

**SENATE, No. 1857**

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**STATE OF NEW JERSEY**

**220th LEGISLATURE**

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INTRODUCED FEBRUARY 22, 2022

**Sponsored by:**

**Senator ANTHONY M. BUCCO**

**District 25 (Morris and Somerset)**

**SYNOPSIS**

Authorizes use of certain constitutionally dedicated CBT revenues for grants for prevention and remediation of harmful algal blooms.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning certain constitutionally dedicated corporation  
2 business tax revenues, and amending P.L.1997, c.261 and  
3 P.L.2016, c.12.

4  
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*

7  
8 1. Section 4 of P.L.1997, c.261 (C.58:29-4) is amended to read  
9 as follows:

10 4. The "Watershed Management Fund," hereinafter referred to  
11 as the "fund," is hereby established as a nonlapsing, revolving fund  
12 in the Department of Environmental Protection. The fund shall be  
13 credited annually with **[all monies appropriated]** an amount equal  
14 to five percent of the six percent of the revenue annually derived  
15 from the tax imposed pursuant to the "Corporation Business Tax  
16 Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and  
17 supplemented, or any other State law of similar effect, dedicated to  
18 paying or financing the cost of water quality point and nonpoint  
19 source pollution monitoring, watershed based water resource  
20 planning and management, and nonpoint source pollution  
21 prevention projects, pursuant to the requirements of Article VIII,  
22 Section II, paragraph 6, subparagraph (a) of the New Jersey  
23 Constitution. Any interest that accrues on monies in the fund shall  
24 be credited to the fund.  
25 (cf: P.L.1997, c.261, s.4)

26  
27 2. Section 5 of P.L.1997, c.261 (C.58:29-5) is amended to read  
28 as follows:

29 5. Monies in the fund shall be used only for the following  
30 purposes:

31 a. The development and adoption of a priority list of water  
32 quality limited waterbodies pursuant to the requirements of section  
33 303(d)(1)(A) of the Federal Act (33 U.S.C. s.1313);

34 b. The monitoring and assessment of all State waters pursuant  
35 to the requirements of section 305(b) of the Federal Act (33 U.S.C.  
36 s.1315);

37 c. The delineation of watershed management areas and stream  
38 segments;

39 d. The identification of potential causes of the use impairment  
40 or water quality standard violations related to waterbodies on the  
41 priority list required pursuant to sections 303(d)(1)(A) and 305(b)  
42 of the Federal Act by means of assessment of reliable data,  
43 including, but not necessarily limited to, identification of point  
44 sources, nonpoint sources, habitat degradation, and hydrologic  
45 changes. This identification shall include a broad-based intensive

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 survey monitoring program that shall supplement the existing  
2 chemical, biological and toxics-in-biota monitoring networks, and  
3 that shall intensively sample watersheds or segments of watersheds  
4 on a periodic basis and establish a detailed watershed-wide  
5 assessment process. The number of monitoring sites within a  
6 watershed shall be determined by existing water quality, land uses,  
7 known and potential pollution sources, and the amount of available  
8 historical data. The supplemental survey monitoring program, shall  
9 be designed to provide:

10 (1) a detailed profile of water quality over specified time  
11 periods;

12 (2) an identification and detailed profile of both point and  
13 nonpoint pollution sources;

14 (3) a quantification of pollutant loadings and pollution impacts  
15 on receiving waters from both point and nonpoint sources; and

16 (4) water quality modeling based upon amounts of point and  
17 nonpoint sources of pollution and land use;

18 e. The development of total maximum daily loads and water  
19 quality-based effluent limitations for water quality limited  
20 waterbodies, as required pursuant to section 303(d)(1)(C) of the  
21 Federal Act, and any rules or regulations adopted pursuant thereto;

22 f. The development and presentation of data on the  
23 department's Geographic Information System (GIS);

24 g. The development and adoption of pollution prevention best  
25 management practices to control point and nonpoint sources of  
26 pollution;

27 h. The characterization of land use and land cover in each  
28 watershed;

29 i. The development and adoption of a watershed management  
30 plan;

31 j. The development and planning by the department of a  
32 watershed management program and the integration of the  
33 department's rules and regulations with the program; and

34 k. The development and implementation of a watershed  
35 protection loan and grant program, as described pursuant to section  
36 6 of this act.

37 l. The provision of grants to local governments to fund sewer  
38 or stormwater infrastructure projects that reduce nonpoint source  
39 pollution of the State's lakes and reservoirs, and help prevent  
40 harmful algal blooms. The grant money may be used as matching  
41 funds for the purpose of securing grants from other sources,  
42 including State and federal grants.

43 (cf: P.L.1997, c.261, s.5)

44  
45 3. Section 6 of P.L.2016, c.12 (C.13:8C-48) is amended to read  
46 as follows:

47 6. a. The State Treasurer shall establish a fund to be known as  
48 the "Preserve New Jersey Green Acres Fund" and shall deposit into

1 the fund all moneys received pursuant to paragraph (1) of  
2 subsection a. of section 5 of P.L.2016, c.12 (C.13:8C-47),  
3 paragraph (1) of subsection a. of section 1 of P.L.2019, c.136  
4 (C.13:8C-47.1), and any other moneys appropriated by law for  
5 deposit into the fund.

6 Moneys in the fund shall be invested in permitted investments or  
7 shall be held in interest-bearing accounts in those depositories as  
8 the State Treasurer may select, and may be invested and reinvested  
9 in permitted investments or as other trust funds in the custody of the  
10 State Treasurer in the manner provided by law. All interest or other  
11 income or earnings derived from the investment or reinvestment of  
12 moneys in the fund shall be credited to the fund. Moneys derived  
13 from the payment of principal and interest on the loans to local  
14 government units authorized by P.L.2016, c.12 (C.13:8C-43 et seq.)  
15 shall also be held in the fund.

16 b. Of the amount deposited in State fiscal year 2017 through  
17 and including State fiscal year 2019 into the Preserve New Jersey  
18 Green Acres Fund pursuant to paragraph (1) of subsection a. of  
19 section 5 of P.L.2016, c.12 (C.13:8C-47):

20 (1) 55 percent shall be allocated for the purpose of paying the  
21 cost of acquisition and development of lands by the State for  
22 recreation and conservation purposes, and the amount provided  
23 pursuant to this paragraph shall be allocated as follows:

24 (a) 50 percent shall be allocated for the purpose of paying the  
25 cost of acquisition of lands by the State for recreation and  
26 conservation purposes; and

27 (b) 50 percent shall be allocated for the purpose of paying the  
28 cost of development of lands by the State for recreation and  
29 conservation purposes, and of the amount provided pursuant to this  
30 subparagraph:

31 (i) up to 22 percent shall be allocated for the purpose of paying  
32 the cost for stewardship activities undertaken on lands administered  
33 by the Division of Fish and Wildlife in the department; and

34 (ii) up to 22 percent shall be allocated for the purpose of paying  
35 the cost for stewardship activities undertaken on lands administered  
36 by the Division of Parks and Forestry in the department;

37 (2) 38 percent shall be allocated for the purposes of providing  
38 grants and loans to assist local government units to pay the cost of  
39 acquisition and development of lands for recreation and  
40 conservation purposes, and of this amount, up to two percent shall  
41 be allocated for stewardship activities undertaken by local  
42 government units; and

43 (3) seven percent shall be allocated for the purposes of  
44 providing grants to assist qualifying tax exempt nonprofit  
45 organizations to pay the cost of acquisition and development of  
46 lands for recreation and conservation purposes, and of this amount,  
47 11 percent shall be allocated for stewardship activities undertaken  
48 by qualifying tax exempt nonprofit organizations.

1 c. Any repayments of the principal and interest on loans issued  
2 to local government units for the acquisition or development of  
3 lands for recreation and conservation purposes using  
4 constitutionally dedicated CBT moneys shall be deposited into the  
5 Preserve New Jersey Green Acres Fund, and shall be specifically  
6 dedicated for the issuance of additional grants and loans in the same  
7 manner as provided in subsections a. and b. of section 27 of  
8 P.L.1999, c.152 (C.13:8C-27) and this section.

9 d. (1) The moneys in the fund are specifically dedicated and  
10 shall be used for the same purposes and according to the same  
11 criteria and provisions as those set forth in section 26 of P.L.1999,  
12 c.152 (C.13:8C-26), and as provided pursuant to P.L.2016, c.12  
13 (C.13:8C-43 et seq.) and this section.

14 (2) Grants and loans issued to local government units and grants  
15 issued to qualifying tax exempt nonprofit organizations using  
16 constitutionally dedicated CBT moneys for the acquisition and  
17 development of lands for recreation and conservation purposes shall  
18 be subject to the same provisions as those prescribed in section 27  
19 of P.L.1999, c.152 (C.13:8C-27), except as otherwise provided in  
20 section 10 of P.L.2016, c.12 (C.13:8C-52).

21 (3) Notwithstanding any provision of P.L.2016, c.12 (C.13:8C-  
22 43 et seq.) or P.L.1999, c.152 (C.13:8C-1 et seq.) to the contrary,  
23 projects of the Palisades Interstate Park Commission established  
24 pursuant to P.L.1980, c.104 (C.32:14-1.1 et seq.) for the acquisition  
25 or development of land for recreation and conservation purposes in  
26 New Jersey shall be considered State projects for the purposes of  
27 eligibility for funding pursuant to the provisions of P.L.2016, c.12  
28 (C.13:8C-43 et seq.).

29 e. Moneys in the fund shall not be expended except in  
30 accordance with appropriations from the fund made by law. Any  
31 act appropriating moneys from the Preserve New Jersey Green  
32 Acres Fund shall identify any particular project or projects to be  
33 funded by the moneys, and any expenditure for a project for which  
34 the location is not identified by municipality and county in the  
35 appropriation shall require the approval of the Joint Budget  
36 Oversight Committee, or its successor, except as permitted  
37 otherwise in accordance with the same exceptions as those specified  
38 in paragraph (2) of subsection a. of section 23 of P.L.1999, c.152  
39 (C.13:8C-23).

40 f. Unexpended moneys due to project withdrawals,  
41 cancellations, or cost savings shall be returned to the fund.

42 g. Of the amount authorized pursuant to this section, not more  
43 than five percent shall be utilized for organizational, administrative  
44 and other work and services, including salaries, equipment and  
45 materials necessary to administer the applicable provisions of  
46 P.L.2016, c.12 (C.13:8C-43 et seq.).

47 h. To the end that municipalities may not suffer a loss of taxes  
48 by reason of the acquisition and ownership by the State of lands in

1 fee simple for recreation and conservation purposes, or the  
2 acquisition and ownership by qualifying tax exempt nonprofit  
3 organizations of lands in fee simple for recreation and conservation  
4 purposes that become certified as exempt from property taxes  
5 pursuant to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws,  
6 the State shall make payments annually in the same manner as  
7 payments are made pursuant to section 29 of P.L.1999, c.152  
8 (C.13:8C-29).

9 i. The State shall not use the power of eminent domain in any  
10 manner for the acquisition of lands by the State for recreation and  
11 conservation purposes using constitutionally dedicated CBT  
12 moneys in whole or in part unless a concurrent resolution approving  
13 that use is approved by both Houses of the Legislature; except that,  
14 without the need for such a concurrent resolution, the State may use  
15 the power of eminent domain to the extent necessary to establish a  
16 value for lands to be acquired from a willing seller by the State for  
17 recreation and conservation purposes using constitutionally  
18 dedicated CBT moneys in whole or in part.

19 j. Of the amount deposited in each State fiscal year  
20 commencing in State fiscal year 2020 and annually thereafter into  
21 the Preserve New Jersey Green Acres Fund pursuant to paragraph  
22 (1) of subsection a. of section 1 of P.L.2019, c.136 (C.13:8C-47.1):

23 (1) 60 percent shall be allocated for the purpose of paying the  
24 cost of acquisition and development of lands by the State for  
25 recreation and conservation purposes, and the amount provided  
26 pursuant to this paragraph shall be allocated as follows:

27 (a) 45 percent shall be allocated for the purpose of paying the  
28 cost of acquisition of lands by the State for recreation and  
29 conservation purposes, and of this amount, a minimum of 10  
30 percent shall be allocated for Blue Acres projects; and

31 (b) 55 percent shall be allocated for the purpose of paying the  
32 cost of development of lands by the State for recreation and  
33 conservation purposes, and of the amount provided pursuant to this  
34 subparagraph:

35 (i) up to 22 percent shall be allocated for the purpose of paying  
36 the cost for stewardship activities undertaken on lands administered  
37 by the Division of Fish and Wildlife in the department; and

38 (ii) up to 22 percent shall be allocated for the purpose of paying  
39 the cost for stewardship activities undertaken on lands administered  
40 by the Division of Parks and Forestry in the department;

41 (2) 30 percent shall be allocated for the purposes of providing  
42 grants and loans to assist local government units to pay the cost of  
43 acquisition and development of lands for recreation and  
44 conservation purposes, including Blue Acres projects, and of this  
45 amount **[.]** :

46 (a) up to 20 percent shall be allocated for the provision of grants  
47 to local government units to fund 100 percent of the costs of  
48 projects undertaken for the management and maintenance of lakes

1 and reservoirs with the aim of preventing or mitigating harmful  
2 algal blooms, which grant funds may be used as matching funds for  
3 the purpose of securing grants from other sources, including State  
4 and federal grants; and

5 (b) up to 10 percent shall be allocated for stewardship activities  
6 undertaken by local government units , in addition to the projects  
7 eligible for funding pursuant to subparagraph (a) of this paragraph ;  
8 and

9 (3) 10 percent shall be allocated for the purposes of providing  
10 grants to assist qualifying tax exempt nonprofit organizations to pay  
11 the cost of acquisition and development of lands for recreation and  
12 conservation purposes, including Blue Acres projects, and of this  
13 amount, 11 percent shall be allocated for stewardship activities  
14 undertaken by qualifying tax exempt nonprofit organizations.

15 k. (1) In addition to the purposes set forth in subsection d. of this  
16 section, moneys in the Preserve New Jersey Green Acres Fund may  
17 be applied for the purposes of providing moneys to:

18 (a) meet the Blue Acres costs to the State for the acquisition of  
19 lands for a Blue Acres project; or

20 (b) provide grants, pursuant to the provisions of paragraph (2) of  
21 this subsection, to assist a qualifying tax exempt nonprofit  
22 organization in meeting the Blue Acres costs for the acquisition of  
23 lands for a Blue Acres project.

24 (2) A grant by the State for lands to be acquired by a qualifying  
25 tax exempt nonprofit organization for a Blue Acres project may  
26 include up to 50 percent of the Blue Acres cost of acquisition of the  
27 lands by the qualifying tax exempt nonprofit organization.

28 (a) A qualifying tax exempt nonprofit organization shall not use  
29 as its matching share of the Blue Acres cost of acquisition of lands  
30 for a Blue Acres project any constitutionally dedicated moneys, as  
31 defined pursuant to section 3 of P.L.1999, c.152 (C.13:8C-3), or  
32 any grant moneys obtained from a Green Acres bond act.

33 (b) To qualify to receive a grant from the Preserve New Jersey  
34 Blue Acres Fund, the board of directors or governing body of the  
35 applying tax exempt nonprofit organization shall:

36 (i) demonstrate to the commissioner that the organization  
37 qualifies as a charitable conservancy for the purposes of P.L.1979,  
38 c.378 (C.13:8B-1 et seq.);

39 (ii) demonstrate that the organization has the resources to match  
40 the grant requested;

41 (iii) agree to make and keep the lands accessible to the public,  
42 unless the commissioner determines that public accessibility would  
43 be detrimental to the lands or any natural resources associated  
44 therewith;

45 (iv) agree not to convey the lands except to the federal  
46 government, the State, a local government unit, or another  
47 qualifying tax exempt nonprofit organization, for recreation and  
48 conservation purposes; and

1 (v) agree to execute and donate to the State at no charge a  
2 conservation restriction pursuant to P.L.1979, c.378 (C.13:8B-1 et  
3 seq.) on the lands to be acquired with the grant.

4 1. In addition to any other reporting requirements required by  
5 law, the department shall annually send a written report to the  
6 Chairperson of the Senate Environment and Energy Committee, the  
7 Assembly Agriculture and Natural Resources Committee, and the  
8 Assembly Environment and Solid Waste Committee, or their  
9 successors, identifying the projects funded with moneys pursuant to  
10 subparagraph (b) of paragraph (1) of subsection j. of this section.  
11 This report shall: (1) identify the project type, location, and cost for  
12 each development project; and (2) identify the stewardship  
13 activities, including the location and cost for each stewardship  
14 activity, undertaken on lands administered by the Division of Fish  
15 and Wildlife and Division of Parks and Forestry pursuant to  
16 subparagraph (b) of paragraph (1) of subsection j. of this section.

17 (cf: P.L.2019, c.136, s.3)

18  
19 4. This act shall take effect immediately.  
20  
21

## 22 STATEMENT

23  
24 This bill would authorize the use of constitutionally dedicated  
25 corporation business tax (CBT) revenues to provide grants to local  
26 governments to fund sewer or stormwater infrastructure projects  
27 that reduce nonpoint source pollution of the State's lakes and  
28 reservoirs, and help prevent harmful algal blooms. The bill would  
29 allow monies from the "Watershed Management Fund," which was  
30 established by the "Watershed Protection and Management Act of  
31 1997," P.L.1997, c.261 (C.58:29-1 et seq.), to be used to fund the  
32 grants. The bill also clarifies that the "Watershed Management  
33 Fund" would serve as the repository for the 0.3 percent of annual  
34 CBT revenues that are constitutionally dedicated to paying or  
35 financing the cost of water quality point and nonpoint source  
36 pollution monitoring, watershed based water resource planning and  
37 management, and nonpoint source pollution prevention projects.

38 The bill would also amend the "Preserve New Jersey Act" to  
39 authorize a portion of CBT revenues—namely those dedicated to  
40 the provision of grants and loans to assist local government units to  
41 pay the cost of acquisition and development of lands for recreation  
42 and conservation purposes—to be used to provide grants to local  
43 government units to fund 100 percent of the costs of projects  
44 undertaken for the management and maintenance of lakes and  
45 reservoirs with the aim of preventing or mitigating harmful algal  
46 blooms. The amount authorized is approximately 0.17 percent of  
47 annual CBT revenues.



1       Finally, the bill provides that both kinds of grants can be used as  
2   matching funds by local government units for the purpose of  
3   obtaining other grants, including State or federal grants.