

58:29-1 to 58:29-7

LEGISLATIVE HISTORY CHECKLIST

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"Watershed Protection and Management Act of 1997"

NJSA: 58:29-1 to 58:29-7

LAWS OF: 1997 CHAPTER: 261

BILL NO: S1776

SPONSOR(S): Bennett, Adler & McNamara

DATE INTRODUCED: January 14, 1997

COMMITTEE: ASSEMBLY: Environment; Appropriations

SENATE: Budget

AMENDED DURING PASSAGE: Yes Amendments during passage denoted by  
Third reprint enacted superscript numbers

DATE OF PASSAGE: ASSEMBLY: June 19, 1997

SENATE: March 24, 1997

DATE OF APPROVAL: October 10, 1997

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes 5-1-97 & 6-9-97

SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: Yes

974.90 New Jersey. Legislature. Senate. Budget & Appropriations  
C758 Committee.

1996 Public hearing on SCR 41 & 60... to dediciate 4% of corporate  
business tax revenues...held 6-3-96. Trenton, 1996.

See newspaper clipping--attached:

"New law sets stable funding for clean water," 10-11-97, Asbury Park Press.

KBP:pp

Title 58.  
Chapter 29 (New)  
Watershed  
Protection  
and Management  
§§1-7  
C.58:29-1  
To 58:29-7  
§8 Approp.

P.L. 1997, CHAPTER 261, *approved October 10, 1997*  
Senate, No. 1776 (*Third Reprint*)

1 AN ACT concerning watershed preservation, protection and  
2 management, <sup>3</sup>[and]<sup>3</sup> providing for the expenditure of monies  
3 dedicated pursuant to Article VIII, Section II, paragraph 6,  
4 subparagraph (a) of the New Jersey Constitution <sup>3</sup>and making an  
5 appropriation<sup>3</sup>.

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

9  
10 1. This act shall be known and may be cited as the "Watershed  
11 Protection and Management Act of 1997."

12  
13 2. The Legislature finds and declares that, on November 5, 1996,  
14 the voters overwhelmingly approved an amendment to the New Jersey  
15 Constitution dedicating the equivalent of 4 percent of the revenues  
16 annually generated by the Corporation Business Tax for financing the  
17 costs of hazardous discharge site remediation, upgrading hazardous  
18 underground storage tanks, and water quality <sup>3</sup>point and nonpoint  
19 source<sup>3</sup> pollution monitoring, <sup>3</sup>[watershed based] watershed-based<sup>3</sup>  
20 water resource planning and management, and nonpoint source  
21 pollution prevention projects; and that, of the 4 percent dedicated for  
22 these purposes, a minimum of one-sixth, or a minimum of \$5,000,000,  
23 whichever is less, is annually dedicated for the purposes of water  
24 quality point and nonpoint source <sup>3</sup>pollution<sup>3</sup> monitoring, <sup>3</sup>[watershed  
25 based] watershed-based<sup>3</sup> water resource planning and management and  
26 nonpoint source pollution prevention projects.

27 The Legislature further finds and declares that the Department of  
28 Environmental Protection currently administers the State's water  
29 quality planning, monitoring, permitting and enforcement programs;

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate SEN committee amendments adopted February 10, 1997.

<sup>2</sup> Senate SBA committee amendments adopted March 10, 1997.

<sup>3</sup> Assembly AES committee amendments adopted May 1, 1997.

1 that the department has recently begun to change its long-standing,  
2 permit-based approach to water resource protection and water  
3 pollution control to that of a watershed-based planning approach; that  
4 such an approach would greatly increase the overall efficiency and  
5 precision with which pollution control measures could be applied; and  
6 that the federal Clean Water Act establishes policy guidelines requiring  
7 states to clean up polluted waters and protect waters that meet water  
8 quality standards.

9 The Legislature further finds and declares that the <sup>3</sup>[1997]<sup>3</sup> Fiscal  
10 Year <sup>3</sup>1997<sup>3</sup> funding levels must be increased in future years to enable  
11 the department to meet the requirements of the <sup>3</sup>[Federal] federal<sup>3</sup>  
12 Clean Water Act; and that the constitutionally dedicated and  
13 appropriated additional monies, when used to fund a watershed-based  
14 approach to water resource management and pollution control, will  
15 greatly assist the State in protecting waters that meet water quality  
16 standards and in attaining and complying with federal water quality  
17 standards.

18 The Legislature therefore determines that it is in the public interest  
19 and consistent with the intent of Article VIII, Section II, paragraph 6,  
20 subparagraph (a) of the New Jersey Constitution <sup>3</sup>[,]<sup>3</sup> to provide  
21 statutory guidance to the department for the use of the dedicated  
22 monies; that the dedicated monies should be used to support an  
23 expansion of department efforts in the area of water resource  
24 management; and that the State should adopt a watershed-based  
25 approach to most effectively and efficiently comply with federal  
26 guidelines.

27

28 3. As used in this act:

29 "Department" means the Department of Environmental Protection;

30 "Federal Act" means the federal "Clean Water Act" (33 U.S.C.  
31 §1251 et seq.);

32 "Total maximum daily load" <sup>1</sup>[or "TMDL"]<sup>1</sup> means the sum of  
33 individual point and nonpoint sources of pollution, other sources such  
34 as tributaries or adjacent segments, and allocations to a reserve or  
35 margin of safety for an individual pollutant <sup>2</sup>or as defined in  
36 subsequent <sup>3</sup>rules and<sup>3</sup> regulations of the department<sup>2</sup>;

37 "Watershed" means a geographic area within which water,  
38 sediments, and dissolved materials drain to a particular receiving  
39 waterbody;

40 "Watershed management activity" means activities or projects  
41 undertaken by the department <sup>1</sup>, the Pinelands Commission <sup>3</sup>[created]  
42 established<sup>3</sup> pursuant to section 4 of P.L.1979, c.111 <sup>3</sup>[(C.13:18A-1  
43 et seq.),<sup>1</sup>] (C.13:18A-4),<sup>3</sup> or a watershed management group to  
44 improve the condition or prevent further degradation of a watershed,  
45 and may include, but need not be limited to, public meetings to discuss  
46 and exchange information on watershed issues, the establishment and

1 operation of a stakeholders advisory group or groups dedicated to  
 2 preserving and protecting a watershed, the monitoring, water quality  
 3 modeling or assessment of the condition of a watershed, the  
 4 development of policy goals to reduce the amount of pollutants  
 5 discharged into a watershed, the development of projects designed to  
 6 enhance or restore a watershed, the development, in consultation with  
 7 the department, of a watershed management plan, or the reassessment  
 8 of a watershed to determine whether the policy goals or the objectives  
 9 of <sup>3</sup>[the] <sup>3</sup>a watershed management plan have been attained;

10 "Watershed management area" means a geographic area in the  
 11 State, as designated by the department, within which may be found one  
 12 or more watersheds;

13 "Watershed management group" means a group <sup>3</sup>[that represents]  
 14 recognized by the department as the entity representing<sup>3</sup> the various  
 15 interests within one or more watersheds located in a watershed  
 16 management area <sup>2</sup>[that] <sup>3</sup>[, which group<sup>2</sup> is]<sup>3</sup> <sup>2</sup>[established]  
 17 <sup>3</sup>[recognized<sup>2</sup> by the department <sup>2</sup>as an entity] and<sup>3</sup> whose purpose is<sup>2</sup>  
 18 to improve the condition or prevent further degradation of a watershed  
 19 or watersheds <sup>2</sup>[, and shall]. A watershed management group <sup>3</sup>[may<sup>2</sup>  
 20 shall<sup>3</sup> include <sup>3</sup>, but need not be limited to,<sup>3</sup> local and county  
 21 government officials <sup>3</sup>[<sup>1</sup>, officials of regional planning agencies,<sup>1</sup> and  
 22 representatives] , a representative of water purveyors, a representative  
 23 of wastewater utilities or authorities, a representative<sup>3</sup> of the business  
 24 community, a representative of the development community,<sup>3</sup> and <sup>3</sup>a  
 25 representative of the<sup>3</sup> environmental community <sup>3</sup>; except that a  
 26 watershed management group need not include all such officials or  
 27 representatives if any such officials or representatives decline or are  
 28 unable to participate in the watershed management group as may be  
 29 determined by the department in accordance with guidelines or rules  
 30 and regulations adopted by the department. Where a regional planning  
 31 agency has been created for all or part of the watershed management  
 32 area to be represented by the watershed management group, an official  
 33 of that regional planning agency shall be included in the watershed  
 34 management group<sup>3</sup> ; and

35 "Watershed management plan" means a plan developed by the  
 36 department <sup>1</sup>[or] ,<sup>1</sup> <sup>3</sup>[a watershed management group <sup>1</sup>, or the  
 37 Pinelands Commission<sup>1</sup> ,] or by the Pinelands Commission or a  
 38 watershed management group<sup>3</sup> in consultation with the department,  
 39 designed to improve the condition or prevent further degradation of  
 40 a watershed or watersheds, and shall include <sup>2</sup>consideration of  
 41 groundwater quality and quantity, <sup>3</sup>consideration of<sup>3</sup> water supply  
 42 quality and quantity,<sup>2</sup> a determination of the <sup>3</sup>[<sup>2</sup>need for<sup>2</sup>]<sup>3</sup> total  
 43 maximum daily load amount of pollutants that can be discharged into  
 44 the watershed or watersheds targeted by the plan, <sup>1</sup>[and]<sup>1</sup> the  
 45 implementation of water <sup>3</sup>[quality based] quality-based<sup>3</sup> effluent limits  
 46 <sup>1</sup>for point sources, and regulatory and best management practices to

1 control <sup>3</sup>[non-point] nonpoint<sup>3</sup> sources of pollution<sup>1</sup>.

2

3 4. The "Watershed Management Fund," hereinafter referred to as  
4 the "fund," is hereby established as a nonlapsing, revolving fund in the  
5 Department of Environmental Protection. The fund shall be  
6 <sup>3</sup>[annually]<sup>3</sup> credited <sup>3</sup>annually<sup>3</sup> with all monies appropriated pursuant  
7 to the requirements of Article VIII, Section II, paragraph 6,  
8 subparagraph (a) of the New Jersey Constitution. Any interest that  
9 accrues on monies in the fund shall be credited to the fund.

10

11 5. Monies in the fund shall be used only for the following purposes:

12 a. The development and adoption of a priority list of water quality  
13 limited waterbodies pursuant to the requirements of section  
14 303(d)(1)(A) of the Federal Act (33 U.S.C. §1313);

15 b. The monitoring and assessment of all State waters pursuant to  
16 the requirements of section 305(b) of the Federal Act (33 U.S.C.  
17 §1315);

18 c. The <sup>1</sup>[development and]<sup>1</sup> delineation of watershed management  
19 areas <sup>1</sup>and stream segments<sup>1</sup>;

20 d. The identification of potential causes of the use impairment or  
21 water quality standard violations related to waterbodies on the priority  
22 list required pursuant to sections 303(d)(1)(A) and 305(b) of the  
23 Federal Act by means of assessment of reliable data, including, but not  
24 necessarily limited to, <sup>1</sup>identification of <sup>2</sup>[all]<sup>2</sup> <sup>1</sup> point sources,  
25 nonpoint sources, habitat degradation, and hydrologic changes. This  
26 identification shall include a broad-based intensive survey monitoring  
27 program that shall supplement the existing chemical, biological and  
28 toxics-in-biota monitoring networks, and that shall intensively sample  
29 watersheds or segments of watersheds on a periodic basis and establish  
30 a detailed watershed-wide assessment process. The number of  
31 monitoring sites within a watershed shall be determined by existing  
32 water quality, land uses, known and potential pollution sources, and  
33 the amount of available historical data. The supplemental survey  
34 monitoring program, shall be designed to provide:

35 (1) a detailed profile of water quality over specified time periods;

36 (2) an identification and detailed profile of both point and nonpoint  
37 pollution sources;

38 (3) a quantification of <sup>1</sup>pollutant loadings and<sup>1</sup> pollution impacts  
39 on receiving waters from both point and nonpoint sources; and

40 (4) water quality modeling based upon amounts of point and  
41 nonpoint sources of pollution and land use;

42 e. The development of total maximum daily loads and water  
43 quality-based effluent limitations for water quality limited waterbodies,  
44 as required pursuant to section 303(d)(1)(C) of the Federal Act, and  
45 any <sup>3</sup>rules or<sup>3</sup> regulations adopted pursuant thereto;

46 f. The development and presentation of data on the department's

1 Geographic Information System (GIS);

2 g. The development and adoption of pollution prevention best  
3 management practices to control point and nonpoint sources of  
4 pollution;

5 h. The characterization of land use and land cover in each  
6 watershed;

7 i. The development and adoption of a watershed management plan;  
8 <sup>1</sup>[and]<sup>1</sup>

9 j. <sup>1</sup>The development and planning by the department of a watershed  
10 management program and the <sup>2</sup>[intergration] integration of<sup>2</sup> the  
11 department's <sup>3</sup>rules and<sup>3</sup> regulations with <sup>3</sup>[this] the<sup>3</sup> program; <sup>3</sup>and<sup>3</sup>  
12 k.<sup>1</sup> The development and implementation of a <sup>1</sup>[local]<sup>1</sup> watershed  
13 protection <sup>2</sup>loan and<sup>2</sup> grant program, as described pursuant to section  
14 6 of this act.

15

16 6. <sup>2</sup>a. (1)<sup>2</sup> The department shall establish a <sup>2</sup>loan and<sup>2</sup> grant  
17 program to assist <sup>1</sup>[local]<sup>1</sup> watershed management groups <sup>3</sup>in the  
18 funding of watershed management activities<sup>3</sup>. A watershed  
19 management group may apply to the department for a <sup>2</sup>loan or<sup>2</sup> grant  
20 pursuant to this <sup>3</sup>[section] subsection<sup>3</sup> on forms prescribed by the  
21 department. The application shall state the objectives of the group,  
22 including the watershed management activities proposed and for which  
23 <sup>2</sup>loan or<sup>2</sup> grant monies are requested.

24 <sup>2</sup>(2) A <sup>3</sup>watershed management group may, pursuant to guidance  
25 provided or rules or regulations adopted by the department, distribute  
26 all or part of the loan or grant to another person who is to perform a  
27 watershed management activity for which the loan or grant was  
28 provided. If the watershed management group distributes the loan or  
29 grant to a<sup>3</sup> person who has a NJPDES permit to discharge pollutants  
30 into the waters of the State pursuant to P.L.1977, c.74 (C.58:10A-1  
31 et seq.), <sup>3</sup>[may receive a loan or grant as a watershed management  
32 group as provided in this subsection only if that person provides at  
33 least a 50 percent match to that loan or grant.] the distribution shall be  
34 conditioned upon the permittee providing a match of one dollar for  
35 every dollar provided by the loan or grant.<sup>3</sup> The match may be made  
36 either as a monetary payment or as an in-kind contribution. Any  
37 person who has a NJPDES permit and who accepts a loan or grant  
38 pursuant to this subsection shall agree not to use any of the loan or  
39 grant monies for the purpose of complying with NJPDES permit  
40 requirements.<sup>2</sup>

41 <sup>3</sup>b.<sup>3</sup> The department shall establish guidelines for the development  
42 of <sup>1</sup>[a local]<sup>1</sup> watershed management <sup>1</sup>[plan] plans by watershed  
43 management groups<sup>1</sup>. The department shall provide guidance and  
44 technical assistance to watershed management groups seeking  
45 assistance in the development of a watershed management plan<sup>1</sup><sup>3</sup>[and]  
46 or<sup>3</sup> in the <sup>3</sup>development and<sup>3</sup> implementation of watershed

1 management activities<sup>1</sup>.

2

3 7. a. Any monies appropriated to the department pursuant to  
4 Article VIII, Section II, paragraph 6, subparagraph (a) of the New  
5 Jersey Constitution, and deposited in the fund, shall be used to support  
6 the purposes <sup>1</sup>[required pursuant to] <sup>3</sup>[enumerated] set forth<sup>3</sup> in<sup>1</sup>  
7 section 5 of this act to the extent that <sup>3</sup>[such] those<sup>3</sup> purposes  
8 constitute activities in addition to those undertaken by the department  
9 in <sup>3</sup>[fiscal year] Fiscal Year<sup>3</sup> 1997.

10 b. Monies shall be appropriated to the department pursuant to  
11 Article VIII, Section II, paragraph 6, subparagraph (a) of the New  
12 Jersey Constitution, deposited in the fund <sup>3,3</sup> and allocated for the  
13 following purposes:

14 (1) <sup>2</sup>[For the first three years immediately following the effective  
15 date of this act,] From the monies appropriated in <sup>3</sup>[fiscal year] Fiscal  
16 Year<sup>3</sup> 1997 pursuant to section 8 of this act,<sup>2</sup> 100 percent of the  
17 monies shall be used <sup>1</sup>[to support the costs of watershed management  
18 program development and planning, regulatory integration, and]  
19 <sup>3</sup>[for<sup>1</sup>] by the department to support<sup>3</sup> the purposes established in  
20 subsections a. through <sup>1</sup>[i.] j.<sup>1</sup> of section 5 of this act; <sup>2</sup>[and]<sup>2</sup>

21 (2) <sup>2</sup>[Commencing three years from the effective date of this act,  
22 50] From the monies appropriated in <sup>3</sup>[fiscal year] Fiscal Year<sup>3</sup> 1998,  
23 not more than 35<sup>2</sup> percent of the monies <sup>2</sup>[shall] may<sup>2</sup> be used to  
24 support the purposes identified in subsection <sup>1</sup>[j.] k.<sup>1</sup> of section 5 of  
25 this act and <sup>2</sup>[50 percent] the remainder<sup>2</sup> of the monies shall be used  
26 <sup>3</sup>by the department<sup>3</sup> to support the purposes established in subsections  
27 a. through <sup>3</sup>[i.] j.<sup>3</sup> of section 5 of this act <sup>2</sup>; and

28 (3) From the monies appropriated in <sup>3</sup>[fiscal year] Fiscal Year<sup>3</sup>  
29 1999 and every year thereafter, not more than 50 percent of the  
30 monies may be used to support the purposes identified in subsection  
31 k. of section 5 of this act and the remainder of the monies shall be used  
32 <sup>3</sup>by the department<sup>3</sup> to support the purposes established in subsections  
33 a. through <sup>3</sup>[i.] j.<sup>3</sup> of section 5 of this act.

34 c. The department may not expend any monies that <sup>3</sup>[is] are<sup>3</sup> or  
35 may be appropriated by the Legislature for the purposes identified in  
36 subsection k. of section 5 of this act until the department submits a list  
37 of proposed loan or grant recipients to the Legislature, and the  
38 Legislature, by the passage of a concurrent resolution, approves that  
39 list. The Legislature may approve all or part of that list and only those  
40 persons listed in the <sup>3</sup>approved<sup>3</sup> concurrent resolution may receive a  
41 watershed protection loan or grant from the department. The  
42 concurrent resolution may limit or specify the amount of any loan or  
43 grant and may establish any other condition of receiving the loan or  
44 grant. The list of proposed recipients submitted to the Legislature by  
45 the department shall specify the name of the proposed recipient, the  
46 amount of the loan or grant to be awarded, the intended purpose of the

1 loan or grant, the watershed or watersheds involved, and any other  
 2 information relevant to the award of the loan or grant.

3 d. The department may not expend any monies in <sup>3</sup>[fiscal year]  
 4 Fiscal Year<sup>3</sup> 1999 and thereafter [<sup>3</sup>] ~~that~~ [<sup>3</sup>] ~~are~~ <sup>3</sup>or may be  
 5 appropriated by the Legislature for the purposes identified in  
 6 subsection k. of section 5 of this act <sup>3</sup>[,]<sup>3</sup> until the department has  
 7 adopted rules and regulations, pursuant to the "Administrative  
 8 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), <sup>3</sup>[governing]  
 9 concerning the development and implementation of watershed  
 10 management activities by watershed management groups and<sup>3</sup> the  
 11 submission and review of loan and grant applications.

12 e. Any transfer of <sup>3</sup>appropriated<sup>3</sup> funds <sup>3</sup>between purposes<sup>3</sup>  
 13 authorized by this section shall require the approval of the Joint  
 14 Budget Oversight Committee or its successor<sup>2 3</sup>. No such transfer of  
 15 funds shall be approved by the committee or its successor if the  
 16 transfer would cause exceedance of the funding percentage allocation  
 17 limitations set forth in subsection b. of this section. Any transfer of  
 18 funds from an approved loan or grant recipient to another approved  
 19 loan or grant recipient shall also require the approval of the committee  
 20 or its successor.<sup>3</sup>

21  
 22 8. There is appropriated <sup>2</sup>[to the Watershed Management Fund]<sup>2</sup>  
 23 from the General Fund, pursuant to the requirements of Article VIII,  
 24 Section II, paragraph 6, subparagraph (a) of the New Jersey  
 25 Constitution, <sup>2</sup>to the Department of Environmental Protection,<sup>2</sup> the  
 26 sum of <sup>2</sup>[\$2,500,000] \$4,900,000 for deposit into the Watershed  
 27 Management Fund <sup>3</sup>[created] established<sup>3</sup> pursuant to section 4 of this  
 28 act<sup>2</sup>.

29  
 30 9. This act shall take effect immediately.

31

32

33

34

35 The "Watershed Protection and Management Act of 1997";  
 36 appropriates \$4.9 million in constitutionally dedicated Corporation  
 37 Business Tax revenues for that purpose.



1 through i. of section 5 of this act; and

2 (2) Commencing three years from the effective date of this act, 50  
3 percent of the monies shall be used to support the purposes identified  
4 in subsection j. of section 5 of this act and 50 percent of the monies  
5 shall be used to support the purposes established in subsections a.  
6 through i. of section 5 of this act.

7

8 8. There is appropriated to the Watershed Management Fund from  
9 the General Fund, pursuant to the requirements of Article VIII,  
10 Section II, paragraph 6, subparagraph (a) of the New Jersey  
11 Constitution, the sum of \$2,500,000.

12

13 9. This act shall take effect immediately.

14

15

#### 16 STATEMENT

17

18 This bill would provide the statutory direction for the State to  
19 adopt and implement a watershed-based approach to water quality  
20 management and pollution control, to be funded by the monies  
21 dedicated pursuant to Article VIII, Section II, paragraph 6,  
22 subparagraph (a) of the New Jersey Constitution. This portion of the  
23 constitutional amendment approved by the voters in November, 1996,  
24 dedicated a minimum of 2/3 of one percent, or a minimum of  
25 \$5,000,000, whichever is less, of the revenues annually generated by  
26 the Corporation Business Tax for the purposes of water quality point  
27 and nonpoint source monitoring, watershed based water resource  
28 planning and management and nonpoint source pollution prevention  
29 projects.

30 The bill would establish in the Department of Environmental  
31 Protection (DEP) a "Watershed Management Fund," to which the  
32 annually dedicated and appropriated monies would be credited. The  
33 bill requires that monies in this fund be used by the DEP only for:

34 (1) the development and adoption of a priority list of  
35 environmentally threatened waterbodies;

36 (2) the monitoring and assessment of all State waters;

37 (3) the development and delineation of watershed management  
38 areas;

39 (4) the identification of potential causes of the degradation of  
40 waterbodies on the priority list;

41 (5) the development of total maximum daily loads and water  
42 quality-based effluent limitations for targeted waterbodies;

43 (6) the development and presentation of data on the DEP's  
44 Geographic Information System (GIS);

45 (7) the adoption of best management practices to prevent pollution  
46 and to control point and nonpoint sources of pollution;

1 (8) the characterization of land use and land cover in each  
2 watershed;

3 (9) the adoption of a watershed management plan; and

4 (10) the development and implementation of a local watershed  
5 protection grant program.

6 The bill also provides direction for the expenditure of dedicated  
7 monies, such that expenditures in the first three years would be limited  
8 to watershed management and planning by the DEP. Commencing  
9 three years after the date of enactment, DEP programs would receive  
10 half of the dedicated monies and the other half would be used for  
11 grants to local watershed management groups.

12 The bill appropriates \$2.5 million to the DEP in FY 1997, which  
13 represents half of the maximum annual amount that would be  
14 dedicated pursuant to the constitutional amendment.

15

16

17

18

19 The "Watershed Protection and Management Act of 1997."

[Passed Both Houses]

[Third Reprint]

SENATE, No. 1776

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# STATE OF NEW JERSEY

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INTRODUCED JANUARY 14, 1997

By Senators BENNETT, ADLER, McNamara, Baer, McGreevey,  
Kyrillos, Assemblymen Corodemus, Blee, LeFevre and Bucco

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2 management, <sup>3</sup>[and]<sup>3</sup> providing for the expenditure of monies  
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5 appropriation<sup>3</sup>.  
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8 of New Jersey:  
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10 1. This act shall be known and may be cited as the "Watershed  
11 Protection and Management Act of 1997."  
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13 2. The Legislature finds and declares that, on November 5, 1996,  
14 the voters overwhelmingly approved an amendment to the New Jersey  
15 Constitution dedicating the equivalent of 4 percent of the revenues  
16 annually generated by the Corporation Business Tax for financing the  
17 costs of hazardous discharge site remediation, upgrading hazardous  
18 underground storage tanks, and water quality <sup>3</sup>point and nonpoint  
19 source<sup>3</sup> pollution monitoring, <sup>3</sup>[watershed based] watershed-based<sup>3</sup>  
20 water resource planning and management, and nonpoint source  
21 pollution prevention projects; and that, of the 4 percent dedicated for  
22 these purposes, a minimum of one-sixth, or a minimum of \$5,000,000,  
23 whichever is less, is annually dedicated for the purposes of water  
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25 based] watershed-based<sup>3</sup> water resource planning and management  
26 and nonpoint source pollution prevention projects.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate SEN committee amendments adopted February 10, 1997.

<sup>2</sup> Senate SBA committee amendments adopted March 10, 1997.

<sup>3</sup> Assembly AES committee amendments adopted May 1, 1997.

1 The Legislature further finds and declares that the Department of  
2 Environmental Protection currently administers the State's water  
3 quality planning, monitoring, permitting and enforcement programs;  
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5 permit-based approach to water resource protection and water  
6 pollution control to that of a watershed-based planning approach; that  
7 such an approach would greatly increase the overall efficiency and  
8 precision with which pollution control measures could be applied; and  
9 that the federal Clean Water Act establishes policy guidelines requiring  
10 states to clean up polluted waters and protect waters that meet water  
11 quality standards.

12 The Legislature further finds and declares that the <sup>3</sup>[1997]<sup>3</sup> Fiscal  
13 Year <sup>3</sup>1997<sup>3</sup> funding levels must be increased in future years to enable  
14 the department to meet the requirements of the <sup>3</sup>[Federal] federal<sup>3</sup>  
15 Clean Water Act; and that the constitutionally dedicated and  
16 appropriated additional monies, when used to fund a watershed-based  
17 approach to water resource management and pollution control, will  
18 greatly assist the State in protecting waters that meet water quality  
19 standards and in attaining and complying with federal water quality  
20 standards.

21 The Legislature therefore determines that it is in the public interest  
22 and consistent with the intent of Article VIII, Section II, paragraph 6,  
23 subparagraph (a) of the New Jersey Constitution <sup>3</sup>[.]<sup>3</sup> to provide  
24 statutory guidance to the department for the use of the dedicated  
25 monies; that the dedicated monies should be used to support an  
26 expansion of department efforts in the area of water resource  
27 management; and that the State should adopt a watershed-based  
28 approach to most effectively and efficiently comply with federal  
29 guidelines.

30

31 3. As used in this act:

32 "Department" means the Department of Environmental Protection;

33 "Federal Act" means the federal "Clean Water Act" (33 U.S.C.  
34 §1251 et seq.);

35 "Total maximum daily load" <sup>1</sup>[or "TMDL"]<sup>1</sup> means the sum of  
36 individual point and nonpoint sources of pollution, other sources such  
37 as tributaries or adjacent segments, and allocations to a reserve or  
38 margin of safety for an individual pollutant <sup>2</sup>or as defined in  
39 subsequent <sup>3</sup>rules and<sup>3</sup> regulations of the department<sup>2</sup>;

40 "Watershed" means a geographic area within which water,  
41 sediments, and dissolved materials drain to a particular receiving  
42 waterbody;

43 "Watershed management activity" means activities or projects  
44 undertaken by the department <sup>1</sup>, the Pinelands Commission <sup>3</sup>[created]  
45 established<sup>3</sup> pursuant to section 4 of P.L.1979, c.111 <sup>3</sup>[(C.13:18A-1  
46 et seq.)<sup>1</sup>] (C.13:18A-4)<sup>3</sup> or a watershed management group to

1 improve the condition or prevent further degradation of a watershed,  
 2 and may include, but need not be limited to, public meetings to discuss  
 3 and exchange information on watershed issues, the establishment and  
 4 operation of a stakeholders advisory group or groups dedicated to  
 5 preserving and protecting a watershed, the monitoring, water quality  
 6 modeling or assessment of the condition of a watershed, the  
 7 development of policy goals to reduce the amount of pollutants  
 8 discharged into a watershed, the development of projects designed to  
 9 enhance or restore a watershed, the development, in consultation with  
 10 the department, of a watershed management plan, or the reassessment  
 11 of a watershed to determine whether the policy goals or the objectives  
 12 of <sup>3</sup>[the] <sup>3</sup>a watershed management plan have been attained;

13 "Watershed management area" means a geographic area in the  
 14 State, as designated by the department, within which may be found one  
 15 or more watersheds;

16 "Watershed management group" means a group <sup>3</sup>[that represents]  
 17 recognized by the department as the entity representing<sup>3</sup> the various  
 18 interests within one or more watersheds located in a watershed  
 19 management area <sup>2</sup>[that] <sup>3</sup>[, which group<sup>2</sup> is]<sup>3</sup> <sup>2</sup>[established]  
 20 <sup>3</sup>[recognized<sup>2</sup> by the department <sup>2</sup>as an entity] and<sup>3</sup> whose purpose  
 21 is<sup>2</sup> to improve the condition or prevent further degradation of a  
 22 watershed or watersheds <sup>2</sup>[, and shall]. A watershed management  
 23 group <sup>3</sup>[may<sup>2</sup>] shall<sup>3</sup> include <sup>3</sup>, but need not be limited to,<sup>3</sup> local and  
 24 county government officials <sup>3</sup>[<sup>1</sup>, officials of regional planning  
 25 agencies,<sup>1</sup> and representatives] , a representative of water purveyors,  
 26 a representative of wastewater utilities or authorities, a representative<sup>3</sup>  
 27 of the business <sup>3</sup>community, a representative of the development  
 28 community,<sup>3</sup> and <sup>3</sup>a representative of the<sup>3</sup> environmental community  
 29 <sup>3</sup>; except that a watershed management group need not include all such  
 30 officials or representatives if any such officials or representatives  
 31 decline or are unable to participate in the watershed management  
 32 group as may be determined by the department in accordance with  
 33 guidelines or rules and regulations adopted by the department. Where  
 34 a regional planning agency has been created for all or part of the  
 35 watershed management area to be represented by the watershed  
 36 management group, an official of that regional planning agency shall  
 37 be included in the watershed management group<sup>3</sup> ; and

38 "Watershed management plan" means a plan developed by the  
 39 department <sup>1</sup>[or] <sup>1</sup> <sup>3</sup>[a watershed management group <sup>1</sup>, or the  
 40 Pinelands Commission<sup>1</sup> ,] or by the Pinelands Commission or a  
 41 watershed management group<sup>3</sup> in consultation with the department,  
 42 designed to improve the condition or prevent further degradation of  
 43 a watershed or watersheds, and shall include <sup>2</sup>consideration of  
 44 groundwater quality and quantity, <sup>3</sup>consideration of<sup>3</sup> water supply  
 45 quality and quantity,<sup>2</sup> a determination of the <sup>1</sup> feed for <sup>2</sup> total

1 maximum daily load amount of pollutants that can be discharged into  
 2 the watershed or watersheds targeted by the plan, <sup>1</sup>**and**<sup>1</sup> the  
 3 implementation of water <sup>3</sup>**quality based**<sup>3</sup> quality-based<sup>3</sup> effluent limits  
 4 <sup>1</sup>for point sources, and regulatory and best management practices to  
 5 control <sup>3</sup>**non-point**<sup>3</sup> nonpoint<sup>3</sup> sources of pollution<sup>1</sup>.

6  
 7 4. The "Watershed Management Fund," hereinafter referred to as  
 8 the "fund," is hereby established as a nonlapsing, revolving fund in the  
 9 Department of Environmental Protection. The fund shall be  
 10 <sup>3</sup>**annually**<sup>3</sup> credited <sup>3</sup>annually<sup>3</sup> with all monies appropriated pursuant  
 11 to the requirements of Article VIII, Section II, paragraph 6,  
 12 subparagraph (a) of the New Jersey Constitution. Any interest that  
 13 accrues on monies in the fund shall be credited to the fund.

14  
 15 5. Monies in the fund shall be used only for the following purposes:

16 a. The development and adoption of a priority list of water quality  
 17 limited waterbodies pursuant to the requirements of section  
 18 303(d)(1)(A) of the Federal Act (33 U.S.C. §1313);

19 b. The monitoring and assessment of all State waters pursuant to  
 20 the requirements of section 305(b) of the Federal Act (33 U.S.C.  
 21 §1315);

22 c. The <sup>1</sup>**development and**<sup>1</sup> delineation of watershed management  
 23 areas <sup>1</sup>and stream segments<sup>1</sup>;

24 d. The identification of potential causes of the use impairment or  
 25 water quality standard violations related to waterbodies on the priority  
 26 list required pursuant to sections 303(d)(1)(A) and 305(b) of the  
 27 Federal Act by means of assessment of reliable data, including, but not  
 28 necessarily limited to, <sup>1</sup>identification of <sup>2</sup>**all**<sup>2</sup> <sup>1</sup> point sources,  
 29 nonpoint sources, habitat degradation, and hydrologic changes. This  
 30 identification shall include a broad-based intensive survey monitoring  
 31 program that shall supplement the existing chemical, biological and  
 32 toxics-in-biota monitoring networks, and that shall intensively sample  
 33 watersheds or segments of watersheds on a periodic basis and establish  
 34 a detailed watershed-wide assessment process. The number of  
 35 monitoring sites within a watershed shall be determined by existing  
 36 water quality, land uses, known and potential pollution sources, and  
 37 the amount of available historical data. The supplemental survey  
 38 monitoring program, shall be designed to provide:

39 (1) a detailed profile of water quality over specified time periods;

40 (2) an identification and detailed profile of both point and nonpoint  
 41 pollution sources;

42 (3) a quantification of <sup>1</sup>pollutant loadings and<sup>1</sup> pollution impacts  
 43 on receiving waters from both point and nonpoint sources; and

44 (4) water quality modeling based upon amounts of point and  
 45 nonpoint sources of pollution and land use;

46 e. The development of total maximum daily loads and water

- 1 quality-based effluent limitations for water quality limited waterbodies,  
 2 as required pursuant to section 303(d)(1)(C) of the Federal Act, and  
 3 any <sup>3</sup>rules or<sup>3</sup> regulations adopted pursuant thereto;
- 4 f. The development and presentation of data on the department's  
 5 Geographic Information System (GIS);
- 6 g. The development and adoption of pollution prevention best  
 7 management practices to control point and nonpoint sources of  
 8 pollution;
- 9 h. The characterization of land use and land cover in each  
 10 watershed;
- 11 i. The development and adoption of a watershed management plan;  
 12 <sup>1</sup>[and]<sup>1</sup>
- 13 j. <sup>1</sup>The development and planning by the department of a  
 14 watershed management program and the <sup>2</sup>[intergration] integration<sup>2</sup>  
 15 of the department's <sup>3</sup>rules and<sup>3</sup> regulations with <sup>3</sup>[this] the<sup>3</sup> program;  
 16 <sup>3</sup>and<sup>3</sup>
- 17 k.<sup>1</sup> The development and implementation of a <sup>1</sup>[local]<sup>1</sup> watershed  
 18 protection <sup>2</sup>loan and<sup>2</sup> grant program, as described pursuant to section  
 19 6 of this act.
- 20
- 21 6. <sup>2</sup>a. (1)<sup>2</sup> The department shall establish a <sup>2</sup>loan and<sup>2</sup> grant  
 22 program to assist <sup>1</sup>[local]<sup>1</sup> watershed management groups <sup>3</sup>in the  
 23 funding of watershed management activities<sup>3</sup>. A watershed  
 24 management group may apply to the department for a <sup>2</sup>loan or<sup>2</sup> grant  
 25 pursuant to this <sup>3</sup>[section] subsection<sup>3</sup> on forms prescribed by the  
 26 department. The application shall state the objectives of the group,  
 27 including the watershed management activities proposed and for which  
 28 <sup>2</sup>loan or<sup>2</sup> grant monies are requested.
- 29 <sup>2</sup>(2) A <sup>3</sup>watershed management group may, pursuant to guidance  
 30 provided or rules or regulations adopted by the department, distribute  
 31 all or part of the loan or grant to another person who is to perform a  
 32 watershed management activity for which the loan or grant was  
 33 provided. If the watershed management group distributes the loan or  
 34 grant to a<sup>3</sup> person who has a NJPDES permit to discharge pollutants  
 35 into the waters of the State pursuant to P.L.1977, c.74 (C.58:10A-1  
 36 et seq.), <sup>3</sup>[may receive a loan or grant as a watershed management  
 37 group as provided in this subsection only if that person provides at  
 38 least a 50 percent match to that loan or grant.] the distribution shall  
 39 be conditioned upon the permittee providing a match of one dollar for  
 40 every dollar provided by the loan or grant.<sup>3</sup> The match may be made  
 41 either as a monetary payment or as an in-kind contribution. Any  
 42 person who has a NJPDES permit and who accepts a loan or grant  
 43 pursuant to this subsection shall agree not to use any of the loan or  
 44 grant monies for the purpose of complying with NJPDES permit  
 45 requirements.<sup>2</sup>
- 46 <sup>3</sup>b.<sup>3</sup> The department shall establish guidelines for the development

1 of <sup>1</sup>[a local]<sup>1</sup> watershed management <sup>1</sup>[plan] plans by watershed  
 2 management groups<sup>1</sup>. The department shall provide guidance and  
 3 technical assistance to watershed management groups seeking  
 4 assistance in the development of a watershed management plan<sup>1</sup>  
 5 <sup>3</sup>[and] <sup>or</sup> <sup>3</sup>in the <sup>3</sup>development and<sup>3</sup> implementation of watershed  
 6 management activities<sup>1</sup>.

7

8 7. a. Any monies appropriated to the department pursuant to  
 9 Article VIII, Section II, paragraph 6, subparagraph (a) of the New  
 10 Jersey Constitution, and deposited in the fund, shall be used to support  
 11 the purposes <sup>1</sup>[required pursuant to] <sup>3</sup>[enumerated] set forth<sup>3</sup> in<sup>1</sup>  
 12 section 5 of this act to the extent that <sup>3</sup>[such] those<sup>3</sup> purposes  
 13 constitute activities in addition to those undertaken by the department  
 14 in <sup>3</sup>[fiscal year] Fiscal Year<sup>3</sup> 1997.

15 b. Monies shall be appropriated to the department pursuant to  
 16 Article VIII, Section II, paragraph 6, subparagraph (a) of the New  
 17 Jersey Constitution, deposited in the fund <sup>3</sup>,<sup>3</sup> and allocated for the  
 18 following purposes:

19 (1) <sup>2</sup>[For the first three years immediately following the effective  
 20 date of this act,] From the monies appropriated in <sup>3</sup>[fiscal year] Fiscal  
 21 Year<sup>3</sup> 1997 pursuant to section 8 of this act,<sup>2</sup> 100 percent of the  
 22 monies shall be used <sup>1</sup>[to support the costs of watershed management  
 23 program development and planning, regulatory integration, and]  
 24 <sup>3</sup>[for<sup>1</sup>] by the department to support<sup>3</sup> the purposes established in  
 25 subsections a. through <sup>1</sup>[i.] j.<sup>1</sup> of section 5 of this act; <sup>2</sup>[and]<sup>2</sup>

26 (2) <sup>2</sup>[Commencing three years from the effective date of this act,  
 27 50] From the monies appropriated in <sup>3</sup>[fiscal year] Fiscal Year<sup>3</sup> 1998,  
 28 not more than 35<sup>2</sup> percent of the monies <sup>2</sup>[shall] may<sup>2</sup> be used to  
 29 support the purposes identified in subsection <sup>1</sup>[j.] k.<sup>1</sup> of section 5 of  
 30 this act and <sup>2</sup>[50 percent] the remainder<sup>2</sup> of the monies shall be used  
 31 <sup>3</sup>by the department<sup>3</sup> to support the purposes established in subsections  
 32 a. through <sup>3</sup>[i.] j.<sup>3</sup> of section 5 of this act <sup>2</sup>; and

33 (3) From the monies appropriated in <sup>3</sup>[fiscal year] Fiscal Year<sup>3</sup>  
 34 1999 and every year thereafter, not more than 50 percent of the  
 35 monies may be used to support the purposes identified in subsection  
 36 k. of section 5 of this act and the remainder of the monies shall be used  
 37 <sup>3</sup>by the department<sup>3</sup> to support the purposes established in subsections  
 38 a. through <sup>3</sup>[i.] j.<sup>3</sup> of section 5 of this act.

39 c. The department may not expend any monies that <sup>3</sup>[is] are<sup>3</sup> or  
 40 may be appropriated by the Legislature for the purposes identified in  
 41 subsection k. of section 5 of this act until the department submits a list  
 42 of proposed loan or grant recipients to the Legislature, and the  
 43 Legislature, by the passage of a concurrent resolution, approves that  
 44 list. The Legislature may approve all or part of that list and only those  
 45 persons listed in the <sup>3</sup>approved<sup>3</sup> concurrent resolution may receive a



1 watershed protection loan or grant from the department. The  
 2 concurrent resolution may limit or specify the amount of any loan or  
 3 grant and may establish any other condition of receiving the loan or  
 4 grant. The list of proposed recipients submitted to the Legislature by  
 5 the department shall specify the name of the proposed recipient, the  
 6 amount of the loan or grant to be awarded, the intended purpose of the  
 7 loan or grant, the watershed or watersheds involved, and any other  
 8 information relevant to the award of the loan or grant.

9 d. The department may not expend any monies in <sup>3</sup>[fiscal year]  
 10 Fiscal Year<sup>3</sup> 1999 and thereafter <sup>3</sup>[.]<sup>3</sup> that <sup>3</sup>[is] are <sup>3</sup>or may be  
 11 appropriated by the Legislature for the purposes identified in  
 12 subsection k. of section 5 of this act <sup>3</sup>[.]<sup>3</sup> until the department has  
 13 adopted rules and regulations, pursuant to the "Administrative  
 14 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), <sup>3</sup>[governing]  
 15 concerning the development and implementation of watershed  
 16 management activities by watershed management groups and<sup>3</sup> the  
 17 submission and review of loan and grant applications.

18 e. Any transfer of <sup>3</sup>appropriated <sup>3</sup>funds <sup>3</sup>between purposes <sup>3</sup>  
 19 authorized by this section shall require the approval of the Joint  
 20 Budget Oversight Committee or its successor<sup>2 3</sup>. No such transfer of  
 21 funds shall be approved by the committee or its successor if the  
 22 transfer would cause exceedance of the funding percentage allocation  
 23 limitations set forth in subsection b. of this section. Any transfer of  
 24 funds from an approved loan or grant recipient to another approved  
 25 loan or grant recipient shall also require the approval of the committee  
 26 or its successor.<sup>3</sup>

27  
 28 8. There is appropriated <sup>2</sup>[to the Watershed Management Fund]<sup>2</sup>  
 29 from the General Fund, pursuant to the requirements of Article VIII,  
 30 Section II, paragraph 6, subparagraph (a) of the New Jersey  
 31 Constitution, <sup>2</sup>to the Department of Environmental Protection,<sup>2</sup> the  
 32 sum of <sup>2</sup>[\$2,500,000] \$4,900,000 for deposit into the Watershed  
 33 Management Fund <sup>3</sup>[created] established<sup>3</sup> pursuant to section 4 of  
 34 this act<sup>2</sup>.

35  
 36 9. This act shall take effect immediately.  
 37  
 38  
 39  
 40

---

41 The "Watershed Protection and Management Act of 1997";  
 42 appropriates \$4.9 million in constitutionally dedicated Corporation  
 43 Business Tax revenues for that purpose.

ASSEMBLY ENVIRONMENT, SCIENCE AND TECHNOLOGY  
COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 1776

with committee amendments

**STATE OF NEW JERSEY**

DATED: MAY 1, 1997

The Assembly Environment, Science and Technology Committee favorably reports Senate Bill No. 1776 (2R) with committee amendments.

This bill provides the statutory direction for the State to adopt and implement a watershed-based approach to water quality management and pollution control, to be funded by the monies dedicated by Article VIII, Section II, paragraph 6, subparagraph (a) of the New Jersey Constitution. The constitutional amendment (approved by the voters in November 1996) dedicates 2/3 of one percent, or a minimum of \$5,000,000, whichever is less, of the revenues annually generated by the Corporation Business Tax for the purposes of water quality point and nonpoint source pollution monitoring, watershed-based water resource planning and management, and nonpoint source pollution prevention projects.

The bill establishes in the Department of Environmental Protection (DEP) a nonlapsing, revolving fund named the "Watershed Management Fund," to which the dedicated and appropriated monies would be credited annually. The bill requires that monies in this fund be used by the DEP only for:

- (1) the development and adoption of a priority list of environmentally threatened waterbodies;
- (2) the monitoring and assessment of all State waters;
- (3) the delineation of watershed management areas and stream segments;
- (4) the identification of potential causes of the degradation of waterbodies on the priority list;
- (5) the development of total maximum daily loads and water quality-based effluent limitations for targeted waterbodies;
- (6) the development and presentation of data on the DEP's Geographic Information System (GIS);
- (7) the development and adoption of pollution prevention best

management practices to control point and nonpoint sources of pollution;

(8) the characterization of land use and land cover in each watershed;

(9) the development and adoption of a watershed management plan;

(10) the development and planning by the DEP of a watershed management program and the integration of its regulations with that program; and

(11) the development and implementation of a watershed protection loan and grant program.

The bill limits the use of monies in the new fund to support the purposes enumerated above, but only to the extent that such purposes constitute activities in addition to those undertaken by DEP in Fiscal Year 1997. The bill also provides that use of the monies in the fund for Fiscal Year 1997 will be limited to watershed management and planning activities by the DEP; for Fiscal Year 1998, up to 35 percent of the monies may be used for loans and grants to watershed management groups and the remainder of the monies shall be used to support the DEP's watershed management and planning activities; and for Fiscal Year 1999 and thereafter, up to 50 percent of the monies may be used for loans and grants to watershed management groups and the remainder of the monies shall be used to support the DEP's watershed management and planning activities.

The bill appropriates \$4.9 million to the DEP for FY 1997.

The committee amended the bill to: (1) revise the definition of "watershed management group"; (2) revise the process by which loans or grants are awarded to watershed management groups; (3) include a provision providing for the approval by the Joint Budget Oversight Committee of transfers of appropriated funds; and (4) make technical amendments.

As amended and reported by the committee, the bill is identical to the Assembly committee substitute for Assembly Bill Nos. 2662 and 2564 as also reported by the committee.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[Third Reprint]

SENATE, No. 1776

**STATE OF NEW JERSEY**

DATED: JUNE 9, 1997

The Assembly Appropriations Committee reports favorably Senate Bill No. 1776 (3R).

Senate Bill No. 1776 (3R) provides the statutory direction for the State to adopt and implement a watershed-based approach to water quality management and pollution control, to be funded by the corporation business tax revenue dedicated by the New Jersey Constitution for water quality.

The bill establishes the "Watershed Management Fund" as a nonlapsing, revolving fund in the Department of Environmental Protection (DEP) for deposit of the dedicated and appropriated monies. The bill requires that the DEP use the fund only for:

- (1) the development and adoption of a priority list of environmentally threatened waterbodies;
- (2) the monitoring and assessment of all State waters;
- (3) the delineation of watershed management areas and stream segments;
- (4) the identification of potential causes of the degradation of waterbodies on the priority list;
- (5) the development of total maximum daily loads and water quality-based effluent limitations for targeted waterbodies;
- (6) the development and presentation of data on the DEP's Geographic Information System (GIS);
- (7) the development and adoption of pollution prevention best management practices to control point and nonpoint sources of pollution;
- (8) the characterization of land use and land cover in each watershed;
- (9) the development and adoption of a watershed management plan;
- (10) the development and planning by the DEP of a watershed management program and the integration of its regulations with that program; and
- (11) the development and implementation of a watershed protection loan and grant program.

The bill allows expenditures for the above purposes only to the

extent that such purposes constitute activities in addition to those undertaken by DEP in Fiscal Year 1997. The bill also provides that use of the monies in the fund for Fiscal Year 1997 will be limited to watershed management and planning activities by the DEP; for Fiscal Year 1998, up to 35 percent of the monies may be used for loans and grants to watershed management groups and the remainder of the monies shall be used to support the DEP's watershed management and planning activities; and for Fiscal Year 1999 and thereafter, up to 50 percent of the monies may be used for loans and grants to watershed management groups and the remainder of the monies shall be used to support the DEP's watershed management and planning activities.

This bill is identical to A-2662/2564 (Acs).

FISCAL IMPACT:

The bill appropriates \$4.9 million to the Department of Environmental Protection from Constitutionally dedicated tax revenues to implement a watershed-based approach to water quality management and pollution control.

The New Jersey Constitution, as amended by the voters in November 1996, dedicates a minimum of 2/3 of one percent, or \$5,000,000, whichever is less, of the revenues annually generated by the Corporation Business Tax for the purposes of water quality point and nonpoint source pollution monitoring, watershed-based water resource planning and management, and nonpoint source pollution prevention projects.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 1776**

with Senate committee amendments

# **STATE OF NEW JERSEY**

DATED: MARCH 10, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1776 (1R) of 1997 with amendments.

Senate Bill No. 1776 (1R), as amended, provides the statutory direction for the State to adopt and implement a watershed-based approach to water quality management and pollution control, to be funded by the monies dedicated by Article VIII, Section II, paragraph 6, subparagraph (a) of the New Jersey Constitution. This constitutional amendment (approved by the voters in November, 1996) dedicates 2/3 of one percent, or a minimum of \$5,000,000, whichever is less, of the revenues annually generated by the Corporation Business Tax for the purposes of water quality point and nonpoint source monitoring, watershed based water resource planning and management and nonpoint source pollution prevention projects.

The bill establishes in the Department of Environmental Protection (DEP) a non-lapsing, revolving fund named the "Watershed Management Fund," to which the dedicated and appropriated monies would be credited annually. The bill requires that monies in this fund be used by the DEP only for:

- (1) the development and adoption of a priority list of environmentally threatened waterbodies;
- (2) the monitoring and assessment of all State waters;
- (3) the delineation of watershed management areas and stream segments;
- (4) the identification of potential causes of the degradation of waterbodies on the priority list;
- (5) the development of total maximum daily loads and water quality-based effluent limitations for targeted waterbodies;
- (6) the development and presentation of data on the DEP's Geographic Information System (GIS);
- (7) the adoption of best management practices to prevent pollution and to control point and nonpoint sources of pollution;
- (8) the characterization of land use and land cover in each watershed;

(9) the adoption of a watershed management plan;

(10) the development and planning by the DEP of a watershed management program and the integration of its regulations; and

(11) the development and implementation of a local watershed protection loan and grant program.

The bill limits the use of monies in the new fund to support the purposes enumerated above, but only to the extent that such purposes constitute activities in addition to those undertaken by DEP in fiscal year 1997. The bill also states that the use of the monies in the fund for the first year after this bill's enactment will be limited to watershed management and planning activities by the DEP; in the second year, 35 percent of the monies may be used for loans and grants; and in the third and subsequent years, DEP activities will receive one half of the monies in the fund and the other half will be used for loans and grants to local watershed management groups.

The bill appropriates \$4.9 million to the DEP for FY 1997.

#### COMMITTEE AMENDMENTS

The committee amended the bill with the approval of the sponsor to:

- \* redefine "watershed management group" and "watershed management plan."

- \* provide for loans as well as grants to watershed management groups.

- \* provide for the start-up of loans and grants in the second year of the program instead of the fourth year.

- \* provide for loans and grants to point source pollution dischargers in certain circumstances.

- \* provide for the establishment of rules and regulations for the loan and grant program by Fiscal Year 1999.

- \* permit the expenditure of monies for loans and grants only upon approval of the Legislature of the projects and amounts through the passage of a concurrent resolution.

- \* increase the amount appropriated for deposit into the new Watershed Management Fund from \$2.5 million to \$4.9 million.

#### FISCAL IMPACT

This bill appropriates \$4.9 million in Corporation Business Tax revenues dedicated by Article VIII, Section II, paragraph 6, subparagraph (a) of the New Jersey Constitution to the newly created "Watershed Management Fund" for the purposes set forth in the bill.

974.901  
E-61



**OFFICE OF THE GOVERNOR  
NEWS RELEASE**

**BOX-004**

**CONTACT: JAYNE O'CONNOR  
GENE HERMAN  
609 777-2600**

**TRENTON, NJ 08625**

**RELEASE: FRIDAY,  
Oct. 10, 1997**

**GOV. CHRISTIE WHITMAN SIGNS BILL  
PROVIDING \$4.9 MILLION FOR  
WATER QUALITY MANAGEMENT AND POLLUTION CONTROL**

Gov. Christie Whitman today signed the Watershed Protection and Management Act of 1997 which establishes a watershed-based approach to water quality management and pollution control. The bill also provides for the first annual appropriation of \$4.9 million to implement the watershed management program.

"This legislation shows the progress we have made in cleaning New Jersey's waterways," Whitman said. "We are now ready to move away from concentrating solely on point-source pollution, such as discharge pipes, to looking at entire watersheds."

"Having had such success in addressing pollution at its direct source, we can begin addressing more fully pollution coming from non-point sources, such as stormwater runoff," the Governor said. "Today, we are taking the next logical step in our effort to make New Jersey's waters as clean as possible."

The bill, S-1776, creates a Watershed Management Fund as a nonlapsing revolving fund in the Department of Environmental Protection. The fund will be used for water quality point and nonpoint source monitoring, watershed-based water resource planning and management and nonpoint source pollution prevention projects.

Monies for the fund will come from the dedication of one-sixth of the 4 percent corporate business tax. Last November voters supported a constitutional amendment to dedicate a portion of the corporate business tax to help preserve and protect the environment. The Watershed Management Fund will be credited annually with funds appropriated from the corporate business tax.

The bill also appropriates \$4.9 million in corporate business tax funds dedicated in Fiscal Year 1997.

(more)



The bill allows the establishment of watershed management groups whose purpose is to improve the conditions or prevent further degradation of a watershed or watersheds. A watershed management group may include local and county government officials, and a representative of water purveyors, wastewater utilities or authorities, the business community, the development community and the environmental community.

Officials of regional planning agencies located within a watershed management area may also be included in watershed management groups and would be entitled to loans and grants.

The legislation, sponsored by Senators John O. Bennett (R-Monmouth) and John H. Adler (D-Camden) and Assembly Members Steve Corodemus (R-Monmouth) Anthony R. Bucco (R-Morris), is the latest action by taken by Whitman to protect the environment.

The Governor's environmental initiatives include:

- \* Preserving more than 80,000 acres of open space through the Green Acres programs.
- \* Blocking New York's attempt to dump raw sewage in New Jersey waterways, threatening beaches and shellfish beds.
- \* Leading the fight in Congress and working with New York State to preserve over 15,000 acres of woodlands in Sterling Forest and signing legislation to spend \$10 million to help buy Sterling Forest, a source of clean water for New Jersey residents.
- \* Preserving over 16,000 acres of farmland through the Farmland Preservation Program.
- \* Signing a comprehensive management plan with New York State and the federal Environmental Protection Agency for the New York/New Jersey harbor estuary which will restore and protect the coastal waters from Cape May to Long Island.
- \* Supporting federal tougher federal air pollution standards to reduce the amount of air pollution blowing into New Jersey from Midwestern States which elevates pollution levels in the state.

In addition, due to improved water quality, New Jersey early next year will open nearly 3,000 additional acres of state waters for shellfish harvesting. The proposed reclassification will bring the total acreage available for shellfishing to more than 584,000, or 87 percent of the state's coastal waters..

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