect of limiting the amount spent on the Statewide public information and education program concerning antilittering activities would be an expenditure decrease from 5 percent of that total, or approximately \$710,000, to \$200,000. The bill reallocates the bulk of the \$510,000 difference to the Statewide litter pickup and removal program.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 583

STATE OF NEW JERSEY

208th LEGISLATURE

DATED: DECEMBER 28, 1999

Senate Bill No. 583 (1R) of 1998 amends and supplements the "Clean Communities and Recycling Act" (P.L.1985, c.533) by directing the Department of Environmental Protection (DEP) to enter into a contract with a nonprofit organization to administer a statewide Clean Communities public information and education program concerning anti-littering activities and other aspects of responsible solid waste handling behavior. The DEP would annually receive \$200,000 for this purpose from revenues collected under the State litter tax, which funds the Clean Communities formula grant program.

The Office of Legislative Services (OLS) estimates that the bill's annual allocation of \$200,000 to support a statewide public information program would not affect the tax revenues annually available for Clean Communities grants to municipalities and counties, or for litter pickup programs in State-owned areas. Since the Clean Communities account usually carries a year-end balance of \$5 million to over \$7 million, it can support this \$200,000 appropriation for many years before program balances are affected.

In making available the \$200,000 allocation, the bill revises the non-grant percentage allocations of Clean Communities funds, i.e. it doubles the 5 percent allocation for litter pickup in State-owned areas and eliminates the 5 percent allocation for State administrative expenses. The OLS estimates that these revisions will have no fiscal impacts on these activities because of funding formula changes effectuated for this program in FY1997.

Beginning in FY1997, the annual Appropriations Act has contained budget language that authorizes \$725,000 from the Clean Communities account for litter pickup in State parks, as well as language that guarantees that Clean Communities grants will be distributed by the same criteria used in FY1996. These provisions allowed grants to be processed and distributed by formula rather than through a discretionary process, thereby eliminating much of the program's administrative costs (as supported by litter tax revenues).

As a result of these changes, litter tax revenues authorized for administrative expenses have been used to supplement monies

authorized for litter pickup in State-owned areas. The bill's doubling of the 5 percent allocation for litter pickup in State-owned areas essentially achieves the same purpose.

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.