

SENATE ENVIRONMENT COMMITTEE

STATEMENT TO

SENATE, No. 294

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 2, 1996

The Senate Environment Committee favorably reports Senate Bill No. 294 with committee amendments.

As amended, this bill provides for the remediation and redevelopment of municipal solid waste landfill sites under the terms and conditions of a redevelopment agreement negotiated by a developer and the State.

The bill would authorize that under a redevelopment agreement, an eligible developer who closes and remediates the municipal solid waste landfill would be eligible for reimbursement of 75 percent of the costs of closure and remediation of the municipal solid waste landfill after the site is redeveloped, from payments derived from one half of the sales tax collected on non-exempt sales generated from any business located on the site.

The developer would negotiate with the Commissioner of the Department of Commerce and Economic Development, in consultation with the State Treasurer, over the terms and conditions of the redevelopment agreement. Under the agreement, the developer would undertake the environmentally sound and proper closure and remediation of the municipal solid waste landfill and the State would agree that the developer is eligible for reimbursement of 75 percent of the costs of closure and remediation of the municipal solid waste landfill.

To receive the reimbursement, a developer must submit an application, in writing, to the Director of the Division of Taxation for review and certification after the project is complete. The director would review the request for certification on a timely basis. The bill would require the director to certify a developer to be eligible for the reimbursement if: (1) a place of business is located in the area subject to the redevelopment agreement for the purpose of making retail sales; (2) non-exempt items are regularly exhibited and offered for retail sale at that location; (3) the place of business is not utilized primarily for the purpose of catalogue or mail order sales; and (4) the developer has entered into a memorandum of agreement with the Commissioner of Environmental Protection for the sound and proper closure and

remediation of the municipal solid waste landfill located on the site of the redevelopment project and is in compliance with the memorandum of agreement.

The bill, as amended, would create in the Department of Treasury, a special fund to be known as the Municipal Landfill Closure and Remediation Fund, and would provide that upon approval of the certification for reimbursement by the director, a special account be created for that developer. The fund would be credited with one half of all taxes due and payable pursuant to the "Sales and Use Tax Act" by any person required to collect the tax at the site of the redevelopment project. Those funds would be used to reimburse the developer. The reimbursement authorized under this bill would continue until the developer recovers 75 percent of the actual and reasonable costs of closure and remediation incurred by the developer.

The committee amendments would require that the developer enter into a memorandum of agreement with the Department of Environmental Protection to close and remediate the municipal solid waste landfill as a condition to the certification for reimbursement; delete the requirement that the DEP approve a financial plan for closure as a condition to the certification; delete the provisions authorizing a municipality to perform the closure and remediation in lieu of the developer with a loan from the Sanitary Landfill Contingency Fund; authorize the DEP to review the closure and remediation costs for reasonableness; exclude from reimbursable costs the costs incurred in financing the closure and remediation; and clarify that the provisions of the bill apply in urban enterprise zones so that one half of the sales tax collected at that site would be deposited into the Municipal Landfill Closure and Remediation Fund and the other half would be deposited into the enterprise zone assistance fund as provided in P.L.1983, c.303 (C.52:27H-60 et seq.).