

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY CONCURRENT RESOLUTION No. 56

STATE OF NEW JERSEY

DATED: JUNE 3, 1996

The Assembly Appropriations Committee reports favorably an Assembly Committee Substitute for Assembly Concurrent Resolution No.56.

The Assembly Committee Substitute for Assembly Concurrent Resolution No.56 would, if approved by the voters, amend the State Constitution to dedicate four percent of the revenue annually derived from the corporation business tax to three categories of environmental remediation: hazardous discharge remediations, underground storage tank improvements, and water pollution projects. The substitute sets a minimum allocation in each category. All expenditures of dedicated moneys must be made by legislative appropriation.

The substitute allocates a minimum of one half of the moneys to costs for site remediation of State funded projects when there is no available responsible party or the responsible party has not paid for the cleanup. The money may also be used to pay the State's share in federal "Superfund" cleanups, 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, and direct site remediation program administrative costs. The substitute provides that no more than nine percent of the total dedicated amount may be used for those direct administrative costs, and that the which amount is deductible from the site remediation allocation

The substitute allocates a minimum of one third of the moneys to underground storage tank upgrades, replacements, and closures as well as site remediation costs resulting from a hazardous substance discharge from an underground storage tank. The allocation may only be used for tanks that store or were used to store hazardous substances, and may not be expended for any underground storage tank owned by the State, its departments, agencies, or authorities. The dedication of these moneys for underground storage tanks expires on December 31, 2008, when these moneys may continue to be expended for underground storage tanks or for the other purposes authorized in the substitute.

The substitute provides that moneys allocated for underground storage tanks may be used to provide loans and grants to any person so that they can undertake the above-mentioned tank activities. All loan repayments would be dedicated for these underground storage tank purposes and that dedication would not expire. None of the money may be used for any direct or indirect administrative costs of the State.

The substitute allocates a minimum of one sixth of the moneys or \$5 million, whichever is less, for the cost of water quality point and nonpoint source pollution monitoring, watershed based water resource planning and management, and nonpoint source pollution prevention planning. is allocated for these purposes. There is no limitation on the use of these moneys for administrative expenses.

FISCAL IMPACT:

The Office of Legislative Services estimates that, upon approval by the voters of the State of New Jersey, this bill would dedicate approximately \$45 million of previously unrestricted General Fund revenue if effective for all of fiscal year 1997. The amount of revenue dedicated in a year could fluctuate in a range from \$37 million to \$50 million, if corporation business tax revenues continued to vary as they have over recent past years.