

Public Hearing

before

SENATE ENVIRONMENT AND ENERGY COMMITTEE

SENATE CONCURRENT RESOLUTION No. 84

"Amends Constitution to dedicate 4 percent of CBT revenues to open space, farmland, and historic preservation, water programs, public and private site remediation, and underground storage tank programs; ends current dedication of 4 percent of CBT revenues for various environmental programs, and increases dedication to 6 percent of CBT revenues in 2019; and dedicates revenue from leases and conveyances of State-owned open space for open space, farmland, and historic preservation"

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

DATE: June 16, 2014
11:30 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Bob Smith, Chair
Senator Linda R. Greenstein, Vice Chair
Senator Richard J. Codey
Senator Christopher "Kip" Bateman
Senator Samuel D. Thompson



ALSO PRESENT:

Judith L. Horowitz
Office of Legislative Services
Committee Aide

Kevil Duhon
Senate Majority
Committee Aide

Carlos Cruz
Senate Republican
Committee Aide

Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey



BOB SMITH
Chairman

LINDA R. GREENSTEIN
Vice-Chairwoman

RICHARD J. CODEY
CHRISTOPHER "KIP" BATEMAN
SAMUEL D. THOMPSON

JUDITH L. HOROWITZ
Office of Legislative Services
Committee Aide
(609) 847-3855
(609) 292-0561 fax

MICHAEL MOLIMOCK
Office of Legislative Services
Committee Aide
(609) 847-3855
(609) 292-0561 fax

New Jersey State Legislature

SENATE ENVIRONMENT
AND ENERGY COMMITTEE
STATE HOUSE ANNEX
PO BOX 068
TRENTON NJ 08625-0068

REVISED PUBLIC HEARING NOTICE

&

COMMITTEE NOTICE

TO: MEMBERS OF THE SENATE ENVIRONMENT AND ENERGY COMMITTEE
FROM: SENATOR BOB SMITH, CHAIRMAN
SUBJECT: COMMITTEE MEETING - JUNE 16, 2014

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 Shirley Link, 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 Senate Environment and Energy Committee will meet on Monday, June 16, 2014 at
*11:30 AM in Committee Room 10, 3rd Floor, State House Annex, Trenton, New Jersey.**

The following bills will be considered:

- | | |
|---|---|
| S-1418
Smith, B/Bateman
A-2303
DeAngelo/Eustace/
Gusciora | Requires certain State departments, divisions, commissions, and authorities to consider use of green or blue roof in construction of certain new State buildings, facilities, and structures. |
| S-2021
Sweeney | Exempts certain temporary farm structures from permit and transition area requirements of "Freshwater Wetlands Protection Act." |
| S-2034
Smith, B | Establishes forest stewardship program for State-owned lands. |
| S-2076
Smith, B | Establishes Class I renewable energy certificate multiplier program for certain energy production facilities fueled by methane. |

(OVER)

Senate Environment And Energy Committee

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S-2171

Smith, B/Bateman

Permits fifth and sixth class counties to assume control and responsibility for operation and maintenance of beaches bordering Atlantic Ocean unless control and responsibility are reserved by a municipality.

S-2172

Smith, B

Clarifies liability for discharges of hazardous substances from drilling platforms that enter NJ waters.

A-2340

Greenwald/Spencer/
Lagana/Pintor Marin

Requires report and public hearing prior to DEP recommendation of site for inclusion on Superfund list.

The Senate Environment and Energy Committee will hold a public hearing immediately following the committee meeting.

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

SCR-84 (SCS)

Smith, B/Bateman

Amends Constitution to dedicate four percent of CBT revenues to open space, farmland, and historic preservation, water programs, public and private site remediation, and underground storage tank programs, ends current dedication of four percent of CBT revenues for various environmental programs, and increases dedication to six percent of CBT revenues in 2019; and dedicates revenue from leases and conveyances of State-owned open space for open space, farmland, and historic preservation.

Issued 6/9/14

*Revised 6/13/2014 - time changed to 11:30 AM

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 BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION No. 84

STATE OF NEW JERSEY

DATED: JUNE 5, 2014

The Senate Budget and Appropriations Committee reports favorably a Senate Committee Substitute for Senate Concurrent Resolution No. 84.

The committee substitute proposes a constitutional amendment to change the amounts allocated to the various environmental programs funded by the existing dedication of 4% of the revenue annually collected from the Corporation Business Tax (CBT), and add a new allocation category, beginning on July 1, 2015. It would also raise the amount of the dedication from 4% to 6%, beginning on July 1, 2019. The revenues to be constitutionally dedicated by the committee substitute would be used: (1) to preserve and steward open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres); (2) for water resources programs and projects; (3) for polluted site cleanups; and (4) for underground tank removal and cleanup. Moneys dedicated by the proposed constitutional amendment to preserving open space or flood-prone areas may also be used for the development of those lands for recreation and conservation purposes. The committee substitute would prohibit use of any of the moneys dedicated by the proposed constitutional amendment for the purpose of paying the principal or interest on any general obligation bonds issued by the State prior or subsequent to adoption of the proposed constitutional amendment. Therefore, this proposed constitutional dedication of stable funding for various environmental purposes would be strictly a "pay as you go" program.

The committee substitute also proposes to amend the State Constitution to require that all moneys received by the State from leases and certain other uses of State-owned preserved open space be used only to preserve and steward open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres).

Current Constitutional Dedication

The current constitutional dedication of 4% of the Corporation Business Tax revenue helps pay for water resources programs and projects, polluted site cleanups, underground tank removal and

cleanup, air pollution equipment for diesel engines, and improvements to parks. Specifically, the Constitution now allocates the moneys from the dedication as follows:

- (1) 15% for water resources programs and projects;
- (2) 25% for hazardous substance discharge remediation programs ("brownfields," for example), unless the previously dedicated underground storage tank fund balances fall below \$20 million in a fiscal year, then 55% of the 25% allocation must be appropriated for underground storage tank programs the following year;
- (3) 28% for hazardous substance discharge cleanup performed by the State ("publicly funded cleanups");
- (4) 17% for diesel air pollution control programs until December 31, 2015; and
- (5) 15% for financing improvements and facilities for recreation and conservation purposes on parks and other preserved open space lands.

Further, under the current constitutional dedication, on January 1, 2016 the 17% allocation for diesel air pollution control programs (#4 above) expires and the moneys are reallocated to supplement the 15% dedication for financing improvements and facilities for recreation and conservation purposes on parks and other preserved open space lands, thereby increasing the dedication allocation for that purpose to a total of 32%. Also, under the current constitutional dedication, commencing January 1, 2022 the 25% allocation for hazardous substance discharge remediation programs and underground storage tank programs is continued but there are no longer any conditions or sub-allocations with respect to how the moneys are split between the two programs. Lastly, under the current constitutional dedication, up to 9% of the total amount dedicated may be used to pay for administrative costs of the State's hazardous substance discharge program (#3 above).

In FY 2014, the adjusted appropriation from the constitutional dedication of 4% of the CBT revenue provided a total amount of \$103.1 million to fund the various environmental programs listed in the State Constitution to receive an allocation, as described above.

Proposed Constitutional Dedication FY 2016 through FY 2019

Specifically, for the period from FY 2016 through FY 2019, the committee substitute proposes to amend the State Constitution to continue to dedicate annually 4% of the CBT revenue for certain environmental programs, but to allocate the dedicated moneys as follows:

- (1) 5% for water resources programs and projects;
- (2) 10% for hazardous substance discharge remediation programs ("brownfields," for example);

- (3) 9% for underground storage tank programs;
- (4) 5% for hazardous substance discharge cleanup performed by the State (“publicly funded cleanups”); and
- (5) 71% for the preservation and stewardship of open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres).

The proposed constitutional amendment also would no longer dedicate any funding to pay for administrative costs associated with the State’s hazardous substance discharge cleanup program.

Proposed Constitutional Dedication FY 2020 and Thereafter

Specifically, for the period commencing FY 2020 and thereafter, the committee substitute proposes to amend the State Constitution to raise the annual dedication of the CBT revenue for certain environmental programs from 4% to 6%, and to allocate the dedicated moneys as follows:

- (1) 5% for water resources programs and projects;
- (2) 7% for hazardous substance discharge remediation programs (“brownfields,” for example);
- (3) 5% for underground storage tank programs;
- (4) 5% for hazardous substance discharge cleanup performed by the State (“publicly funded cleanups”); and
- (5) 78% for the preservation and stewardship of open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres).

FISCAL IMPACT:

The most significant impact of the proposed constitutional amendment is to increase the amount dedicated to the several environmental purposes beginning in FY 2020, when the percentage of the Corporation Business Tax (CBT) dedication increases from 4% to 6%. Assuming an annual revenue yield from the CBT of \$2.5 billion for FY 2016 and each subsequent year, appropriations for the several environmental purposes will increase by \$50 million above the levels currently required by the State Constitution. Revenue from the CBT will undoubtedly vary from year to year, from the assumed amounts illustrated in the table below, so the actual change in the dedicated amounts will fluctuate proportionally. The proposed constitutional amendment also dedicates any revenue derived annually from leases and certain other uses of State-owned preserved open space to funding open space, farmland and historic preservation. No estimate of the revenue that would become dedicated by this provision is feasible, since those amounts are subject to fluctuation annually based on conditions that cannot readily be foreseen.

The proposed constitutional amendment also alters the distribution of dedicated funds among the several environmental purposes

beginning in Fiscal Year 2016. Assuming annual CBT revenue of \$2.5 billion, annual funding for open space, farmland and historic preservation will increase in FY 2016-2019 from \$32 million to \$71 million, and thereafter to \$117 million. Annual funding will decline for the other four authorized uses, by an aggregate annual amount of \$39 million for FY 2016-2019, and by an aggregate annual amount of \$35 million in FY 2020 and each year thereafter.

Impact of Constitutional Dedication of Corporation Business Tax under SCS for SCR 84 (2014)									
\$\$ in thousands									
Estimated CBT Revenue=\$2.5 billion									
	Current Constitutional Provisions FY 2016 et seq.		SCS for SCR 84 (2014)						
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	
Water Resources	\$ 15,000	15%	\$ 5,000	5%	\$ 7,500	5%	\$ 7,500	5%	
Hazardous Substance Discharge Remediation ("Brownfields"), Private Underground Storage Tank Remediation	\$ 25,000	25%	\$ 10,000	10%	\$ 10,500	7%	\$ 7,500	5%	
Hazardous Substance Discharge Cleanups ("Publicly Funded Cleanups")	\$ 28,000	28%	\$ 5,000	5%	\$ 7,500	5%	\$ 7,500	5%	
Diesel Risk Mitigation	\$ -	0%	\$ -	0%	\$ -	0%	\$ -	0%	
Recreational Land Development and Conservation	\$ 32,000	32%	\$ -	0%	\$ -	0%	\$ -	0%	
Open Space/Farmland/Historic Preservation	\$ -	-	\$ 71,000	71%	\$ 117,000	78%	\$ 150,000	100.0%	
Total	\$ 100,000	100.0%	\$ 100,000	100.0%	\$ 150,000	100.0%	\$ 150,000	100.0%	

SENATE COMMITTEE SUBSTITUTE FOR
SENATE CONCURRENT
RESOLUTION No. 84

STATE OF NEW JERSEY
216th LEGISLATURE

ADOPTED JUNE 5, 2014

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator CHRISTOPHER "KIP" BATEMAN

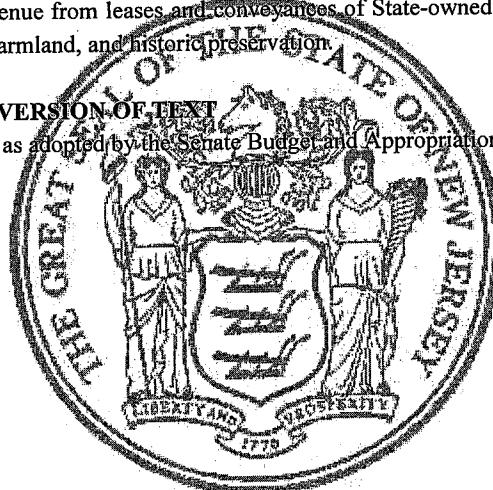
District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

Amends Constitution to dedicate four percent of CBT revenues to open space, farmland, and historic preservation, water programs, public and private site remediation, and underground storage tank programs, ends current dedication of four percent of CBT revenues for various environmental programs, and increases dedication to six percent of CBT revenues in 2019; and dedicates revenue from leases and conveyances of State-owned open space for open space, farmland, and historic preservation.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Budget and Appropriations Committee.



SCS for SCR84 B.SMITH, BATEMAN

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A CONCURRENT RESOLUTION proposing to amend Article VIII,
Section II, paragraph 6 of the New Jersey Constitution.

3

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

6

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

9

PROPOSED AMENDMENT

1

12 Amend Article VII, Section II, paragraph 6 to read as follows:

13 6. [There shall be credited annually to a special account in the
14 General Fund an amount equivalent to 4% of the revenue annually
15 derived from the tax imposed pursuant to the "Corporation Business
16 Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended
17 and supplemented, or any other State law of similar effect.

The amount annually credited pursuant to this paragraph shall be dedicated and shall be appropriated from time to time by the Legislature only for the following purposes: paying or financing costs incurred by the State for the remediation of discharges of hazardous substances, which costs may include performing necessary operation and maintenance activities relating to remedial actions and costs incurred for providing alternative sources of public or private water supplies, when a water supply has been, or is suspected of being, contaminated by a hazardous substance discharge; providing funding, including the provision of loans or grants, for the upgrade, replacement, or closure of underground storage tanks that store or were used to store hazardous substances, and for the costs of remediating any discharge therefrom; providing funding, including the provision of loans or grants, for the costs of the remediation of discharges of hazardous substances, which costs may include costs incurred for providing alternative sources of public or private water supplies, when a water supply has been, or is suspected of being, contaminated by a hazardous substance discharge; for paying or financing the cost of water quality point and nonpoint source pollution monitoring, watershed based water resource planning and management, and nonpoint source pollution prevention projects; for providing grants for the costs of air pollution control equipment to reduce the levels of particulate matter emissions from diesel-powered engines, and for funding for other measures to reduce human exposure to those emissions; and for providing funding, including loans and grants, for the development of lands for recreation and conservation purposes, and to satisfy any payments relating to bonds, notes, or other

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

Matter underlined thus is new matter.

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1 obligations, including refunding bonds, issued by an authority or
2 similar entity established by law to provide funding for the
3 development of lands for recreation and conservation purposes.

4 It shall not be competent for the Legislature, under any pretense
5 whatever, to borrow, appropriate, or use the amount credited to the
6 special account pursuant to this paragraph, or any portion thereof,
7 for any purpose or in any manner other than as enumerated in this
8 paragraph. It shall not be competent for the Legislature, under any
9 pretense whatever, to borrow, appropriate, or use the amount
10 credited to the special account pursuant to this paragraph, or any
11 portion thereof, for the payment of the principal or interest on any
12 general obligation bond that was approved by the voters prior to
13 this paragraph becoming part of this Constitution.

14 (a) Fifteen percent of the amount annually credited pursuant to
15 this paragraph shall be dedicated, and shall be appropriated from
16 time to time by the Legislature, only for paying or financing the
17 cost of water quality point and nonpoint source pollution
18 monitoring, watershed based water resource planning and
19 management, and nonpoint source pollution prevention projects.

20 (b) Twenty-five percent of the amount annually credited
21 pursuant to this paragraph shall be dedicated, and shall be
22 appropriated from time to time by the Legislature, only for
23 providing funding, including the provision of loans or grants, for
24 the upgrade, replacement, or closure of underground storage tanks
25 that store or were used to store hazardous substances, and for the
26 costs of remediating any discharge therefrom, and for providing
27 funding, including the provision of loans or grants, for the costs of
28 the remediation of discharges of hazardous substances, which costs
29 may include costs incurred for providing alternative sources of
30 public or private water supplies, when a water supply has been, or is
31 suspected of being, contaminated by a hazardous substance
32 discharge. Of any amount dedicated pursuant to this subparagraph
33 (b) but not expended prior to January 1, 2004, fifty percent of that
34 amount shall be expended on funding for the upgrade, replacement,
35 or closure of underground storage tanks that store or were used to
36 store hazardous substances, and for the costs of remediating any
37 discharge therefrom, and fifty percent shall be expended on funding
38 the costs of the remediation of discharges of hazardous substances,
39 including costs incurred for providing alternative sources of public
40 or private water supplies, when a water supply has been, or is
41 suspected of being, contaminated by a hazardous substance
42 discharge.

43 Commencing January 1, 2004 and ending December 31, 2005,
44 fifty percent of the moneys dedicated pursuant to this subparagraph
45 (b) shall be appropriated for funding the upgrade, replacement, or
46 closure of underground storage tanks that store or were used to
47 store hazardous substances, and for the costs of remediating any

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1 discharge therefrom, and fifty percent shall be appropriated for
2 funding the costs of the remediation of discharges of hazardous
3 substances, which costs may include costs incurred for providing
4 alternative sources of public or private water supplies, when a water
5 supply has been, or is suspected of being, contaminated by a
6 hazardous substance discharge.

7 Commencing January 1, 2006 and ending December 31, 2006,
8 forty percent of the moneys dedicated pursuant to this subparagraph
9 (b) shall be appropriated for funding the upgrade, replacement, or
10 closure of underground storage tanks that store or were used to
11 store hazardous substances, and for the costs of remediating any
12 discharge therefrom, and sixty percent shall be appropriated for
13 funding the costs of the remediation of discharges of hazardous
14 substances, which costs may include costs incurred for providing
15 alternative sources of public or private water supplies, when a water
16 supply has been, or is suspected of being, contaminated by a
17 hazardous substance discharge.

18 Commencing January 1, 2007 and ending December 31, 2021,
19 the moneys dedicated pursuant to this subparagraph (b) shall be
20 appropriated for funding the costs of the remediation of discharges
21 of hazardous substances, which costs may include costs incurred for
22 providing alternative sources of public or private water supplies,
23 when a water supply has been, or is suspected of being,
24 contaminated by a hazardous substance discharge; but if in any
25 fiscal year during that time the amount previously dedicated and
26 appropriated for funding loans or grants for the upgrade,
27 replacement, or closure of underground storage tanks that store or
28 were used to store hazardous substances, and for the costs of
29 remediating any discharge therefrom, and available for that purpose
30 but not expended, is less than \$20,000,000, then in the following
31 fiscal year, fifty-five percent of the monies dedicated pursuant to
32 this subparagraph (b) shall be appropriated for funding loans or
33 grants for underground storage tanks and only forty-five percent of
34 the monies dedicated pursuant to this subparagraph (b) shall be
35 appropriated for funding the costs of the remediation of discharges
36 of hazardous substances, which costs may include costs incurred for
37 providing alternative sources of public or private water supplies,
38 when a water supply has been, or is suspected of being,
39 contaminated by a hazardous substance discharge.

40 Commencing January 1, 2004, up to \$2,000,000.00 per year,
41 which shall be taken from the amount appropriated pursuant to this
42 subparagraph (b) for the costs of the remediation of discharges of
43 hazardous substances, may be expended for the costs of a State
44 underground storage tank inspection program, which costs may
45 include the direct but not indirect program administrative costs
46 incurred by the State for the employment of inspectors and a

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1 compliance and enforcement staff, and the purchase of vehicles and
2 equipment necessary for the implementation thereof.

3 All moneys derived from repayments of any loan issued from the
4 amount dedicated pursuant to this subparagraph (b) shall be
5 dedicated, and shall be appropriated from time to time by the
6 Legislature, only for the purposes authorized pursuant to this
7 subparagraph (b). The dedication of moneys derived from loan
8 repayments shall not expire.

9 Except for moneys that may be expended for the costs of a State
10 underground storage tank inspection program, and except for
11 amounts that may be appropriated from time to time by the
12 Legislature on or after January 1, 2006, but not to exceed
13 \$1,000,000 annually, to administer programs to provide loans and
14 grants for the upgrade, replacement, or closure of underground
15 storage tanks that store or were used to store hazardous substances,
16 no moneys appropriated pursuant to this subparagraph (b) may be
17 expended on any direct or indirect administrative costs of the State
18 or any of its departments, agencies, or authorities.

19 Commencing January 1, 2006, funding for administrative costs
20 for programs to provide loans and grants for the upgrade,
21 replacement, or closure of underground storage tanks that store or
22 were used to store hazardous substances may be appropriated from
23 time to time by the Legislature from the amount dedicated pursuant
24 to this subparagraph (b) for those purposes in an amount not to
25 exceed \$1,000,000 in any year.

26 No moneys appropriated pursuant to this subparagraph (b) may
27 be expended on any upgrade, replacement, or closure of any
28 underground storage tank, or for the remediation of any discharge
29 therefrom, for any underground storage tank owned by the State or
30 any of its departments, agencies, or authorities, or for costs incurred
31 by the State for the remediation of discharges of hazardous
32 substances.

33 Commencing on January 1, 2022, the moneys dedicated pursuant
34 to this subparagraph (b) may be appropriated from time to time by
35 the Legislature: for providing funding, including the provision of
36 loans or grants, for the upgrade, replacement, or closure of
37 underground storage tanks that store or were used to store
38 hazardous substances, and for the costs of remediating any
39 discharge therefrom; for providing funding, including the provision
40 of loans or grants, for the costs of the remediation of discharges of
41 hazardous substances, which costs may include costs incurred for
42 providing alternative sources of public or private water supplies,
43 when a water supply has been, or is suspected of being,
44 contaminated by a hazardous substance discharge; or for the costs
45 of a State underground storage tank inspection program, in an
46 amount up to \$2,000,000.00 per year.

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1 The Legislature may appropriate after January 1, 2006, an
2 amount not to exceed \$10,000,000, of any of the amounts
3 appropriated in any fiscal year ending before July 1, 2005, made for
4 the purpose of the provision of loans or grants, for the upgrade,
5 replacement, or closure of underground storage tanks that store or
6 were used to store hazardous substances, and for the costs of
7 remediating any discharge therefrom, and not expended for that
8 purpose prior to the end of the fiscal year ending on June 30, 2005,
9 for the purpose set forth in subparagraph (d) of this paragraph.

10 (c) Twenty-eight percent of the amount annually credited
11 pursuant to this paragraph shall be dedicated, and shall be
12 appropriated from time to time by the Legislature, only for paying
13 or financing costs incurred by the State for the remediation of
14 discharges of hazardous substances, which costs may include
15 performing necessary operation and maintenance activities relating
16 to remedial actions and costs incurred for providing alternative
17 sources of public or private water supplies, when a water supply has
18 been, or is suspected of being, contaminated by a hazardous
19 substance discharge. No moneys appropriated pursuant to this
20 subparagraph (c) may be expended for any indirect administrative
21 costs of the State, its departments, agencies, or authorities. No
22 more than nine percent of the moneys annually credited pursuant to
23 this paragraph, which shall be taken from the amount dedicated
24 pursuant to this subparagraph (c), may be expended for any direct
25 program administrative costs of the State, its departments, agencies,
26 or authorities.

27 (d) Commencing January 1, 2006 and ending December 31,
28 2015, seventeen percent of the amount annually credited pursuant to
29 this paragraph shall be dedicated, and shall be appropriated from
30 time to time by the Legislature, only for providing grants for the
31 costs of air pollution control equipment to reduce the levels of
32 particulate matter emissions from diesel-powered engines, funding
33 for other measures to reduce human exposure to those emissions,
34 and funding for those program administrative costs as provided in
35 this subparagraph. No more than \$1,150,000 per year of the amount
36 dedicated pursuant to this subparagraph (d) may be expended for
37 program administrative costs of the State, its departments, agencies,
38 or authorities for implementing the provisions of this subparagraph
39 (d), and for regulating particulate matter emissions from diesel-
40 powered engines.

41 Any amount dedicated and appropriated pursuant to this
42 subparagraph (d) but not expended prior to January 1, 2016 shall be
43 dedicated and may be appropriated from time to time by the
44 Legislature for the purposes authorized in subparagraph (c) of this
45 paragraph.

46 (e) Fifteen percent of the amount annually credited pursuant to
47 this paragraph shall be dedicated, and shall be appropriated from

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1 time to time by the Legislature, only for providing funding,
2 including loans and grants, for the development of lands for
3 recreation and conservation purposes, and to satisfy any payments
4 relating to bonds, notes, or other obligations, including refunding
5 bonds, issued by an authority or similar entity established by law to
6 provide funding for the development of lands for recreation and
7 conservation purposes.

8 Commencing January 1, 2016, thirty-two percent of the amount
9 annually credited pursuant to this paragraph shall be dedicated, and
10 shall be appropriated from time to time by the Legislature, only for
11 providing funding, including loans and grants, for the development
12 of lands for recreation or conservation purposes, and to satisfy any
13 payments relating to bonds, notes, or other obligations, including
14 refunding bonds, issued by an authority or similar entity established
15 by law to provide funding, for the development of lands for
16 recreation or conservation purposes.

17 All moneys derived from repayments of any loan issued from the
18 amount dedicated pursuant to this subparagraph (e) shall be
19 dedicated, and shall be appropriated from time to time by the
20 Legislature, only for the purposes authorized pursuant to this
21 subparagraph (e).

22 No more than five percent per year of the amount dedicated
23 pursuant to this subparagraph (e) may be expended for program
24 administrative costs of the State, its departments, agencies, or
25 authorities for implementing the provisions of this subparagraph
26 (e).

27 The authority or other similar entity established by law as
28 described in this subparagraph (e) shall be the same authority or
29 entity established for the purposes of Article VIII, Section II,
30 paragraph 7 of the State Constitution.]

31 (a) Commencing July 1, 2015 and ending June 30, 2019, there
32 shall be credited to a special account in the General Fund an amount
33 equivalent to four percent of the revenue annually derived from the
34 tax imposed pursuant to the "Corporation Business Tax Act
35 (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and
36 supplemented, or any other State law of similar effect.

37 Commencing July 1, 2019, there shall be credited to a special
38 account in the General Fund an amount equivalent to six percent of
39 the revenue annually derived from the tax imposed pursuant to the
40 "Corporation Business Tax Act (1945)," P.L.1945,
41 c.162 (C.54:10A-1 et seq.), as amended and supplemented, or any
42 other State law of similar effect.

43 The amount annually credited pursuant to this subparagraph shall
44 be dedicated and shall be appropriated from time to time by the
45 Legislature only for: providing funding, including loans or grants,
46 for the preservation, including acquisition, development, and
47 stewardship, of lands for recreation and conservation purposes.

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1 including lands that protect water supplies and lands that have
2 incurred flood or storm damage or are likely to do so, or that may
3 buffer or protect other properties from flood or storm damage;
4 providing funding, including loans or grants, for the preservation
5 and stewardship of land for agricultural or horticultural use and
6 production; providing funding, including loans or grants for historic
7 preservation; paying administrative costs associated with each of
8 those efforts; paying or financing the cost of water quality point and
9 nonpoint source pollution monitoring, watershed based water
10 resource planning and management, and nonpoint source pollution
11 prevention projects; paying or financing costs incurred by the State
12 for the remediation of discharges of hazardous substances, which
13 costs may include performing necessary operation and maintenance
14 activities relating to remedial actions and costs incurred for
15 providing alternative sources of public or private water supplies,
16 when a water supply has been, or is suspected of being,
17 contaminated by a hazardous substance discharge; providing
18 funding, including loans or grants, for the upgrade, replacement, or
19 closure of underground storage tanks that store or were used to
20 store hazardous substances, and for the costs of remediating any
21 discharge therefrom; and providing funding, including loans and
22 grants, for the costs of the remediation of discharges of hazardous
23 substances, which costs may include costs incurred for providing
24 alternative sources of public or private water supplies, when a water
25 supply has been, or is suspected of being, contaminated by a
26 hazardous substance discharge.

27 It shall not be competent for the Legislature, under any pretense
28 whatever, to borrow, appropriate, or use the amount credited to the
29 special account pursuant to this paragraph, or any portion thereof,
30 for any purpose or in any manner other than as enumerated in this
31 paragraph. It shall not be competent for the Legislature, under any
32 pretense whatever, to borrow, appropriate, or use the amount
33 credited to the special account pursuant to this paragraph, or any
34 portion thereof, for the payment of the principal or interest on any
35 general obligation bond that was approved by the voters prior to or
36 subsequent to this paragraph becoming part of this Constitution.

37 All moneys derived from repayments of any loan issued from the
38 amount dedicated pursuant to this paragraph prior to July 1, 2015
39 for the development of lands for recreation or conservation
40 purposes shall be dedicated, and shall be appropriated from time to
41 time by the Legislature, only for the development of lands for
42 recreation or conservation purposes.

43 Commencing July 1, 2015 and ending June 30, 2019, seventy-
44 one percent of the amount annually credited pursuant to this
45 subparagraph shall be dedicated, and shall be appropriated from
46 time to time by the Legislature, only for: providing funding,
47 including loans or grants, for the preservation, including

1 acquisition, development, and stewardship, of lands for recreation
2 and conservation purposes, including lands that protect water
3 supplies and lands that have incurred flood or storm damage or are
4 likely to do so, or that may buffer or protect other properties from
5 flood or storm damage; providing funding, including loans or
6 grants, for the preservation and stewardship of land for agricultural
7 or horticultural use and production; providing funding, including
8 loans or grants, for historic preservation; and paying administrative
9 costs associated with each of those efforts.

10 Commencing July 1, 2019, seventy-eight percent of the amount
11 annually credited pursuant to this subparagraph shall be dedicated,
12 and shall be appropriated from time to time by the Legislature, only
13 for: providing funding, including loans or grants, for the
14 preservation, including acquisition, development, and stewardship,
15 of lands for recreation and conservation purposes, including lands
16 that protect water supplies and lands that have incurred flood or
17 storm damage or are likely to do so, or that may buffer or protect
18 other properties from flood or storm damage; providing funding,
19 including loans or grants, for the preservation and stewardship of
20 land for agricultural or horticultural use and production; providing
21 funding, including loans or grants, for historic preservation; and
22 paying administrative costs associated with each of those efforts.

23 All moneys derived from repayments of any loan issued from the
24 amount dedicated pursuant to this subparagraph for the
25 preservation, including acquisition, development, and stewardship,
26 of lands for recreation and conservation purposes, the preservation
27 and stewardship of land for agricultural or horticultural use and
28 production, or for historic preservation, and all income derived
29 from the investment of moneys in the special account established
30 pursuant to this paragraph, shall be dedicated, and shall be
31 appropriated from time to time by the Legislature only for the
32 preservation, including acquisition, development, and stewardship,
33 of lands for recreation and conservation purposes, the preservation
34 and stewardship of land for agricultural or horticultural use and
35 production, or for historic preservation, as authorized pursuant to
36 this subparagraph.

37 Commencing July 1, 2015, five percent of the amount annually
38 credited pursuant to this subparagraph shall be dedicated, and shall
39 be appropriated from time to time by the Legislature, only for
40 paying or financing the cost of water quality point and nonpoint
41 source pollution monitoring, watershed based water resource
42 planning and management, and nonpoint source pollution
43 prevention projects.

44 Commencing July 1, 2015, five percent of the amount annually
45 credited pursuant to this subparagraph shall be dedicated, and shall
46 be appropriated from time to time by the Legislature, only for
47 paying or financing the costs incurred by the State for the

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1 remediation of discharges of hazardous substances, which costs
2 may include performing necessary operation and maintenance
3 activities relating to remedial actions and costs incurred for
4 providing alternative sources of public or private water supplies
5 when a water supply has been, or is suspected of being,
6 contaminated by a hazardous substance discharge.

7 No moneys appropriated pursuant to this subparagraph for the
8 remediation of discharges of hazardous substances may be
9 expended for any direct or indirect administrative costs of the State,
10 or any of its departments, agencies, or authorities.

11 Commencing July 1, 2015 and ending June 30, 2019, nine
12 percent of the amount annually credited pursuant to this
13 subparagraph shall be dedicated, and shall be appropriated from
14 time to time by the Legislature, only for providing funding,
15 including loans or grants, for the upgrade, replacement, or closure
16 of underground storage tanks that store or were used to store
17 hazardous substances, and for the costs of remediating any
18 discharge therefrom, and for providing funding, including loans or
19 grants, for the costs of the remediation of discharges of hazardous
20 substances, which costs may include costs incurred for providing
21 alternative sources of public or private water supplies when a water
22 supply has been, or is suspected of being, contaminated by a
23 hazardous substance discharge.

24 Commencing July 1, 2019, five percent of the amount annually
25 credited pursuant to this subparagraph shall be dedicated, and shall
26 be appropriated from time to time by the Legislature, only for
27 providing funding, including loans or grants, for the upgrade,
28 replacement, or closure of underground storage tanks that store or
29 were used to store hazardous substances, and for the costs of
30 remediating any discharge therefrom, and for providing funding,
31 including loans or grants, for the costs of the remediation of
32 discharges of hazardous substances, which costs may include costs
33 incurred for providing alternative sources of public or private water
34 supplies when a water supply has been, or is suspected of being,
35 contaminated by a hazardous substance discharge.

36 Commencing July 1, 2015, up to \$1,000,000 per year, which
37 shall be taken from the amount appropriated pursuant to this
38 subparagraph for underground storage tank programs, may be
39 expended for the costs of a State underground storage tank
40 inspection program, which costs may include the direct but not
41 indirect program administrative costs incurred by the State for the
42 employment of inspectors and a compliance and enforcement staff,
43 and the purchase of vehicles and equipment necessary for the
44 implementation thereof.

45 All moneys derived from repayments of any loan issued from the
46 amount dedicated pursuant to this paragraph prior to or after July 1,
47 2015 for underground storage tank programs shall be dedicated, and

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1 shall be appropriated from time to time by the Legislature, only for
2 loans or grants for underground storage tank programs authorized
3 pursuant to this subparagraph. The dedication of moneys derived
4 from loan repayments shall not expire.

5 Except for moneys that may be expended for the costs of a State
6 underground storage tank inspection program, no moneys
7 appropriated pursuant to this subparagraph for underground storage
8 tank programs may be expended on any direct or indirect
9 administrative costs of the State or any of its departments, agencies,
10 or authorities.

11 No moneys appropriated at any time pursuant to this
12 subparagraph for underground storage tank programs may be
13 expended on any upgrade, replacement, or closure of any
14 underground storage tank, or for the remediation of any discharge
15 therefrom, for any underground storage tank owned by the State or
16 any of its departments, agencies, or authorities, or for costs incurred
17 by the State for the remediation of discharges of hazardous
18 substances therefrom.

19 Commencing July 1, 2015 and ending June 30, 2019, ten percent
20 of the amount annually credited pursuant to this subparagraph shall
21 be dedicated, and shall be appropriated from time to time by the
22 Legislature, only for providing funding, including loans or grants,
23 for the costs of the remediation of discharges of hazardous
24 substances, which costs may include costs incurred for providing
25 alternative sources of public or private water supplies, when a water
26 supply has been, or is suspected of being, contaminated by a
27 hazardous substance discharge.

28 Commencing July 1, 2019, seven percent of the amount annually
29 credited pursuant to this subparagraph shall be dedicated, and shall
30 be appropriated from time to time by the Legislature, only for
31 providing funding, including loans or grants, for the costs of the
32 remediation of discharges of hazardous substances, which costs
33 may include costs incurred for providing alternative sources of
34 public or private water supplies, when a water supply has been, or is
35 suspected of being, contaminated by a hazardous substance
36 discharge.

37 All moneys derived from repayments of any loan issued from the
38 amount dedicated pursuant to this paragraph prior to or after July 1,
39 2015 for hazardous substance discharge remediation shall be
40 dedicated, and shall be appropriated from time to time by the
41 Legislature, only for loans or grants for hazardous substance
42 discharge remediation authorized pursuant to this subparagraph.
43 The dedication of moneys derived from loan repayments shall not
44 expire.

45 No moneys appropriated pursuant to this subparagraph for
46 hazardous substance discharge remediation may be expended on

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1 any direct or indirect administrative costs of the State or any of its
2 departments, agencies, or authorities.

3 (b) There shall be credited annually to a special account in the
4 General Fund an amount equivalent to the revenue annually derived
5 from leases and conveyances of lands acquired or developed by the
6 State for recreation and conservation purposes.

7 The amount annually credited pursuant to this subparagraph shall
8 be dedicated, and shall be appropriated from time to time by the
9 Legislature, only for providing funding, including loans or grants,
10 for the preservation, including acquisition, development, and
11 stewardship, of lands for recreation and conservation purposes,
12 including lands that protect water supplies and lands that have
13 incurred flood or storm damage or are likely to do so, or that may
14 buffer or protect other properties from flood or storm damage;
15 providing funding, including loans or grants, for the preservation
16 and stewardship of land for agricultural or horticultural use and
17 production; providing funding, including loans or grants for historic
18 preservation; and paying administrative costs associated with each
19 of those efforts.

20 All moneys derived from repayments of any loan issued from the
21 amount dedicated pursuant to this subparagraph shall be dedicated,
22 and shall be appropriated from time to time by the Legislature, only
23 for the purposes authorized pursuant to this subparagraph.

24 (cf: Article VIII, Section II, paragraph 6 amended effective
25 December 7, 2006)

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

35
36 3. This proposed amendment to the Constitution shall be
37 submitted to the people at that election in the following manner and
38 form:

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

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

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

47 b. In every municipality the following question:

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		<p>CONSTITUTIONAL AMENDMENT DEDICATING STATE FUNDS FOR OPEN SPACE, FARMLAND, AND HISTORIC PRESERVATION, AND CHANGING EXISTING DEDICATION FOR WATER PROGRAMS, UNDERGROUND STORAGE TANKS, AND HAZARDOUS SITE CLEANUPS</p> <p>Do you approve amending the Constitution to dedicate certain State revenues each year for environmental programs?</p> <p>The Constitution now dedicates four percent of the money collected from the Corporation Business Tax to help pay for some environmental programs. This amendment raises the amount from four percent to six percent beginning on July 1, 2019.</p> <p>The amendment also changes, beginning July 1, 2015, some of the programs funded by the current dedication. The new dedication would be used mostly to preserve and steward open space, farmland, historic sites, and flood-prone areas. Funds would also be used to improve water quality, remove and clean up underground tanks, and clean up polluted sites. Lastly, the amendment dedicates money received from leases and other uses of State open space lands to pay for open space, farmland, and historic preservation.</p>
YES		

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1

		INTERPRETIVE STATEMENT
	NO	<p>This amendment would ensure stable funding for some of the State's environmental programs.</p> <p>The Constitution now dedicates four percent of the money collected from the Corporation Business Tax to help pay for some environmental programs. This amendment raises the amount from four percent to six percent beginning on July 1, 2019. It also changes the amounts allocated to some of the programs funded by the existing dedication beginning on July 1, 2015.</p> <p>The money from the new dedication would be used: (1) to preserve and care for open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres); (2) to improve water quality; (3) to pay for polluted site cleanups; and (4) for underground tank removal and cleanup.</p> <p>Lastly, the amendment requires that money received from leases and certain other uses of State-owned preserved open space be used to pay for open space, farmland, and historic preservation.</p> <p>The current dedication of Corporation Business Tax revenue helps pay for water quality programs, polluted site cleanups, underground tank removal and cleanup, air pollution equipment for diesel engines, and improvements to parks.</p> <p>Under the State's open space preservation programs, known as Green Acres and Blue Acres, land is bought to protect water supplies, create and maintain parks and fish and wildlife areas, and protect flood-prone areas. The Green Acres program also helps pay for improvements to parks.</p>

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1 SCHEDULE
2

3 This Constitutional amendment shall, if approved, take effect on
4 July 1, next following the general election at which it was
5 approved.

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pnf: 1-12

SENATOR BOB SMITH (Chair): And we now go to the public hearing on SCR-84.

SENATOR BATEMAN: Mr. Chairman, if I may.

SENATOR SMITH: Yes, sir; Senator.

SENATOR BATEMAN: Not that we want to discourage any testimony, but we do have Senate Judiciary -- a very important Senate Judiciary Committee meeting today. I would just ask people who have testified previously -- they don't necessarily have to testify a second time.

SENATOR SMITH: Okay, all right. We are constitutionally required to have a hearing, but be merciful, please. This is a group that is very much in favor of SCR-84.

All right -- Kelly Mooij, New Jersey Audubon, in favor, no need to testify; Don (*sic*) Epstein, Land Conservancy of New Jersey, in favor, no need to testify; Eric DeGesero, Fuel Merchants Association, in favor, no need to testify; Stacy McCormack, Littoral Society, in favor, no need to testify.

S T A C Y M c C O R M A C K (off mike): May I just make one comment really quick?

SENATOR SMITH: Go ahead, Stacy.

MS. McCORMACK: Stacy McCormack, American Littoral Society.

I just wanted to make one comment on this, because I have testified a number of times.

But I just want to highlight the fact that in addition to open space, historic preservation, and farmland preservation, this Bill is also the Blue Acres money. It is part of the unmet need that we hear about over,

and over, and over again; and how the State is going to find money to recover from Sandy. So I just want to highlight the fact that within the Green Acres funding is Blue Acres funding -- which is the buyout dollars that families are still waiting for, and that we've already heard from this Administration there isn't enough.

So I just wanted to make a mention of that.

SENATOR SMITH: Thank you, Stacy.

Anthony Attanasio, UTCA of New Jersey, opposed, no need to testify; Mike Travostino, Associated Construction Contractors of New Jersey, opposed, no need to testify; Cate Litvack, Advocates for New Jersey History, in favor, no need to testify; Jeff Kolakowski, New Jersey Builders Association, opposed, no need to testify; Bill Kibler, Raritan Headwaters Association, in favor, no need to testify; Cheryl Reardon, Association of New Jersey Environmental Commissions, ANJEC, in favor, no need to testify; Tom Wells, The Nature Conservancy, in favor, no need to testify; Megan Callus, Monmouth Conservation Foundation, in favor, no need to testify; Amy Karpati, Pinelands Preservation Alliance, in favor, no need to testify; Erica Van Auken, New Jersey Highlands Coalition, in favor, no need to testify; A.J. Sabath, New Jersey State Building and Construction Trades Council, opposed, no need to testify; Mark Longo, E-L-E-C/L-U-D-E 825 -- oh, L-U-O-E? I-U-O-E 825.

SENATOR BATEMAN: It's the operating engineers.

SENATOR SMITH: Operating engineers, opposed, no need to testify; Ciro Scalera, Laborers Union, opposed, no need to testify; Tony Pizzutillo, NAIOP, opposed -- are you here, Tony?

UNIDENTIFIED MEMBER OF AUDIENCE: No.

SENATOR SMITH: Okay.

Doug O'Malley, Environment New Jersey. What do you need?

D O U G O' M A L L E Y (off mike): For the sake of our stomachs--

SENATOR SMITH: What's that?

MR. O'MALLEY (off mike): For the sake of our stomachs, no need to testify.

SENATOR SMITH: Jeff Tittel, in favor.

J E F F T I T T E L (off mike): I just want to make one quick point because of the opposition.

SENATOR SMITH: A quick point.

MR. TITTEL: A really quick point. Hey, I didn't testify on the last bill. (laughter)

I just want to make one quick -- it's only because of the opposition -- that investing in open space is the same as investing in our economy, whether it's brownfields, or whatever -- because I know that's where a lot of their opposition comes from. But Sierra Club was a group -- and Bill Wolfe did a lot of the work; did the original dedication. And there are other ways-- We still need to develop on brownfields; we have other ways of doing it. This Bill only takes \$1 million away from brownfields over its life; it doesn't take a lot away. And so, therefore, it's a small investment in open space, which is an investment in our economy.

And the other point I just want to make: It's a third of what we were spending over the last dozen years. And we're doing it because it's fiscally prudent given the other economic problems the State has. But we still need to invest in open space.

SENATOR SMITH: Thank you for your comments.

Daryn Iwicki, Americans for Prosperity, opposed.

Next will be mother and apple pie, and you can be opposed to that as well. (laughter)

Go ahead.

D A R Y N I W I C K I: I will be brief.

I will slightly disagree with Jeff that this is-- Sorry, Senator; I'll try not to use *y'all* either while testifying in front of you. (laughter)

Listen, I just don't think that this is priority one for the State of New Jersey. We face a shortfall in funding our pension system here in the State of New Jersey. Taking \$100 million and investing in open space -- I just don't believe is where we should be putting that money. And if the 4 percent out of the corporate income tax that we're removing has run its course, I think it's time to maybe look at that money and investing into our unfunded obligations in funding the pension system. Who here on the Committee believes that we should take \$100 million and not fund our pension system in the State of New Jersey? We have an unfunded liability there. Again, the Governor is not making the payment here. We have an opportunity to take money and put it into the pension system.

Now, you heard many of the labor groups oppose this Bill. And I would oppose it too, because it shows that we're not serious about funding the pension system here in the State of New Jersey. If we were, we could fund -- we'd take this money -- the 4 percent has run its course -- and put it in.

It's also not new revenue that's not going to be used. I mean, you have another \$51 million -- come 2020 -- that has to come out when the 6 percent comes in. So that's additional money that comes out of the

General Fund to put in -- again, more money that we can take and put into the pension system, if need be.

And I'd like to thank Senator Bateman for the opportunity to sit down and discuss other options -- the open space -- some that I believe are more fiscally prudent; some the Senator has supported in the past. And Senator Smith, I would welcome the opportunity to sit down with you and, both, Senator Bateman to possibly continue those discussions and find a way.

Because we spoke about stewardship earlier -- stewardship of our forests. Those are PPPs -- those are public-private partnerships -- coming into good stewards of the environment. There is a way to involve public-private partnerships, as I've said before, that the United States Forest Service has been doing for over 30 years, since the Reagan Administration, to take care of the open space that we have here and utilize it to the greatest benefit in the State of New Jersey. I just don't believe that we need to spend \$4.5 billion -- essentially \$4 billion, if you want to take off the first couple of years of investments.

But I would encourage you to look at something different. This is the third time we've seen this Bill. And I'm open and happy to discuss further options, moving forward.

SENATOR SMITH: Thank you for your comments.

Ed Wengryn, New Jersey Farm Bureau, in favor.

E D W A R D W E N G R Y N (off mike) No need to testify.

SENATOR SMITH: No need to testify.

Barbara Sachau, opposed.

Barbara.

B A R B A R A S A C H A U: I have some concerns about this Bill.

I notice, again, the word -- use of the word *conservation*, which is a code word; a code word is not a good word to have in there. The word should be replaced by the word *protection*. We really do want protection for open space.

I also notice that this Bill is being sold as an open space bill, primarily. And I was at the State House Commission earlier today where 7 out of 12 approvals by the State House Commission -- of which Mr. Smith is a member -- they decided to use open space for recycling, for roads, for housing developments. If we're really going to save open space, and if that's what you're selling this to the public as, then it should be saved.

But that's not what's being done in not-very-well-attended meetings at the State House Commission. Seven out of the 12 open space things were voted yes. So, I mean, if we're going to save it, it should not be a swindle for the public. That is a swindle when you tell them you're taking money for a purpose and then you use it for something else. It's a swindle. I feel cheated every time I hear about this. And I've been a citizen here in New Jersey my entire life. I just think it's wrong.

So, I mean, if you're going to pass these bills, they've got to be iron clad for the purpose that you're telling us you're doing it. So I am concerned about that.

Also, when this Bill came up, I -- so many times I have asked, "Why don't we get some financial numbers on what's being spent now on the different levels of government?" Why can't we have, before a Bill comes in -- why can't the public have information on how much you're collecting from local communities for this purpose, how much the counties

are turning over to open space for this purpose, how much you're getting from the Federal government for this purpose? We come in here and most of us get no help from our legislators in having this information. I mean, here we're talking about the fourth level of taxation on State level. And we are already being taxed on three other levels for the same purpose. We really do need a little bit more financial accountability to go on when you bring up a bill. I don't think it's fair. I think that lobbying takes place, and instead we get bills like this -- and that's not suitable; it's not suitable, I don't think, for good government.

That's my opinion. Thank you.

SENATOR SMITH: Thank you for your thoughts.

Mike Pisauro, New Jersey Environmental Lobby.

M I C H A E L L. P I S A U R O, Jr., Esq. (off mike): In favor, no need to testify.

SENATOR SMITH: No need to testify.

Michael Egerton, State Chamber of Commerce; and Sara Bluhm, Business and Industry, opposed.

S A R A B L U H M: Thank you, Mr. Chairman. Sara Bluhm, New Jersey Business and Industry Association.

And I think it's probably more important to remark on the rare occasion that business and labor agree on something. I know it doesn't happen often in other Committees, so we like to take advantage of it when it does and highlight that.

But from our Association's perspective, we're concerned about lining up CBT revenues for the next 20 years and having a dedication there. As has been pointed out, we do have fiscal woes that the State is currently

grappling with. But also, dedicating these revenues going out forward, we are going to be taking money out of the General Fund, and we don't know what the future is going to be holding. We have some other important issues that we need to be tackling now, and we're concerned about where that additional 2 percent is going to be coming from and what programs that's going to be impacting.

M I C H A E L E G E N T O N: Chairman, Michael Egenton, Senior Vice President, New Jersey State Chamber of Commerce.

Our concern in your proposal -- and obviously we recognize and appreciate that you've been grappling with this issue with open space for quite some time now -- but as pointed out, we're in a fiscal crisis right now and it's probably only going to get worse, especially with next year's budget.

I don't fully feel the comfort zone of your proposal utilizing corporate business tax dollars. I'm concerned about the impact it will have on other programs within the DEP. You've put a lot of time and investment, Chairman -- as well as this Committee -- in site remediation, the LSRP program. You know, shifting money around like that always leaves us very, very concerned.

I'm also concerned with, you know, as CBT dollars do get depleted over the years, it's very easy for Trenton to look at the business community, to the employers of the State, and say, "Well, you know, we have all these issue areas that we need to fund. You guys are holding the bag." And we're often seen as the answer to the State's fiscal's problems -- and we shouldn't be. We need to provide the jobs and the growth in the economy, and work with our policymakers in growing the economy, providing those jobs, as opposed to keep asking us to do more with less.

Employers are constantly struggling with a lot of the mandates and edicts that come out of Trenton.

I've said it before, Chairman, this issue -- as well as others -- needs to have some thoughtful stakeholders to sit down. We almost need a group like we had back in the day -- the SLERP Commission -- to get together and have all the right stakeholders at the table to talk about how we're going to go forward in the State with a lot of our issues.

But as far as utilizing the CBT dollars right now, Chairman, we're opposed to that mechanism and stand in our opposition.

Thank you.

SENATOR SMITH: Thank you for your comments.

Tom Gilbert, New Jersey Keep It Green Coalition.

Tom.

T O M G I L B E R T: Thank you, Chairman Smith, Senator Bateman, for your bipartisan leadership on this issue, for your persistence. I want to thank the members of the Committee for your support on this when it came out of Committee.

Just a couple of points to make. I know we've-- You've considered this issue at length over many months and, in fact, I can't-- It's hard to imagine how much more thought could go into this issue, based on -- this is now a third different approach and, perhaps, two years of debate and policy formulation on this issue.

The fact is that if the Legislature fails to act on this, decades of successful preservation efforts in this State -- bipartisan preservation efforts -- will grind to a halt. And that's something that New Jersey can ill afford.

On the fiscal issues, again, it's hard to imagine an approach that could be more thoughtful, and cautious, and conservative from a fiscal standpoint. This will have no direct impact on the State's budget over the next five fiscal years. This is relying on existing funds that are already dedicated to environmental programs, and is a thoughtful reallocation of those funds based on changing priorities and limited funds. This will not increase the corporate business tax; and, in fact, for those who are concerned about the increase to 6 percent in Fiscal Year 2020, that is an estimated \$50 million annually. Now, that's not nothing, it's not insignificant, but it represents -- using current figures -- less than one-quarter of 1 percent of the State's budget. And we would argue in a State like New Jersey -- the most densely populated state in the nation, the state that is projected to be the first state to reach build-out -- that that is an absolutely critical investment for this State to make. You can't kick that can down the road. And if we do, we'll wind up regretting it in the end; and paying much more to clean up our waterways if we fail to protect watersheds, to deal with the cost of flood and storm damage if we don't have long-term funding for the Blue Acres program, and the impacts on keeping the agriculture industry in the Garden State. I mean, this is just a modest, but critical, investment.

Previous studies have shown that every dollar the State invests in land preservation in New Jersey returns \$10 in economic value to the State. So this is a critical and wise investment.

And lastly, I'll just close by saying that it's time to let the voters decide. This is the best option that can be put on the table at this point. And this is something that the voters deserve a say on. I think this is an

important enough issue in the State of New Jersey. People can take their own -- agree or disagree right now, but I think we can all agree that this is something the voters deserve to have their say on.

Thank you.

SENATOR SMITH: Thank you, Tom.

Our last speaker is Eileen Swan from Keep It Green and New Jersey Conservation Foundation.

Eileen.

E I L E E N S W A N: Thank you, and I too will be brief.

I just want to touch on a couple of the comments that were made.

Our friends spoke about it not being a number one priority. I would think that water, air, the quality of life is the number one priority. And if we don't have preservation, we simply won't have those -- not for any great length of time.

And the other issue that I wanted to bring up is that in terms of the fiscal crisis, I think as an advocacy group we have compromised to the level that I believe is very responsible.

And to the business community, I would say that if you -- if the business community weren't willing to support a water tax, to the best of my knowledge I think it's time that they contributed to a balanced plan for land use. I believe in development, and a week ago gave out the New Jersey Future Smart Growth Awards for smart development across the state. We keep talking about a sustainable future, but I'm beginning to think that many people are just talking -- because it isn't sustainable if we don't protect water and we don't protect air. And, in terms of business as well,

we will not attract more businesses to this state if we don't have a quality of life to offer them -- urban parks, agriculture, local food.

So in closing, I will say we can't do more with nothing; in fact, we can't do anything with nothing. And it is the responsibility of this State to do preservation protecting water, air, quality of life, and our local food. And I, too, echo what Tom said, in terms of let the people decide. They have let you know for decades upon decades that they want this in their State. Let them decide.

Thank you very much.

SENATOR SMITH: Thank you, Eileen.

And if there are no other slips, that concludes our hearing on SCR-84. The Senate President indicates that it's going to be up in the Senate on June 25 or June 28, and we're hoping that the Assembly will take action as well.

Thank you, everybody, for participating. Have a great day.

(HEARING CONCLUDED)

APPENDIX

Fuel Merchants Association of New Jersey



June 16, 2014

TO: Senate Environment Committee
FROM: Eric DeGesero, Executive Vice President
RE: YES on SCR-84 (SCS)

The Fuel Merchants Association of New Jersey (FMA) urges your support for SCR-84 (SCS).

FMA recognizes the longstanding efforts made by Chairman Smith and Senator Bateman to find a stable source of open funding, most recently through redirecting the corporate business tax (CBT) dedication. Unlike the version of SCR84 heard before this committee in March 17, 2014 this version {SCR84 (SCS)} achieves that objective while safeguarding funding for the UST Fund.

The UST Fund assists those homeowners who do not have means of financing the remediation of a discharge from a UST, especially one that impacts a third party. This issue has become more relevant over the past few years as homeowner insurers are no longer providing third party coverage in their base policies and only have to offer a one-time opportunity to their homeowner insureds to purchase the coverage; an opportunity homeowners do not often know they had.

The UST Fund currently has 1,653 applications pending totaling \$40,602,707 and receives approximately \$12 million per year. This means the current formula will need to be carried through Fiscal Year 2018 to simply meet the existing backlog. Furthermore, there are additional applications being made to the UST Fund on an ongoing basis.

SCR-84 (SCS) recognizes the important need of funding for homeowner underground storage tank (UST) remediations and balances it with other competing needs.

FMA strongly urges you to vote Yes on SCR-84 (SCS).