

Public Hearing

before

THE SENATE ENVIRONMENT AND ENERGY COMMITTEE

SENATE CONCURRENT RESOLUTION No. 165

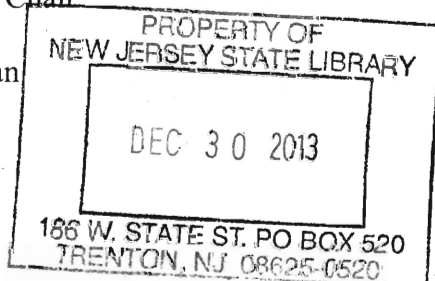
(Amends Constitution to dedicate \$200 million, or 2.4 percent, whichever is less, annually from FY2015 to FY 2044 of sales and use tax revenue for preservation of open space, including flood prone areas and lands that protect water supplies, farmland, and historic properties.)

LOCATION: Committee Room 10
State House Annex
Trenton, New Jersey

DATE: December 19, 2013
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Bob Smith, Chair
Senator Linda R. Greenstein, Vice Chair
Senator Jim Whelan
Senator Christopher "Kip" Bateman



ALSO PRESENT:

Judith L. Horowitz
Michael Molimock
Office of Legislative Services
Committee Aides

Kevil Duhon
Senate Majority
Committee Aide

Brian Alpert
Senate Republican
Committee Aide

Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
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Chairman

LINDA R. GREENSTEIN
Vice-Chairwoman

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New Jersey State Legislature

SENATE ENVIRONMENT AND ENERGY COMMITTEE

STATE HOUSE ANNEX
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PUBLIC HEARING NOTICE

The Senate Environment and Energy Committee will hold a public hearing on Thursday, December 19, 2013 at 10:00 AM in Committee Room 10, 3rd Floor, State House Annex, Trenton, New Jersey.

The public may address comments and questions to Judith L. Horowitz or Michael R. Molimock, Committee Aides, or make bill status and scheduling inquiries to Valarie Jackson, Secretary, at (609)847-3855, fax (609)292-0561, or e-mail: OLSAideSEN@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

The public hearing will be held in accordance with Rule 24:3 of the New Jersey Senate on the following Senate Concurrent Resolution.

SCR-165
Smith, B

Amends Constitution to dedicate \$200 million, or 2.4 percent, whichever is less, annually from FY2015 to FY2044 of sales and use tax revenue for preservation of open space, including flood prone areas and lands that protect water supplies, farmland, and historic properties.

Issued 12/13/13

For reasonable accommodation of a disability call the telephone number or fax number above, or TTY for persons with hearing loss 609-777-2744 (toll free in NJ) 800-257-7490. The provision of assistive listening devices requires 24 hours' notice. Real time reporter or sign language interpretation requires 5 days' notice.

For changes in schedule due to snow or other emergencies, call 800-792-8630 (toll-free in NJ) or 609-292-4840.

**SENATE CONCURRENT
RESOLUTION No. 165**

STATE OF NEW JERSEY

215th LEGISLATURE

INTRODUCED DECEMBER 5, 2013

Sponsored by: Senator BOB SMITH
District 17 (Middlesex and Somerset)
Senator CHRISTOPHER "KIP" BATEMAN
District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:
Senators Whelan and Greenstein

SYNOPSIS

Amends Constitution to dedicate \$200 million, or 2.4 percent, whichever is less, annually from FY2015 to FY2044 of sales and use tax revenue for preservation of open space, including flood prone areas and lands that protect water supplies, farmland, and historic properties.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/13/2013)

SCR165 B. SMITH, BATEMAN

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1 A CONCURRENT RESOLUTION proposing to amend Article VIII,
2 Section II of the New Jersey Constitution by adding a new
3 paragraph.

4
5 BE IT RESOLVED by the Senate of the State of New Jersey (the
6 General Assembly concurring):

7
8 1. The following proposed amendment to the Constitution of
9 the State of New Jersey is agreed to:

10
11 PROPOSED AMENDMENT

12
13 Amend Article VIII, Section II, by adding a new paragraph 9 to
14 read as follows:

15 9. (a) Commencing July 1, 2014, there shall be annually
16 credited in each State fiscal year, until June 30, 2044, to a special
17 account in the General Fund an amount equal to 2.4 percent or the
18 sum of \$200,000,000, whichever is less in each fiscal year, from the
19 State revenue annually collected from the State tax imposed under
20 the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.),
21 as amended and supplemented, or from any other State law of
22 similar effect. The dedication and use of those moneys credited
23 pursuant to this subparagraph from the State revenue annually
24 collected from the State tax imposed under the "Sales and Use Tax
25 Act," as amended and supplemented, or from any other State law of
26 similar effect, shall be subject and subordinate to (1) all
27 appropriations of revenues from taxes made by laws enacted prior
28 to the effective date of this paragraph in accordance with Article
29 VIII, Section II, paragraph 3 of the State Constitution in order to
30 provide the ways and means to pay the principal and interest on
31 bonds of the State presently outstanding or authorized to be issued
32 under those laws, (2) any other use of those revenues enacted into
33 law prior to the effective date of this paragraph, or (3) the credit of
34 State revenue annually collected from the State tax imposed under
35 the "Sales and Use Tax Act," as amended and supplemented, or
36 from any other State law of similar effect, as required by Article
37 VIII, Section II, paragraph 7 of the State Constitution.

38 The amount credited each State fiscal year pursuant to this
39 subparagraph shall be dedicated and shall be appropriated from time
40 to time by the Legislature only to provide funding, including loans
41 or grants, for: the preservation, including acquisition, development,
42 and stewardship, of lands for recreation and conservation purposes,
43 including lands that protect water supplies and lands that have
44 incurred flood or storm damage or are likely to do so, or that may
45 buffer or protect other properties from flood or storm damage; the
46 preservation and stewardship of farmland for agricultural or
47 horticultural use and production; historic preservation; and
48 administrative costs associated with each of those efforts.

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(b) All moneys derived from repayments of any loan issued from the amounts dedicated pursuant to subparagraph (a) of this paragraph, and all income derived from the investment of moneys in the special account established pursuant to this paragraph, shall be credited to that special account, and shall be dedicated and shall be appropriated from time to time by the Legislature only for the purposes authorized pursuant to subparagraph (a) of this paragraph. Notwithstanding any provision of this paragraph to the contrary, the dedication of moneys derived from loan repayments and investments shall not expire.

(c) It shall not be competent for the Legislature, under any pretense whatever, to borrow, appropriate, or use the amounts credited to the special account established pursuant to this paragraph, or any portion thereof, for (1) any purpose or in any manner other than as enumerated in this paragraph, or (2) making payments relating to any bonds, notes, or other obligations.

2. When this proposed amendment to the Constitution is finally agreed to pursuant to Article IX, paragraph 1 of the Constitution, it shall be submitted to the people at the next general election occurring more than three months after the final agreement and shall be published at least once in at least one newspaper of each county designated by the President of the Senate, the Speaker of the General Assembly and the Secretary of State, not less than three months prior to the general election.

3. This proposed amendment to the Constitution shall be submitted to the people at that election in the following manner and form:

There shall be printed on each official ballot to be used at the general election, the following:

a. In every municipality in which voting machines are not used, a legend which shall immediately precede the question as follows:

If you favor the proposition printed below make a cross (X), plus (+), or check (✓) in the square opposite the word "Yes." If you are opposed thereto make a cross (X), plus (+) or check (✓) in the square opposite the word "No."

b. In every municipality the following question:

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	YES	<p>CONSTITUTIONAL AMENDMENT DEDICATING STATE FUNDS FOR OPEN SPACE, FARMLAND, AND HISTORIC PRESERVATION</p> <p>Do you approve amending the Constitution to dedicate \$200 million or 2.4% of State sales tax revenue, whichever is less, each year for the next 30 years for the preservation of open space, farmland, and historic properties? Open space includes lands that protect water supplies and lands that are prone to flooding.</p>
	NO	<p>INTERPRETIVE STATEMENT</p> <p>This constitutional amendment would provide a stable source of funding for the next 30 years for Green Acres and "Blue Acres" projects, and for the preservation of farmland and historic properties. The amendment would dedicate \$200 million or 2.4%, whichever is less in a given year, of State sales tax revenue each year for the next 30 years for these purposes.</p> <p>The Green Acres program acquires land that protects water supplies and preserves open space, including parks, fish and wildlife habitat, and flood prone or affected areas. It also funds park improvements and facilities.</p> <p>"Blue Acres" refers to properties that have been damaged by storms or storm-related flooding, that appear likely to incur such damage, or that may buffer or protect other lands from such damage. Structures on properties purchased from willing sellers are demolished, the debris is removed, and the land is preserved as open space.</p>

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STATEMENT

This constitutional amendment would dedicate \$200 million or 2.4 percent, whichever is less in a given year, of State sales and use tax revenue annually for the next 30 years, from Fiscal Year 2015 through Fiscal Year 2044, to finance the State's programs for open space preservation, farmland preservation, and historic

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1 preservation. The specific allocation for each of these purposes
2 would be established by law. The amendment also allows for the
3 dedicated monies to be used for stewardship activities and
4 administrative costs associated with the programs.

5 The constitutional amendment also recognizes a special funding
6 category under open space preservation, referred to as the "Blue
7 Acres" program, for the acquisition, for recreation and conservation
8 purposes, of lands that have incurred flood or storm damage or are
9 likely to do so, or that may buffer or protect other properties from
10 flood or storm damage. Properties are purchased from willing
11 sellers only. The Blue Acres program is administered by the
12 Department of Environmental Protection's Green Acres Program.

13 This proposed amendment to the State Constitution would
14 provide a dedicated, stable source of funding to continue the State's
15 current programs for open space, including flood prone lands,
16 farmland, and historic preservation implemented pursuant to Article
17 VIII, Section II, paragraph 7 of the State Constitution, the "Garden
18 State Preservation Trust Act," P.L.1999, c.152 (C.13:8C-1 et seq.),
19 and various bond acts passed by the voters of this State over the last
20 50 years.

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SENATOR BOB SMITH (Chair): The hearing on SCR-165 will come to order.

Ms. Horowitz, please take the roll.

MS. HOROWITZ (Committee Aide): Senator Smith.

SENATOR SMITH: Present.

MS. HOROWITZ: Senator Greenstein.

SENATOR LINDA R. GREENSTEIN (Vice Chair):
Here.

MS. HOROWITZ: Senator Whelan.

SENATOR WHELAN: Here.

MS. HOROWITZ: Senator Bateman.

SENATOR BATEMAN: Here.

SENATOR SMITH: Okay. First of all, you're in front of the Senate Environment and Energy Committee. Nobody in this room has to be sold on open space, farmland preservation, or historic preservation. So you don't have to tell us, "We need to do it." We all have voted on this before in favor; we all know it needs to be done.

But where you would be helpful in your testimony today is to do your own analysis, and give it to the Committee, of why you think the Assembly \$200 million bond issue may not be the correct way to go, and why you think SCR-165, with the constitutional dedication, would be the correct way to go.

You do not have to sell us on open space, farmland, or historic preservation; we're there. But the policy discussion is funding: What's the right way to fund this in the future?

All right. For the record, a number of individuals have indicated their position with no need to testify: Erica Van Auken, New Jersey Highlands Coalition, in favor, no need to testify; David Epstein, Land Conservancy, in favor, no need to testify; Stacy McCormack, the America Littoral Society, in favor, no need to testify; Kelly Mooij, New Jersey Audubon, in favor, no need to testify; Sudha Iyer, I believe also as a citizen, but also from Audubon, in favor, no need to testify; Jay Watson, the DNR Conservancy (*sic*) Land Trust, in favor, no need to testify; Tom Thorsen, Hunterdon Land Trust, in favor, no need to testify; Wilma Frey, in favor, no need to testify -- I think she's here as a citizen, but I'm not sure; Ed Potosnak, New Jersey League of Conservation Voters, in favor, no need to testify; and Bill Kibler, Raritan Headwaters Association, in favor, no need to testify.

Now, we have a number of people who would like to testify. I'd appreciate if you would focus on the funding mechanism. And let me-- If Richard Sullivan is my environmental hero, my environmental heroine is Maureen Ogden, former Assemblywoman, and one of the great environmental leaders in our Legislature, and absolutely spectacular on open space over the years.

Maureen, if you would come forward we'd appreciate hearing what you have to say and what you think.

ASSEMBLYWOMAN MAUREEN B. OGDEN:
Thank you very much, Mr. Chairman, and I appreciate your kind comments. And I congratulate you for your perseverance in promoting this really important issue.

I have testimony here, and I decided in the interest of time, and not repeating what others might say, that I would just start on

page 2. And I have copies for the members -- but you can read the first page. But I don't think I need to actually include it.

I thought I would start from when I retired from the Assembly in 1996. Governor Whitman appointed me the Chair of the Governor's Council on New Jersey Outdoors, with the charge of evaluating New Jersey's need for more open space and recommending funding to meet this challenge.

After holding hearings throughout the state and reviewing the programs of other states, the Council recommended to the Governor and the Legislature that another one million acres should be preserved, and suggested 13 different sources, or a combination thereof, with which to fund it. When the press asked me what the sources would be, I replied that that really wasn't my decision; it was going to be decided by the Governor and the Legislature. And it ended up taking a special summer session to reach agreement on \$98 million a year that would be leveraged to provide \$200 million annually for 10 years to preserve open space. And then in the subsequent years -- the remaining 30 years -- it was going to be used to retire revenue bonds.

In November 1998 -- and this was in the summer before that -- the voters approved the ballot question by a 2-to-1 margin. The landmark preservation plan amended the New Jersey Constitution to provide a stable source of funding to acquire and preserve open space, farmland, and historic sites around the state. The funding would come from existing sales tax revenues.

On June 30, 1999, Governor Whitman signed into law the Garden State Preservation Trust Act that established, for the first time, stable funding to preserve New Jersey's natural and historic heritage

through the dedication of the \$98 million for 10 years, and the authorization of up to \$1 billion in revenue bonds.

After the first 10 years of making down payments on open space parcels, the \$98 million would be employed to pay off the revenue bonds over the next 30 years, as I already alluded to.

Since the coffers of the GSPT are now completely empty, it is time to act on the Senate Resolution before your Committee today -- SCR-165, sponsored by Senator Bob Smith with prime co-sponsors Senator Kip Bateman, Senator Jim Whelan, and Senator Linda Greenstein.

This bipartisan bill would dedicate up to \$200 million a year of sales tax revenues for Green Acres, farm land, and historic sites, and the buyout of flood-prone properties under Blue Acres; as well as addressing stewardship. This new bill addresses a concern that has been expressed by many commentators regarding the potential for future decline in the sales tax revenues. SCR-165 provides for a dedication of \$200 million for 30 years, or 2.4 percent of the sales tax revenue per year -- whichever is lower. The current sales tax of 7 percent would not increase; the sales tax revenues are currently growing. This year they are projected to increase by \$445 million and the growth trend is projected to continue into future years. Thus, the \$200 million allocation for preservation would not impact the funding of any existing programs. In fact, it is less than half the anticipated growth in sales tax revenues for this year.

The next 30 years will be critical ones in New Jersey's preservation efforts. By 2015, New Jersey will become the first state in the United States to reach full build-out. The most densely populated state in the nation won't be able to alleviate its crowded conditions with the preservation of open space. There won't be any left to preserve.

Now is the time to act by passing SCR-165 to enable the GSPT to continue its preservation leadership. Here in New Jersey we have a culture of commitment. The allocation of new funds to the Garden State Preservation Trust will ensure that our commitment to save the best for tomorrow will be our lasting legacy.

Thank you very much.

SENATOR SMITH: Thank you, Maureen. And, as always, thank you for being a champion for the environment.

Tom Gilbert, from New Jersey Keep It Green -- in favor.

Tom.

And again, if you could focus on funding.

THOMAS GILBERT: Yes.

Thank you, Chairman Smith. Is this on? (referring to PA microphone)

SENATOR SMITH: Red means go in Trenton.

MR. GILBERT: Oh, red is on. Okay, thank you.

Thank you, Chairman Smith and members of the Senate **Environment** Committee.

On behalf of the more than 180 member organizations of New Jersey Keep It Green, we appreciate your bipartisan leadership and support on this legislation. We continue to feel strongly that SCR-165 offers a comprehensive and fiscally sound approach to provide sustainable funding for the preservation and stewardship of New Jersey's open spaces, water supplies, natural flood buffers, farmland, and historic sites.

There is broad agreement on the need to replenish funding but, as you noted, Senator Smith, there are very different approaches being considered by the Senate and the Assembly. And we

maintain that a sustainable source of funding is the right approach and is absolutely essential -- not a stopgap measure that would fund efforts for only one year and that would fail to address the critical long-term needs that remain, which would bring no predictability and certainty in funding, which is required for preservation efforts that require long-term planning; and it would only delay action on putting a more sustainable funding source in place.

We feel that the Senate legislation has now been modified to include important fiscal safeguards: capping funds at \$200 million annually, which is less than 1 percent of the State budget -- I believe it's about two-thirds of 1 percent of the State budget; and that percentage would shrink over time if the trends continue. And the trigger to provide the lesser of 2.4 percent or \$200 million would ensure that there is a mechanism there for funding to contract if revenues were to fall.

And it's important to note, as Maureen described the numbers, revenues aren't falling. Revenues are growing. And if those trends continue, this funding could be provided through less than half of the growth in revenues -- again, and that percentage of the growth would shrink over time. This would not come at the expense-- Every dollar to preservation would not be a dollar taken away from something else. If the trends continue, we can dedicate a very small percentage of the overall revenues and a portion of the growth to fund what we argue are critical investments that the State of New Jersey must make over the next three decades.

As Maureen noted, New Jersey's already the most densely **populated** state in the nation and is projected to be the first to reach build-out. If we don't have a sustainable source of funding in place over the next

three decades, there will be repercussions on the landscape that we will be living with for generations. And so we have to consider the cost of if we fail to make this investment -- we will pay more for water treatment; we will lose the base of productive farmland that's critical to maintain a viable agriculture industry in this state; we will continue to see exacerbated flood and storm damage as we lose the natural vegetation and land cover that helps to provide buffering from, unfortunately, more frequent and intense storms.

That is why we feel that the approach that the Senate is taking is absolutely the right approach. We think a stopgap bond measure would be very shortsighted and delay action on creating a more sustainable source of funding.

We again thank you for your bipartisan leadership. We urge the Assembly to work with the Senate on establishing a sustainable source of funding and to put a measure on the 2014 ballot and give the voters an opportunity to decide.

Thank you.

SENATOR SMITH: Thank you, Tom.

Allen Weston from New Jersey Association of Counties wants to be recorded in favor with no need to testify.

Ed Wengryn from the New Jersey Farm Bureau, in favor.

Ed.

EDWARD D. WENGRYN: Mr. Chairman, members of the Committee, again, thanks for holding this hearing.

In ~~the~~ past we've spoken about the importance of the programs to agriculture, to the long-term sustainability of the land base for agricultural uses -- so we won't rehash that.

Within-- Two important areas of why long-term is the way to go is the State has been making those commitments in the past; continuing the programs and extending them allows farm families to do estate planning in a way to transfer land from one generation to the next, or to keep it in an agricultural setting. Within the Highlands region it is the only equity protection tool to meet both estate planning goals of equity protection and the intent of the legislation to protect the equity of landowners in the Highlands. The dual appraisal process and having a preservation pool for farmers to go to is critical in keeping land values stable up in that region so they can make investments in their agricultural operations.

I will say the biggest portion of supporting SCR-165 is that it is a long-term plan. Short-term bonding-- We have nothing against bonding; the whole 1998 Bond Act was an important, stable tool that is an opportunity. But to do it for two years doesn't give anybody assurances that the next time you go to the public for a bond that they'll be supportive. It's one of our big concerns about looking at -- going to the voters over and over again on short-term. It looks like, in reality, the Legislature can't get its act together and that erodes public support.

SENATOR SMITH: We look like the Congress; we look like the U.S. Congress.

MR. WENGRYN: A little bit. (laughter) And I will say New Jersey's been better than that.

SENATOR SMITH: And can do better.

MR. WENGRYN: And can do better.

So those are our thoughts. And the importance of this, I'll echo what Tom said: We are talking about growth and revenue, and

capturing growth and revenue. The Office of Legislative Services did a proposal when we had this first done, and they exasperated (*sic*) the growth of a percentage of the sales tax when it was just a flat percentage. And they said over 30 years that could be \$17 billion. With the cap in place, you're talking about \$6 billion over 30 years in sales tax growth. That still leaves \$11 billion in sales tax growth for other government programs and other things that, as costs occur every year, could be absorbed through that growth in sales tax.

So we think this is smart. It's the way to go. We're willing to continue to push for the long-term stable, and you've got it right.

SENATOR SMITH: Listen, I was really impressed. I don't know if everybody reads their New Jersey Farm Bureau Bulletin word-for-word, every time it comes. And it must have been you -- you put in the comment that the Senate Committee said, "Farmers are not actively engaged in this, and you really have to start sending your cards and letters," which I thought was terrific. Ed, please tell them to direct those cards and letters to Assembly members. (laughter) We've got some hard heads we have to work on over there. I think the Senate is generally there; although there is a little hypocrisy over here. And one Senator -- who shall remain nameless -- said, "Make sure you do the dual appraisal method." And then when I responded, "Can you vote for open space?" He said, "No, I can't do that."

But if you're talking about where your fire should be focused: Assembly.

MR. WENGRYN: Our goal is to get everybody on the same page.

SENATOR SMITH: Please -- let them know.

MR. WENGRYN: You gave me marching orders, and I'm following through, sir.

SENATOR SMITH: We appreciate it, Ed. Thank you very much.

Cathy Reuscher from Appalachian Mountain Club, in favor.

Cathy.

CATHY REUSCHER: Thank you, Senator, and I'll be brief today.

My name is Cathy Reuscher; I'm the Mid-Atlantic Policy Associate for the Appalachian Mountain Club. We're the oldest conservation and recreation organization in the country, and we're proud to be a member of Keep It Green.

AMC fully supports this bill as a sustainable, long-term method for funding these programs and, specifically, for stewardship. We'd like to especially thank you for recognizing stewardship as a priority -- which is something that is not included in the Assembly bond bill.

As you know, our parks and trails depend on trail cleanups, invasive species removal, and other critical stewardship work in order to retain their continued value to the public. By urging long-term protection of the places where New Jersey citizens recreate, this funding represents an important investment, as you know, in the long-term physical and economic health of our state. And I have a report here that everyone can take a look at.

Thank you for making land preservation and, especially, making stewardship a top priority. We look forward to working together to

ensure sustainable and long-term funding for the preservation of open space in the Garden State.

Thank you.

SENATOR SMITH: Thank you, Cathy.

Tom Wells, The Nature Conservancy, in favor.

Tom.

T O M W E L L S: Good morning, Senator Smith and members of the Committee. Thank you so much for moving ACR-165 (*sic*) along.

I do want to talk about comparisons a little bit between--

SENATOR SMITH: Please.

MR. WELLS: --the two bills, because I have experienced the off-and-on cycles of bond funding -- not bond funding in particular -- but short-term sources of funding. As Administrator of the Green Acres Program back in the 1990s, there were two bond issues that were passed that were both designed to be three-year bond issues. They both ran out in two years and put funding on hold and into a new cycle -- which is probably one of the reasons why former Governor Whitman came up with the GSPT as a long-term funding source, which actually did provide stable funding for about eight years.

But then, once that funding ran out, we had the 2007 ballot measure which was touted as a one-year stopgap. It was stretched to two years. The 2009 Bond Act was supposed to be a two-year; it was stretched to four years. And so, as a result, over the last six years, funding for these open space programs and the farmland programs has been essentially cut by 50 percent over the previous year. So it's not just a matter of predictability and proper planning these programs. But these short-term fixes are really kind of death by a thousand cuts, because the

programs get starved of funding even though there are good intentions in terms of putting a one-year or a two-year fix in place. It never turns out to be that. It always turns out to be something longer. And, as a result, the programs get starved for funding.

As an example, the Green Acres funding awards that have been granted in the last few years have been so small that nonprofits, and municipalities, and counties often had to bank their money and put together multiple rounds of funding just to do one project, which slows down the overall pace because they can't accomplish a particular project with one funding round.

I know that, in terms of the Nature Conservancy, we had to borrow funds to complete some of our preservation projects, and that once the last round of Green Acres funding was awarded to us we just used it to reimburse our costs of prior projects and we had no money to go forward.

So just to reiterate: I think the only time in the last 30 years that preservation funding has been at all predictable was during the Garden State Preservation Trust, where we had about eight good years of predictable funding. And short-term funding just doesn't work; it doesn't work in terms of managing projects, and it also starves all the programs of needed funding.

So we're happy to support SCR-165, and we hope it can move forward.

SENATOR SMITH: Thank you, Tom.

Cate Litvack, Advocates for New Jersey History, in favor.

CATE LITVACK: Good morning. Thank you so much.

I'm Cate Litvack from the Advocates for New Jersey History. I also serve on the board of the DNR Greenway Land Trust, but this morning I'm here to talk to you about the needs of the history community.

The New Jersey Historic Trust, as you know, benefits from SCR-165 in a couple of ways: with an increase in funding of \$2 million; and more flexibility in grant making, particularly in times of crisis. These changes, I point out, are not included in the Assembly bill.

In addition, long-term, stable funding will ensure that we can meet some of the needs of historic preservation in our state. About 20 percent of the grant proposals can actually be funded, and that's been true over the past 20 years. There are no construction funds remaining in the Historic Trust. The needs are \$10 million under a typical construction grant round and the money is just not there any longer, as we know. The well is dry.

And as we enter our 350th anniversary of the State of New Jersey, let's create a legacy that preserves our open spaces, farms, and historic sites. SCR-165 will do just that.

I appreciate your bipartisan support for this, and urge that you vote in favor of it, which I know you will.

Thank you so much.

SENATOR SMITH: Thank you, Cate.

Mike Proto, or is it Proto, Mike? (indicating pronunciation)

MIKE PROTO: Proto (indicating pronunciation).

SENATOR SMITH: Proto, from Americans for Prosperity, opposed.

MR. PROTO: Mr. Chairman, thank you for the time to address the Committee today. I'll try to be brief, because obviously we did speak last week as well.

The question you put to us was: Which funding mechanism did we prefer? Well, the easy answer for us is: neither. (laughter) Basically, you're presenting us with two ideas -- one on the Assembly side, which we would consider bad; and the one on this side, which we would consider more terrible, frankly.

Yesterday -- I don't know if you saw it -- but Moody's came out and downgraded the State's debt outlook from *stable* to *negative*.

SENATOR SMITH: Yes, welcome to the Executive Branch. (laughter)

MR. PROTO: Well, I think there's plenty of blame to go around for that.

But you know, given Moody's comments yesterday, and downgrade of our debt outlook, I think the Assembly bill is bad on those grounds alone. Instead of \$200 million a year, you'd really be looking at, with the interest, probably close to \$800 million a year. And, frankly, we're tapped out in this state. I mean, I think open space may be well intended, but taxpayers are already paying enough in taxes here. Our state is in fiscal trouble; again, the Moody's report reaffirms that. We should be focused on creating jobs and prosperity in this state.

And, again, if we can pull \$200 million a year or so from the sales tax, that tells us then there's enough there to even cut the sales tax to help lower the tax burden in our State; or at least we'd like to see the Legislature come up with corresponding cuts to that amount so that we're not seeing an increase in spending.

A couple of other points I just wanted to reiterate. AFP does support a couple of other solutions, such as public/private partnerships -- which have been successful in other states -- where states have actually yielded a net benefit -- an economic benefit from the programs. And with respect to farmers, we would also like to see the estate tax or the death tax, not just even lowered, but perhaps eliminated so that small farmers can keep their land and not be in a position where they are forced to sell it, whether it's to a developer, or the State, or to another entity that is only going to build on that land.

Thank you.

SENATOR SMITH: Thank you.

And our last speaker is Eileen Swan from the New Jersey Conservation Foundation and Keep It Green Coalition.

Eileen.

EILEEN SWAN: Well, I will start by saying thank you; thank you very much for staying with this and pushing it forward.

And sticking with what you said: You asked us to do the comparison, Senator Smith. For over a half century the people of New Jersey have supported protecting their water resources, natural areas, working agricultural landscapes, cultural history. They have voted to show support, they have been polled, and time after time they have made it clear that they recognize the critical need for preservation. So when we look at the Assembly bill I think we can recognize the people of New Jersey deserve better. We've been there, we've done that. We're here simply because we're looking for long-term sustainable funding. And, unfortunately, the Assembly bill doesn't get us there. It is a one-year Band-Aid, and we're

already now a year behind the ball because we're talking about doing all of these programs in November 2014.

So the other thing about the Assembly bill is the resources it uses. We'll all be back here again -- I'm sure you'll be thrilled -- next year and then the year after if we go with the Assembly bill. And as much as we love seeing you, and we know that you love seeing us, I think we'd be happier with sustainable funding and we can talk about other things. And there are other issues that I think we could all address.

So to get to SCR-165. The annual expenditures -- we've talked about that already -- we know the growth; we know that we can do this without incurring debt. I agree (*sic*) with the previous speaker on that issue as well. This process, the one you're looking at -- SCR-165 -- will not incur further debt. So it's not a new tax and it's not new debt in those terms.

So we have the three essential ingredients for success with SCR-165: a critical program, the support of the people, and a sustainable way of paying for it without incurring debt -- and it's fiscally responsible.

So let's make sure our legacy to future generations is not a dry well. I would hope that Americans for Prosperity would agree that we don't have prosperity if we don't have water.

In November 2014, let New Jersey residents decide if they want to dedicate a portion of the growing revenues of an existing tax to ensure that future generations have a New Jersey they want to live in and that our future legacy to generations is not a dry well.

Thank you.

SENATOR SMITH: Thank you, Eileen.

And that was our last witness. The hearing is now concluded.

BARBARA SACHAU: (off mike) I signed up.

NICOLE DALLARA: (off mike) I signed up, too.

SENATOR SMITH: Do we have any slips?

Well, first of all, we always love to hear from you. Come on up.

We didn't get-- Did we get a slip for Barbara? No, we don't have a slip, Barbara, but you are more than welcome.

Oh, we do have a slip -- okay, sorry. Is there anybody else who--

MS. DALLARA: Nicole from the Sierra Club.

SENATOR SMITH: Okay; well, let's have Barbara, and then we'll have Nicole.

I think what happened is you signed up for the Committee bill, as opposed to the hearing -- that's why the confusion. You were in a different pile of papers. But in any case, we're happy to hear from you.

Go ahead.

MS. SACHAU: **I did** have some information for you that just appeared in the newspaper **about** incomes dropping in Bergen and Passaic counties. All of you are **aware** that **after** 2008 a lot of people in New Jersey have gone downhill. **The middle income** people have not seen salary increases, so that more taxation for **them** is a problem for them. And that needs consideration in what this group is looking for.

First of all, I think there should be a reduction in their demands for what they want. I mean, why not reduce it for a few years to

\$50 million instead of \$200 million? And I don't think that it should be a constitutional issue.

We also have the issue of the taxpayers saving the land and then it gets diverted to other things. They decide to log in it to make money; some of these groups are loggers. They decide to turn it over to farmers. Now, a specific example just happened at the State House Commission meeting just the other day, where the taxpayers saved land in Wawayanda State Park. And that land was supposed to be for people's use and for animals and trees to live on. Well, instead, the State House Commission just gave 20 acres of it to a farmer for \$746 a year. Now, I have a problem with that in this respect: The taxpayers paid a lot of money for that land, and that land was to be used for natural land, for animals, for trees -- and that's what's close to my heart -- and instead, now we have farmers who undoubtedly have to log land to use it. So that the perversion there is outrageous to me. I mean, if we are going to tax people to save land, let's save it. Let's not turn it into other things. Let's make it clear what we're spending our money for.

And, you know, these nonprofits that are appearing before you today lobbying for money -- they could put their collective efforts into, perhaps, looking for donations from people. They all claim that the people are clamoring for this bill and for this taxation. And I don't see it there, right now, first of all because towns and counties are doing open space collecting as well. Taxpayers in this state are paying open space taxes already, and that's ongoing because towns do it, counties do it. So it's not as if we're **not** cooperating in this effort. It's already being done. So this is another layer on top of the other layer.

So, I mean, maybe we could ask -- since it's a large group, maybe they could ask for some donations along this line.

And as far as invading the Constitution for 30 years so that our grandchildren do it -- that makes no sense for me. We are already in a precarious deficit situation in New Jersey with a lot of things we have to spend money on. And maybe it's time for this group -- who has been supported very well for the last 30, 40 years -- to give a little -- give a little.

So those are some of my comments for the record. Thank you very much for listening.

SENATOR SMITH: Thank you for your comments.

Just for the record, on the same theory that people thought they were signing up for the hearing, please note Jackie Rhoads, Pinelands Preservation Alliance, in favor, no need to testify; Ciro Scalera, New Jersey LECET, L-E-C-E-T, Laborers Union, opposed, no need to testify; Bill Wolfe, New Jersey PEER, opposed, no need to testify; AJ Sabath, on behalf of New Jersey State Building and Construction Trades, opposed, no need to testify.

And our last witness, as far as we know, is Nicole -- is it Dallara? (indicating pronunciation)

MS. DALLARA: Dallara, yes.

SENATOR SMITH: From the New Jersey Sierra Club, opposed.

Nicole.

MS. DALLARA: Good morning, Chairman, and members of the Committee.

My name is Nicole Dallara. I am the Outreach Coordinator for the New Jersey Sierra Club. The Sierra Club is the oldest

and largest environmental organization, and I represent around 16,000 members here in New Jersey.

I'd like to thank you for the opportunity to speak, and thank you, Senator Smith, for your work on open space.

The New Jersey Sierra Club is opposed to SCR-165 because we believe that it is not a sustainable way to fund open space and will undermine other programs. We need to come up with a financial mechanism that funds open space while protecting other programs like education, health care, and environment.

Additionally, only \$160 million of the dedication would go towards new acquisitions; 20 percent of the money would be set aside for stewardship projects on public lands, leading to opposition from animal groups and groups against logging.

Instead, we believe that a bond act makes the most sense at this time because it will help fund open space temporarily while we look for a sustainable source of funding. For the last 40 years, voters approved bond acts for open space. We want a long-term source of funding, but since the Governor, Assembly, Senate, Democrats, and Republicans all have different positions, we need a funding fix now to work on a compromise later.

We have been waiting for the Governor's plan on open space, but none has been offered. We believe that a bond act is better than not having any funding, until a long-term fix is in place. In 2009 we supported a long-term funding program from a water fee which didn't succeed, and we ended up supporting a bond act. It seems as though history is repeating itself.

It is not just how we get the funding for open space, but how we spend it as well. Using a sales tax, 80 percent of the funding would have come from urban areas which would see about 20 percent of the benefit. The sales tax dedication is a regressive tax where most of the funding comes from urban areas and goes to suburban and rural areas. Urban areas have been shortchanged for years on funding parks and open space. The Sierra Club continues to support a water user fee as the best option to create a stable source of funding. A water fee could be part of an overall package to fix our aging infrastructure like water and sewer systems, while funding open space as well.

New Jersey can also use a variety of options to fund open space without straining or singling out one program over another. Some groups do not want to raise fees and others do not want to cut programs, so we need to look at a variety of options.

There are other ways to fund open space, including-- Updating leases, getting market rate for diversions, extending the tax roll out for farmland, instituting the plastic bag fee, a bottle bill with the unredeemed money going to open space, and other options are a good start to ensuring we have a stable source of funding for future generations.

Each of these options generates between \$20 million to \$30 million a year, and will get us more than halfway to where we need to be. We cannot let New Jersey's most successful program in 30 years come to an end. A \$200 million bond act at this time will continue the program until we work together to come up with a stable source of funding.

Thank you.

SENATOR SMITH: Thank you.

All right, that concludes our hearing. Let me wish everybody a good day, and we'll see you next year.

(HEARING CONCLUDED)

APPENDIX

Senate Environment and Energy Committee Dec. 19, 2013

Testimony of Maureen Ogden

As we approach 2014, we realize that we have been funding preservation for more than 50 years. The Green Acres program began in 1961 with a \$60 million bond issue to stop the growing loss of NJ's precious open space. While the State was the leader in passing the first bond issue, it would be joined by other levels of government and private entities in subsequent years. All 21 counties have passed open space referenda. Almost half of our municipalities have greatly enlarged the available funding by raising their very high property taxes (We don't need to be told that NJ is #1 in terms of property taxes!) and dedicating the increase to open space preservation. These governmental entities have been further supported in their quest to keep NJ green by the very active support of about 100 non-profit organizations. In many instances about 60 land trusts and environmental organizations have partnered with other non-profits and different levels of government to put together a package of funding that could not be achieved by a single organization working alone.

While I served in the NJ Assembly in the 1980's and 1990's, I sponsored 4 Green Acres bond issues, but my preference was for stable, or dedicated, funding. While I tried several times to pass "stable funding" legislation in the Assembly, it was always defeated by the potential funding sources, i.e., realtors, oil companies or the tourism industry.

When I retired from the Assembly in 1996, Governor Whitman appointed me the Chair of the Governor's Council on NJ Outdoors with the charge of evaluating NJ's need for more open space and recommending funding to meet this challenge. After holding hearings throughout the State and reviewing the programs of other states, the Council recommended to the Governor and Legislature that another million acres should be preserved and suggested 13 different sources, or a combination thereof. When the press asked me what the sources would be, I replied that the decision would be made by the Governor and the Legislature. It took a special summer session to reach agreement on \$98 million a year that would be leveraged to provide \$200 million annually for 10 years to preserve open space.

In November of 1998 the voters of New Jersey approved the ballot question by a 2:1 margin. The landmark preservation plan amended the NJ constitution to provide a stable source of funding to acquire and preserve open space, farmland and historic sites around the state. The funding would come from existing sales tax revenues. On June 30, 1999 Governor Whitman signed into law the Garden State Preservation Trust Act that established for the first time stable funding to preserve NJ's natural and historic heritage with the dedication of \$98 million a year for 10 years and the authorization of up to \$1 billion in revenue bonds. After the first ten years of making down payments on open space parcels, the \$98 million would be employed to pay off the revenue bonds over a 30 year period. Since the coffers of the GSPT are completely empty now, it is time to act on the Senate Resolution before the Committee, SCR 165, sponsored by Senator Bob Smith, Senator Kip Bateman, Senator Jim Whelan and Senator Linda Greenstein.

This bi-partisan bill would dedicate up to \$200 million a year of sales tax revenues for Green Acres, preservation of farmland and historic sites and the buyouts of flood-prone properties under Blue Acres as well as addressing stewardship. This new bill addresses a concern that has been expressed by many commentators regarding the potential for future decline in the sales tax revenues. SCR 165 provides for a dedication of \$200 million for 30 years or 2.4 % of the sales tax revenue per year--whichever is lower. The current sales tax of 7% would not increase. The sales tax revenues are currently growing. This year they are projected to increase by \$445 million and the growth trend is projected to continue into future years. Thus, the \$200 million allocation for preservation would not impact the funding of any existing programs. In fact, it is less than half the anticipated growth in sales tax revenues for this year.

The next 30 years will be critical ones in NJ's preservation efforts. By 2050 NJ will become the first state in the United States to reach "full build-out". The most densely populated state in the nation won't be able to alleviate its crowded condition with preservation of open space.

There won't be any left to preserve. Now is the time to act by passing SCR 165, to enable the GSPT to continue its preservation leadership.

Here in NJ we have a culture of commitment. The allocation of new funds to the Garden State Preservation Trust will ensure that our commitment to save the best for tomorrow will be our lasting legacy.



Campaign to preserve New Jersey's parks, natural areas, clean water, farmland, and historic treasures

204 W. State Street, Trenton, NJ 08608
Website: www.NJKeepItGreen.org

Tel: (609) 392-1181

**Senate Environment and Energy Committee Public Hearing
Testimony Regarding SCR165
December 19, 2013
Submitted by Tom Gilbert, NJ Keep It Green Chairman**

On behalf of the more than 180 member groups of the NJ Keep It Green Coalition, thank you Chairman Smith and members of the Senate Environment Committee for your bipartisan leadership and support on this legislation.

We continue to strongly support SCR165 as a comprehensive and fiscally sound approach to providing sustainable funding for the preservation and stewardship of New Jersey's open spaces, water supplies, natural flood buffers, farmland and historic sites.

There is broad agreement on the need to replenish funding for these critical efforts, but very different approaches being considered.

We maintain that a sustainable source of funding is needed, rather than a stop-gap measure that would fund efforts for one-year only, failing to address long-term needs, and delaying action on sustainable funding.

The legislation has been modified to include fiscal safeguards that will cap funds at \$200 million annually, less than 1% of the state budget, and reduce funding if revenues were to fall. It is important to note that revenues are growing, with sales-tax revenues up 10% year-to-date, and projected to grow by \$445 million this year.

If these trends continue, preservation efforts will be funded using less than half of the growth in revenues, not at the expense of other programs. In fact, there would still be more than \$200 million annually in new revenues to address other needs.

It is our firm belief that this is an investment that the state must make over the next three decades, in fact it can't afford not to.

Consider the costs of not making this investment, such as increased water treatment costs, loss of productive farmland, and exacerbated flood and storm damage from the loss of open spaces. Research conducted by the Trust for Public Land found that every \$1 invested in state preservation programs returns \$10 in economic value through nature's good and services, such as water filtration and flood control.

With New Jersey projected to reach build-out by mid-Century, the land-use decisions that are made over the next several decades will determine the face of New Jersey's landscape and communities for generations to come. A sustainable source of funding is essential to ensure protection of drinking water supplies and natural flood buffers, maintain a viable agriculture industry, and ensure all communities have access to parks and greenspaces, before the lands needed to provide these critical resources are lost forever.

In closing, we thank you for continuing the bipartisan tradition of leadership on open space, farmland and historic preservation in New Jersey, and urge the Legislature to give the voters an opportunity to consider a sustainable source of funding on the Nov. 2014 ballot.

Thank you.



Appalachian Mountain Club

Testimony
Cathy Reuscher
Mid-Atlantic Policy Associate
Appalachian Mountain Club

Good morning Senators and thank you for the opportunity to speak today. My name is Cathy Reuscher; I am the Mid-Atlantic Policy Associate for the Appalachian Mountain Club, the oldest conservation and recreation organization in the country. We are also a member of the Keep it Green Coalition.

AMC fully supports SCR165 as a sustainable, long-term method for funding Green Acres, Blue Acres, Farmland and Historic Preservation, and stewardship. We would especially like to thank you for recognizing stewardship funding as a priority. As you know, our parks and trails depend on trail cleanups, invasive species removal, and other critical stewardship work in order to retain their continued value to the public. By protecting the places where New Jersey citizens recreate, this funding represents an important investment in our long-term physical and economic health (see attachment for the economic benefits of a healthy outdoor recreation economy).

Thank you for making land preservation and stewardship a priority. We look forward to working together to ensure sustainable funding for the preservation and stewardship in the Garden State.



New Jersey

The Outdoor Recreation Economy

TAKE IT OUTSIDE FOR NEW JERSEY JOBS AND A STRONG ECONOMY

Outdoor recreation is essential to the American economy.

Every year, Americans spend **\$646 billion** on outdoor recreation — on gear, vehicles, trips, travel-related expenses and more. This creates jobs, supports communities, generates tax revenue and helps drive the economy. Throughout America, people recognize that outdoor recreation and open spaces attract and sustain families and businesses, create healthy communities and foster a high quality of life.



In New Jersey

OUTDOOR RECREATION GENERATES...

\$17.8 **158K**
BILLION in consumer spending direct New Jersey jobs²

\$6.1 **\$1.3**
BILLION in wages and salaries BILLION in state and local tax revenue

Preserving access to outdoor recreation protects the economy, the businesses, the communities and the people who depend on the ability to play outside.

At least **52%** of New Jersey residents participate in outdoor recreation each year.¹

New Jersey offers spectacular outdoor recreation opportunities at treasured destinations, including the **Pinelands National Reserve**, **Island Beach State Park** and many others, bringing in dollars from residents and out-of-state visitors alike.

View all 50 states and learn more at:
outdoorindustry.org/recreationconomy

Nationally

OUTDOOR RECREATION GENERATES...

\$646 **6.1**
BILLION in consumer spending MILLION direct American jobs²

\$39.9 **\$39.7**
BILLION in federal tax revenue BILLION in state and local tax revenue

¹ Participants in hunting, fishing and wildlife viewing were estimated separately and are not part of this figure.

² Direct employment in the outdoor recreation sector—as opposed to indirect, implied, multiplier or ripple effects that include impacts of spending, jobs and wages as they circulate throughout the economy.

Except as noted here, all results are based on national surveys of outdoor recreation conducted for OIA in 2011 and 2012. Motorcycle Industry Council[®] and National Marine Manufacturers Association[®] contributed funding and data to support this study. Hunting-related estimates were provided by the National Shooting Sports Foundation[®]. Fishing-related estimates were provided by the American Sportfishing Association[®]. Wildlife viewing estimates were developed from data provided by the U.S. Fish and Wildlife Service.



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**Statement of Tom Wells, Director of Government Relations
The Nature Conservancy in New Jersey
before the Senate Environment and Energy Committee
Concerning SCR 165
December 19, 2013**

Thank you, Senator Smith, and members of the committee for advancing SCR165 with unanimous bipartisan support.

The Nature Conservancy strongly supports SCR165 as a means to provide a sustainable funding for open space, farmland and historic preservation.

Stop-gap funding won't address long-term needs and will simply delay efforts to create sustainable funding.

Although well-intentioned, short term funding sources prevent proper planning and predictability in our State's preservation programs, and even worse they starve preservation programs of the resources they need because they quickly run out of funds and are not renewed in a timely manner.

Each 1990's ballot measure was designed to last three years, but both were out of funds in two years. More recently, the 2007 ballot measure, touted as a one-year band aid, was 'stretched' to two years and the 'two year' 2009 ballot measure was 'stretched' to four years and counting.

The result is that over the last six years State preservation programs have been cut to only half of their previous levels.

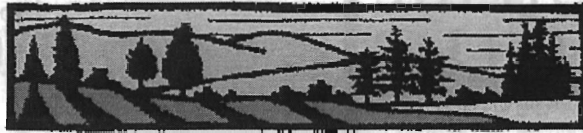
Green Acres funding awards to municipalities, counties and non-profit organizations have been so small that grant recipients often had to combine awards from several funding cycles just to complete one project, thereby dramatically slowing the pace of preservation efforts, as borne out by Garden State Preservation Trust records.

The Nature Conservancy has had to borrow funds to complete land preservation projects because the level of Green Acres matching grants was so low. The last Green Acres award we received went to reimburse us for an already completed project and left us with no Green Acres matching funds for properties that we are currently trying to preserve.

The only time in the last thirty years that preservation funding was predictable and at reasonable levels was during the eight years following the creation of the Garden State Preservation Trust, a long term funding source.

Based on the experience over the last three decades, we need to get off the cycle of short term fixes, and enact SCR 165 to sustain New Jersey's valuable preservation programs well into the future.

BAMBOO BROOK
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www.njconservation.org



New Jersey Conservation FOUNDATION

Testimony of Eileen Swan on behalf of NJCF and KIG

Thank you Senator Smith, Senator Bateman, Senator Whelan and Senator Greenstein for sponsoring this proposal and to the entire Senate Environment Committee for advancing SCR165 with unanimous bipartisan support

SCR165 will provide a sustainable source of funding for open space, farmland and historic preservation and stewardship efforts and lives up to a commitment made to the residents of New Jersey.

For over half a century the people of New Jersey have supported protecting their water resources, natural areas, working agricultural landscapes, cultural history etc. They have voted to show support, they have been polled and time after time have made it clear that they recognize the critical need for preservation.

The annual expenditures for preservation have been \$200m a year. So this is not new payment ... The question is how do we best continue to pay. Not through a new tax and not through debt...so the perfect answer is through an existing tax which will grow this year alone by a projected \$445 m, so payment for the annual cost of preservation will not take from other programs. This proposal even includes safeguards if revenues decrease.

We have the three essential ingredients for success

A critical program

The support of the people

And a sustainable way of paying for it without incurring debt.

Let's make sure that our legacy to future generations is not a dry well....

In November of 2014 let New Jersey residents decide if they want to dedicate a portion of the growing revenues of an existing tax to ensure that future generations have a New Jersey they want to live in.

SCR165 is a fiscally responsible approach that caps funds at \$200 million annually and includes a trigger to reduce funding below \$200 million if revenues decline. Sales-tax revenues are projected to grow by more than \$400 million annually going forward, so \$200 million could be dedicated to preservation efforts using less than half of the growth in revenues, without taking existing funds away from other needs.



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NEW JERSEY CHAPTER

145 West Hanover St., Trenton, NJ 08618
TEL: [609] 656-7612 FAX: [609] 656-7618
www.SierraClub.org/NJ

The New Jersey Sierra Club is opposed to SCR165 because we believe it is not a sustainable way to fund open space and will undermine other programs. We need to come up with a financial mechanism that fund open space while protecting other programs like education, healthcare, and environment.

The Sierra Club believes the current proposal to dedicate \$200 million from existing sales tax revenue would lead to cuts in programs since it is not from a new revenue source. Additionally only \$160 million of the dedication would go towards new acquisitions. 20% of the money would be set aside for stewardship projects on public lands, leading to opposition from animal rights groups and groups against logging.

Instead we believe that a Bond Act makes the most sense at this time because it will help fund open space temporarily, while we look for a sustainable source of funding. For the last forty years voters approved Bond Acts for open space. A Bond Act makes sense, both common sense and dollars and cents.

We want a long term stable source of funding, but since the Governor, Assembly, Senate, Democrats, and Republicans all have different positions we need a funding fix now to work on a compromise later. We have been waiting for the Governor's plan on Open Space, but none has been offered. We believe that a Bond Act is better than not having any funding until a long term fix is in place. In 2009 we supported a long term funding program from a water fee, which didn't succeed and we ended up supporting a Bond Act. It seems as though history is repeating itself.

It is not just how we get the funding for our open space, but how we spend it as well. Using a sales tax, 80% of the funding would have come from urban areas which would see about 20% of the benefit. The sales tax dedication is a regressive tax where most of the funding comes from urban areas and goes to suburban and rural areas. Urban areas have been shortchanged for years on funding for parks and open space.

The Sierra Club continues to support a Water User Fee as the best option to create a stable source of open space funding. A Water Fee could be part of an overall package to fix our ageing infrastructure like water and sewer systems, while funding open space as well.

New Jersey can also use a variety of options to fund open space without straining or singling out one program over another. Some groups do not want to raise fees and other do not want to cut programs so we need to look at a variety of options. They are other ways to fund open space including updating leases, getting market rate for diversions, extending the tax rollback for farmland, instituting the plastic bag fee, Bottle Bill with the unredeemed money going to open space, and other options are a good start to ensuring we have a stable source of open space funding for future generations.

Each of these options generates between \$20-30 million a year and will get us more than half way to where we need to be. We cannot let New Jersey's most successful program in thirty years come to end. A \$200 million bond act at this time will continue the program until we come up with a long term funding source.

Sierra Club: For Our Families, For Our Future



NEW JERSEY LABORERS' - EMPLOYERS' COOPERATION AND EDUCATION TRUST
104 Interchange Plaza, 3rd Floor
Monroe Township, New Jersey 08831

TO: Members of the New Jersey Senate Energy and Environment Committee
FR: Joe McNamara, Director, NJLECET
Ciro A. Scalera, Director of Government Relations

Date: December 19, 2013

RE: Opposition to SCR-165- Constitutional Amendment for Open Space

The New Jersey Laborers' - Employers' Cooperation and Education Trust (NJ LECET) is a labor management fund representing over 25,000 laborers in NJ and their signatory contractors. We work statewide with numerous stakeholders to promote investment in economic development, transportation and utility infrastructure.

NJLECET opposes SCR-165, which amends the Constitution to dedicate \$200 million, or 2.4 percent, whichever is less, annually from FY2015 to FY2044 of sales and use tax revenue for preservation of open space.

We are strongly opposed to imbedding such a large dedicated amount in our constitution. If our economy and the sales tax hit a lengthy and harsh economic downturn, adjustments to this dedication could not be made. This could come to the detriment of a wide array of other programs that are designed to grow jobs and the economy and support needed infrastructure investments. Such an allocation should be part of the policy setting process inherent in the annual budget.

Also, this dedication could in the future cause a reduction in other important programs currently funded with the sales tax such as the Transportation Trust Fund, or impact future increased allocations to such programs.

Finally, it is possible that in future years these funds could build up due to an inability to purchase open space at the pace envisioned in the bill. Under the amendment, the Legislature is prohibited from using any such surplus funds for any purposes other than open space.

Thank you for your attention to and consideration of our concerns.



NEW JERSEY STATE BUILDING & CONSTRUCTION TRADES COUNCIL

- OVER 100 YEARS STRONG -

WILLIAM T. MULLEN
President

DAVID CRITCHLEY
Secretary-Treasurer

VICE PRESIDENTS

MORRIS RUBINO
Iron Workers

JOSEPH EGAN
Electrical Workers

JOSEPH DEMARK, JR.
Sheet Metal Workers

RAYMOND POCINO
Laborers

RICHARD TOLSON
Bricklayers & Allied Crafts

MARC GALLO
Plasterers &
Cement Masons

ROBERT CRITCHLEY
Roofers

FREDERICK McCOURT
Elevator Constructors

HARRY J. HARCHETTS
Painters

MICHAEL CAPELLI
Carpenters

JAMES KEHOE
Pipetrades

GREG LALEVEE
Operating Engineers

ANTHONY VALDNER
Teamsters

FRED DUMONT
Insulators & Allied Workers

JAMES CHEW
Boilermakers

December 19, 2013

Members of the Senate Environment and Energy Committee:

We understand that the Assembly is considering SCR165, a measure that would amend the New Jersey State Constitution to dedicate \$200 million annually from FY2015 to FY2044 of sales and use tax revenue for preservation of open space, including flood prone areas, farmland preservation and historic preservation.

We want to inform you that the New Jersey State Building & Construction Trades Council respectfully opposes this legislation. We believe that any revenue dedicated through legislation in the form of a tax—including sales and use tax revenue—should promote economic development and create jobs throughout the Garden State. This legislation does the opposite by restricting development and job growth.

Please do not hesitate to contact New Jersey State Building & Construction Trades Council legislative affairs agent, AJ Sabath, with any questions—(609) 392-7553 or AJ@amg101.com.

Sincerely,

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