

SENATE ECONOMIC GROWTH, AGRICULTURE
AND TOURISM COMMITTEE

STATEMENT TO

SENATE, No. 34

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 10, 1997

The Senate Economic Growth, Tourism and Agriculture Committee reports favorably Senate Bill No. 34, with committee amendments.

This bill would establish guidelines and procedures for the appropriation of certain bond funds authorized pursuant to the "Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bond Act of 1996," P.L.1996, c.70. The bill provides specific guidelines for the appropriation of monies from the "1996 Dredging and Containment Facility Fund" and the "1996 Economic Development Site Fund," both of which were created in the 1996 bond act and approved by the voters in November, 1996.

With regard to the appropriation and expenditure of bond monies authorized for the dredging of navigational channels in the New Jersey port region (e.g., Kill van Kull, Arthur Kill), the construction of underwater storage pits and containment facilities for the disposal of dredged materials, and dredged material decontamination projects, the bill authorizes the Office of Maritime Resources in the Department of Commerce and Economic Development to develop a priority list of dredging and dredged material disposal facility projects.

Prior to submission to the Legislature for consideration, the list would first have to be approved by an 11-member Dredging Project Facilitation Task Force established by the bill. The task force would be composed of the Commissioners of Environmental Protection and Commerce and Economic Development, and nine public members, three of which would be appointed by the Governor, three by the Senate President and three by the Speaker of the General Assembly. One of the Senate President's appointments would be the chair of the task force. The public members would be required to represent various sectors related to the port economy. Upon the approval of the priority list by the task force, the Legislature would then consider the list in the form of an appropriations bill listing specific projects, in accordance with the provisions of the bond act.

The bill assigns primary responsibility for the development and implementation of a comprehensive dredging and dredged material management and disposal plan to the Office of Maritime Resources, in consultation with the Department of Environmental Protection (DEP) and the task force. The bill authorizes the office to manage the development and implementation of dredging and dredged disposal facility projects and demonstration decontamination and treatment technologies, as well as to charge fees for the use of a dredged material disposal facility to offset the costs of the facility.

With regard to the dredging of navigation channels not located in the port region, for which the bond act authorizes a total of \$20 million, the bill requires the DEP to submit to the Legislature a priority list, as necessary, of such projects for approval. The order of priority would be based upon the maintenance of the channels so as to promote recreation, tourism and commercial fishing, and create and retain related jobs.

The bill also establishes eligibility criteria for economic development sites, for which the bond act authorizes \$20 million. The project would be required to meet specific criteria related to its impact on economic development in the affected region.

Finally, the bill authorizes the Legislature to limit the amount of bond funds that may be expended for administrative costs.

The committee amendments are technical in nature and would clarify language in the bill and provide more precise directions with regard to the legislative process for bond appropriations. The amendments also remove a requirement that the State include, in each request for proposals, a provision for the indemnification of the State by the contract holder. Instead, the bill would, on a case-by-case basis, permit the State to include such a provision in a request for proposals.

As the monies authorized pursuant to section 5 of the "Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bond Act," P.L.1996, c.70, are appropriated, it is the intent of the committee that the State take the appropriate steps to ensure that other stakeholders, namely the City and State of New York, the Port Authority of New York and New Jersey and the federal government, have participated to the maximum extent possible.