

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4578

STATE OF NEW JERSEY

DATED: MARCH 18, 2019

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 4578.

Assembly Bill No. 4578 supplements the Fiscal Year 2019 annual appropriations act (P.L.2018, c.53) to appropriate \$50 million from the General Fund to the Department of Environmental Protection (DEP) and also adds language provisions to the Fiscal Year 2019 annual appropriations act concerning the use of certain other environmental settlement monies.

The bill provides that the \$50 million to be appropriated by the bill to the DEP, upon receipt of settlement monies attributable to receipts in N.J. Dep't of Env. Protection v. Exxon Mobil Corp., 453 N.J. Super. 588 (Law Div. 2015), are to be deposited as natural resource damages into the Hazardous Discharge Site Cleanup Fund.

The bill provides that any natural resource damages monies not subject to the provisions of Article VIII, Section II, paragraph 9 of the State Constitution are to be deposited into the Hazardous Discharge Site Cleanup Fund, and appropriated to the DEP for: direct and indirect costs of remediation, restoration, and cleanup; costs for consulting, expert, and legal services incurred in pursuing claims for damages; grants and loans to local governments; and grants to nonprofit organizations.

Further, the bill appropriates \$110,412,549 from dedicated natural resource damages revenues pursuant to Article VIII, Section II, paragraph 9 of the State Constitution in the Natural Resources Damages – Constitutional Dedication account, from funds recovered in connection with claims made by the State in the matter of N.J. Dep't of Env. Protection v. Atlantic Richfield Co., et al., No. 08 CIV 00312 (S.D.N.Y.) for projects to repair, restore, or replace damaged or lost natural resources of the State, or permanently protect the natural resources of the State pursuant to the prioritization set forth in the State Constitution, for projects identified in the bill.

The bill provides that the DEP may reallocate funds among the projects identified in the bill, subject to the approval of the Director of the Division of Budget and Accounting in the Department of the Treasury. The bill requires the DEP, no later than March 31, to send written notification of project expenditures to the President of the Senate, the Speaker of the General Assembly, the Legislative Budget and Finance Officer, the Joint Budget Oversight Committee, or its

successor, and the chairs of the Senate Environment and Energy Committee and Assembly Environment and Solid Waste Committee, or their respective successor committees.

Lastly, the bill appropriates to the DEP any additional sums as may have become available, on or before December 31, 2018, in the Natural Resources Damages – Constitutional Dedication account, due to additional recoveries received in connection with the matter of N.J. Dep’t of Env. Protection v. Atlantic Richfield Co., et al. for the purpose of providing additional funding for the projects identified in the bill. This additional funding may include administrative costs in an amount not to exceed 10 percent of the additional recoveries.

As reported, this bill is identical to Senate Bill No. 3110, as also reported by the committee.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.