

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1749

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 9, 1997

The Assembly Appropriations Committee reports favorably Senate Bill No. 1749 (1R), with committee amendments.

Senate Bill No. 1749 (1R), as amended, appropriates \$14.8 million to the Department of Environmental Protection (DEP). Of this appropriation, 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.

Of the sum appropriated by the bill, only \$2.7 million 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 include fringe benefit costs and any other costs not directly related to the cleanup program.

The bill also requires: (1) DEP to submit a detailed financial plan for the site remediation program containing detailed description of projects in the program and revenue sources for the program to the Legislature each fiscal year; and (2) the State Treasurer to certify annually to the Legislature the revenues collected pursuant to the corporation business tax.

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.

As amended and reported by this committee, Senate Bill No.1749 (2R) is identical to Assembly Bill No.2650 ACS as reported by this committee

FISCAL IMPACT:

The appropriates \$14.8 million to the Department of Environmental Protection from Constitutionally dedicated tax revenues, one-half to be used for hazardous waste cleanups and one-half to be used for underground storage tank upgrades and cleanups and water quality related projects.

The New Jersey Constitution, as amended by the voters in November 1996, dedicates 4 % of the revenues annually generated by the Corporation Business Tax for environmental purposes and requires that a minimum of one-half of that amount be appropriated for for paying or financing costs incurred by the State for the remediation of discharges of hazardous substances, which costs may include performing necessary operation and maintenance activities relating to remedial actions and costs incurred for 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. The appropriation in this bill represents collections for half a year of the moneys Constitutionally dedicated for hazardous waste cleanup.

The bill also 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.

COMMITTEE AMENDMENTS:

The committee amendments increase the total appropriation from \$12 million to \$14.8 million and increase the amount available for direct administrative costs from \$2 million to \$2.7 million. The committee also made a technical amendment to legal reference.