

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## **SENATE, No. 107**

with Senate committee amendments

# **STATE OF NEW JERSEY**

DATED: JANUARY 29, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 107 (1R) of 1996 with amendments.

Senate Bill No. 107 (1R), as amended, appropriates \$20,000,000 to the Department of Environmental Protection for loans for local projects to rehabilitate, repair or consolidate antiquated, damaged or inadequately operating water supply facilities, as recommended in the New Jersey Statewide Water Supply Plan.

The \$20 million will be derived from repayments of loans for local water supply projects made between 1982 and 1992 from the "Water Supply Fund" and from the unexpended balances of prior appropriations made to the department for water supply rehabilitation project loans pursuant to P.L.1982, c.131, P.L.1985, c.99, P.L.1987, c.309 and P.L.1991, c.351.

The bill provides that these moneys would be allocated by the department for loans to local governments for water supply projects for which loan applications have been received by the department and prioritized in accordance with regulations adopted therefor. Twenty-five projects are specifically listed in the bill as priority projects eligible for loans.

### COMMITTEE AMENDMENTS

The committee amended the bill to delete paragraphs c. and d. from section 1 of the bill. These paragraphs would have permitted the Department of Environmental Protection to use any remaining moneys appropriated under this bill that are not used for loans to local governments for projects enumerated in subsection b. of section 1 of the bill (anticipated to be approximately \$1 to \$2 million) for other local water supply projects for which applications are received and prioritized by the department, provided that the presiding officers of each House of the Legislature are notified, in writing, regarding the allocation of the remaining moneys. The committee deleted this authorization so that the department will have to return to the

Legislature with another bill and list of projects for which such unexpended balances would have to be reappropriated.

**FISCAL IMPACT**

This bill appropriates \$20,000,000 to the Department of Environmental Protection from the "Water Supply Bond Act of 1981," P.L.1981, c.261. The money will be used for loans to local governments for projects to rehabilitate, repair or consolidate antiquated, damaged or inadequately operating water supply facilities, as recommended in the New Jersey Statewide Water Supply Plan.

According to the Department of Environmental Protection, there are sufficient funds in the "Water Supply Fund" from loan repayments to accomplish the appropriation made in this bill and unexpended balances of prior appropriations made in P.L.1982, c.131, P.L.1985, c.99, P.L.1987, c.309 and P.L.1991, c.351.