

SENATE RESOLUTION No. 42

STATE OF NEW JERSEY

INTRODUCED MAY 9, 1996

By Senator SCOTT

- 1 **A SENATE RESOLUTION** finding that the use of revenues from the tax on
2 certain hazardous substances imposed pursuant to the "Spill Compensation
3 and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.) to fund the
4 administrative costs of the Department of Environmental Protection's site
5 remediation program is not consistent with legislative intent.
6
- 7 **WHEREAS**, The Legislature created the "New Jersey Spill Compensation
8 Fund" ("Spill Fund") pursuant to the "Spill Compensation and Control Act,"
9 P.L.1976, c.141 (C.58:10-23.11 et seq.)("Spill Act"), in order "to provide
10 a fund for swift and adequate compensation to resort businesses and other
11 persons damaged by" hazardous substance discharges; and
- 12 **WHEREAS**, The Spill Fund is strictly liable for all cleanup and removal costs
13 of a hazardous substance discharge, as well as for providing
14 compensation for property damages, natural resource restoration, loss of
15 personal income, loss of State and local tax revenues, and payment of
16 interest on loans obtained to perform cleanup costs, when the responsible
17 party cannot be found or is unwilling or unable to assume cleanup
18 responsibilities; and
- 19 **WHEREAS**, In addition to cleanup and removal costs and paying for damages
20 incurred by a hazardous substance discharge, the Spill Fund may also be
21 used for certain purposes associated with hazardous substance discharge
22 cleanups and prevention, including the administrative costs of the
23 Department of Environmental Protection in administering the Spill Fund and
24 in enforcing the Spill Act; and
- 25 **WHEREAS**, The Spill Fund is funded by a tax on the first transfer of certain
26 hazardous substances in New Jersey which raises approximately \$13 to
27 \$18 million dollars per year; and
- 28 **WHEREAS**, Despite the fact that administrative costs of the Department of
29 Environmental Protection are only a secondary purpose for the use of
30 moneys in the Spill Fund, for the last several years all of the tax revenue
31 deposited in the Spill Fund, as well as a large portion of the Spill Fund's
32 surplus and all interest earned on moneys deposited in the fund, are now
33 used for administrative costs; and
- 34 **WHEREAS**, The legislatively unintended use of so much of the moneys in the
35 Spill Fund for administrative purposes, many of which are excessive and

unnecessary, prevents the Spill Fund from fully being used for its intended purposes, paying for the cleanup of contaminated sites and compensating persons harmed by hazardous substance discharges; and

WHEREAS, The use of Spill Fund moneys for administrative expenses has almost completely exhausted the Spill Fund's surplus, which was \$90 million in 1990, and will push the Spill Fund into a deficit position in fiscal year 1997 if the current use of the fund for administrative expenses continues at its current rate; now, therefore,

BE IT RESOLVED *by the Senate of the State of New Jersey:*

1. The Senate of the State of New Jersey finds that the use, at current levels, of the moneys in the "New Jersey Spill Compensation Fund" created pursuant to the "Spill Compensation and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.), for the administrative expenses of the site remediation program within the Department of Environmental Protection is not consistent with the original intent of the Legislature.

2. A duly authenticated copy of the resolution, signed by the President of the Senate and attested to by the Secretary thereof, shall be transmitted to the Governor, the State Treasurer, and to the Commissioner of Environmental Protection.

STATEMENT

This Senate resolution disapproves the use of moneys in the New Jersey Spill Compensation Fund, created by the "Spill Compensation and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.), for the administrative expenses of the site remediation program of the Department of Environmental Protection and finds such use, at existing levels, inconsistent with the intent of the Legislature. The department currently uses all of the money it collects from a tax on the first transfer of certain hazardous substances, approximately \$13 to \$18 million per year, for those administrative expenses.

Disapproves the use of moneys in the New Jersey Spill Compensation Fund for administrative costs of the DEP and finds such use inconsistent with legislative intent.