

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1749

STATE OF NEW JERSEY

DATED: MARCH 10, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1749 (1R) of 1996.

Senate Bill No. 1749 (1R) appropriates to the Department of Environmental Protection \$12 million from corporation business tax revenues constitutionally dedicated for the public cleanup of hazardous waste sites. Article VIII, Section II, paragraph 6 of the New Jersey Constitution dedicates 4% of the moneys annually collected under the Corporate Business Tax. Of this dedication, one-half is to be used for hazardous waste cleanups; the remainder is to be used for underground storage tank upgrades and cleanups and water quality related projects. The appropriation in this bill represents collections for half a year of the moneys constitutionally dedicated for hazardous waste cleanup. This appropriation is to be used for the State costs of remediation of hazardous substance discharges, including operation and maintenance activities, and to provide alternate public or private water supplies when a water supply has been contaminated by a hazardous substance discharge.

Of the sum appropriated in this bill, only \$2,160,000 may be used for the direct administrative costs of the State which are those costs directly related to the operation of the publicly funded site remediation program. The State may not use any of this money for indirect costs, which includes fringe benefit costs and any other costs not directly related to the cleanup program.

The bill also requires the (1) Department of Environmental Protection to submit to the Legislature each fiscal year a detailed financial plan for the site remediation program containing detailed description of projects in the program and revenue sources for the program; and (2) State Treasurer to certify annually to the Legislature the revenues collected pursuant to the "Corporation Business Tax Act (1945)."

In addition, the bill reappropriates \$20 million from the "Hazardous Discharge Bond Act of 1986" (part of an appropriation made by P.L.1993, c.348 to the department from the "Hazardous Discharge Bond Act of 1986") to the New Jersey Economic Development Authority for deposit in the Hazardous Discharge Site

Remediation Fund. P.L.1993, c.348 appropriated \$150 million from the "Hazardous Discharge Bond Act of 1986" to the department for the costs of identifying, cleaning up and removing hazardous discharges. The Hazardous Discharge Site Remediation Fund was established by section 26 of P.L.1993, c.139 (C.58:10B-4) to provide financial assistance or grants to municipal governmental entities, individuals, corporations, partnerships, or other private business entities for remediation activities at sites where there are, or are suspected to be, a discharge of hazardous substances or wastes.

Finally, the bill prohibits the use of any moneys from the 1981 "Hazardous Discharge Bond Act" and the "Hazardous Discharge Bond Act of 1986" for indirect administrative or fringe benefit costs incurred by the State.

FISCAL IMPACT

This bill appropriates \$12 million to the Department of Environmental Protection from corporation business tax revenues constitutionally dedicated for the public cleanup of hazardous waste sites by Article VIII, Section II, paragraph 6 of the New Jersey Constitution. Of the sum appropriated in this bill, only \$2,160,000 may be used for the direct administrative costs of the State.

In addition, the bill reappropriates \$20 million to the New Jersey Economic Development Authority (an amount that had been previously appropriated to the department from the "Hazardous Discharge Bond Act of 1986") for deposit in the Hazardous Discharge Site Remediation Fund, established pursuant to section 26 of P.L.1993, c.139 (C.58:10B-4).