

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## **SENATE, No. 1776**

with Senate committee amendments

# **STATE OF NEW JERSEY**

DATED: MARCH 10, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1776 (1R) of 1997 with amendments.

Senate Bill No. 1776 (1R), as amended, provides the statutory direction for the State to adopt and implement a watershed-based approach to water quality management and pollution control, to be funded by the monies dedicated by Article VIII, Section II, paragraph 6, subparagraph (a) of the New Jersey Constitution. This constitutional amendment (approved by the voters in November, 1996) dedicates 2/3 of one percent, or a minimum of \$5,000,000, whichever is less, of the revenues annually generated by the Corporation Business Tax for the purposes of water quality point and nonpoint source monitoring, watershed based water resource planning and management and nonpoint source pollution prevention projects.

The bill establishes in the Department of Environmental Protection (DEP) a non-lapsing, revolving fund named the "Watershed Management Fund," to which the dedicated and appropriated monies would be credited annually. The bill requires that monies in this fund be used by the DEP only for:

- (1) the development and adoption of a priority list of environmentally threatened waterbodies;
- (2) the monitoring and assessment of all State waters;
- (3) the delineation of watershed management areas and stream segments;
- (4) the identification of potential causes of the degradation of waterbodies on the priority list;
- (5) the development of total maximum daily loads and water quality-based effluent limitations for targeted waterbodies;
- (6) the development and presentation of data on the DEP's Geographic Information System (GIS);
- (7) the adoption of best management practices to prevent pollution and to control point and nonpoint sources of pollution;
- (8) the characterization of land use and land cover in each watershed;

(9) the adoption of a watershed management plan;

(10) the development and planning by the DEP of a watershed management program and the integration of its regulations; and

(11) the development and implementation of a local watershed protection loan and grant program.

The bill limits the use of monies in the new fund to support the purposes enumerated above, but only to the extent that such purposes constitute activities in addition to those undertaken by DEP in fiscal year 1997. The bill also states that the use of the monies in the fund for the first year after this bill's enactment will be limited to watershed management and planning activities by the DEP; in the second year, 35 percent of the monies may be used for loans and grants; and in the third and subsequent years, DEP activities will receive one half of the monies in the fund and the other half will be used for loans and grants to local watershed management groups.

The bill appropriates \$4.9 million to the DEP for FY 1997.

#### COMMITTEE AMENDMENTS

The committee amended the bill with the approval of the sponsor to:

\* redefine "watershed management group" and "watershed management plan."

\* provide for loans as well as grants to watershed management groups.

\* provide for the start-up of loans and grants in the second year of the program instead of the fourth year.

\* provide for loans and grants to point source pollution dischargers in certain circumstances.

\* provide for the establishment of rules and regulations for the loan and grant program by Fiscal Year 1999.

\* permit the expenditure of monies for loans and grants only upon approval of the Legislature of the projects and amounts through the passage of a concurrent resolution.

\* increase the amount appropriated for deposit into the new Watershed Management Fund from \$2.5 million to \$4.9 million.

#### FISCAL IMPACT

This bill appropriates \$4.9 million in Corporation Business Tax revenues dedicated by Article VIII, Section II, paragraph 6, subparagraph (a) of the New Jersey Constitution to the newly created "Watershed Management Fund" for the purposes set forth in the bill.