
Public Hearing

before

THE SENATE ENVIRONMENT AND ENERGY COMMITTEE

Senate Concurrent Resolution 160

(Amends Constitution to dedicate \$200 million annually from FY2015 to FY2044 of sales and use tax revenue for preservation of open space, including flood prone areas and lands that protect water supplies, farmland, and historic properties)

LOCATION: Committee Room 10
State House Annex
Trenton, New Jersey

DATE: July 18, 2013
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Bob Smith, Chair
Senator Linda R. Greenstein, Vice Chair
Senator Christopher "Kip" Bateman



ALSO PRESENT:

Michael R. Molimock
Office of Legislative Services
Committee Aide

Kevil Duhon
Senate Majority
Committee Aide

Brian Alpert
Senate Republican
Committee Aide

Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

Senate Environment And Energy Committee
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July 18, 2013

The public hearing will be held in accordance with Rule 24:3 of the New Jersey Senate on the following Senate Concurrent Resolution:

SCR-160 Smith, B/Bateman	Amends Constitution to dedicate \$200 million annually from FY2015 to FY2044 of sales and use tax revenue for preservation of open space, including flood prone areas and lands that protect water supplies, farmland, and historic properties.
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Issued 7/11/13

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**SENATE CONCURRENT
RESOLUTION No. 160**

**STATE OF NEW JERSEY
215th LEGISLATURE**

INTRODUCED JUNE 27, 2013

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator CHRISTOPHER "KIP" BATEMAN

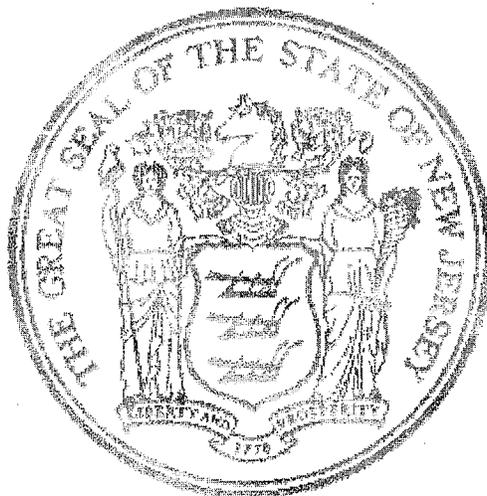
District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

Amends Constitution to dedicate \$200 million annually from FY2015 to FY2044 of sales and use tax revenue for preservation of open space, including flood prone areas and lands that protect water supplies, farmland, and historic properties.

CURRENT VERSION OF TEXT

As introduced.



1 A CONCURRENT RESOLUTION proposing to amend Article VIII,
2 Section II of the New Jersey Constitution by adding a new
3 paragraph.

4
5 BE IT RESOLVED by the Senate of the State of New Jersey (the
6 General Assembly concurring):

7
8 1. The following proposed amendment to the Constitution of
9 the State of New Jersey is agreed to:

10
11 PROPOSED AMENDMENT

12
13 Amend Article VIII, Section II, by adding a new paragraph 9 to
14 read as follows:

15 9. (a) Commencing July 1, 2014, there shall be annually
16 credited in each State fiscal year, until June 30, 2044, to a special
17 account in the General Fund the sum of \$200,000,000 from the
18 State revenue annually collected from the State tax imposed under
19 the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.),
20 as amended and supplemented, or from any other State law of
21 similar effect. The dedication and use of those moneys credited
22 pursuant to this subparagraph from the State revenue annually
23 collected from the State tax imposed under the "Sales and Use Tax
24 Act," as amended and supplemented, or from any other State law of
25 similar effect, shall be subject and subordinate to (1) all
26 appropriations of revenues from taxes made by laws enacted prior
27 to the effective date of this paragraph in accordance with Article
28 VIII, Section II, paragraph 3 of the State Constitution in order to
29 provide the ways and means to pay the principal and interest on
30 bonds of the State presently outstanding or authorized to be issued
31 under those laws, (2) any other use of those revenues enacted into
32 law prior to the effective date of this paragraph, or (3) the credit of
33 State revenue annually collected from the State tax imposed under the
34 "Sales and Use Tax Act," as amended and supplemented, or from any
35 other State law of similar effect, as required by Article VIII, Section II,
36 paragraph 7 of the State Constitution.

37 The amount credited each State fiscal year pursuant to this
38 subparagraph shall be dedicated and shall be appropriated from time
39 to time by the Legislature only to provide funding, including loans
40 or grants, for: the preservation, including acquisition, development,
41 and stewardship, of lands for recreation and conservation purposes,
42 including lands that protect water supplies and lands that have
43 incurred flood or storm damage or are likely to do so, or that may
44 buffer or protect other properties from flood or storm damage; the
45 preservation and stewardship of farmland for agricultural or
46 horticultural use and production; historic preservation; and
47 administrative costs associated with each of those efforts.

1 (b) All moneys derived from repayments of any loan issued
2 from the amounts dedicated pursuant to subparagraph (a) of this
3 paragraph, and all income derived from the investment of moneys
4 in the special account established pursuant to this paragraph, shall
5 be credited to that special account, and shall be dedicated and shall
6 be appropriated from time to time by the Legislature only for the
7 purposes authorized pursuant to subparagraph (a) of this paragraph.
8 Notwithstanding any provision of this paragraph to the contrary, the
9 dedication of moneys derived from loan repayments and
10 investments shall not expire.

11 (c) It shall not be competent for the Legislature, under any
12 pretense whatever, to borrow, appropriate, or use the amounts
13 credited to the special account established pursuant to this
14 paragraph, or any portion thereof, for (1) any purpose or in any
15 manner other than as enumerated in this paragraph, or (2) making
16 payments relating to any bonds, notes, or other obligations.

17

18 2. When this proposed amendment to the Constitution is finally
19 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
20 shall be submitted to the people at the next general election
21 occurring more than three months after the final agreement and
22 shall be published at least once in at least one newspaper of each
23 county designated by the President of the Senate, the Speaker of the
24 General Assembly and the Attorney General, not less than three
25 months prior to the general election.

26

27 3. This proposed amendment to the Constitution shall be
28 submitted to the people at that election in the following manner and
29 form:

30 There shall be printed on each official ballot to be used at the
31 general election, the following:

32 a. In every municipality in which voting machines are not used,
33 a legend which shall immediately precede the question as follows:

34 If you favor the proposition printed below make a cross (X), plus
35 (+), or check (✓) in the square opposite the word "Yes." If you are
36 opposed thereto make a cross (X), plus (+) or check (✓) in the
37 square opposite the word "No."

38 b. In every municipality the following question:

1

	YES	<p style="text-align: center;">CONSTITUTIONAL AMENDMENT DEDICATING STATE FUNDS FOR OPEN SPACE, FARMLAND, AND HISTORIC PRESERVATION</p> <p>Do you approve amending the Constitution to dedicate \$200 million of State sales tax revenue each year for the next 30 years for the preservation of open space, farmland, and historic properties? The preservation of open space would include lands that protect water supplies and lands that are prone to flooding.</p>
	NO	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>This constitutional amendment would provide a stable source of funding for the next 30 years for Green Acres and "Blue Acres" projects, and for the preservation of farmland and historic properties. The amendment would dedicate \$200 million each year for the next 30 years from State sales tax revenue for these purposes.</p> <p>The Green Acres program acquires land that protects water supplies and preserves open space, including parks, fish and wildlife habitat, and flood prone or affected areas. It also funds park improvements and facilities.</p> <p>"Blue Acres" refers to properties that have been damaged by storms or storm-related flooding, that appear likely to incur such damage, or that may buffer or protect other lands from such damage. Structures on properties purchased from willing sellers are demolished, the debris is removed, and the land is preserved as open space.</p>

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STATEMENT

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This proposed amendment to the State Constitution would provide a dedicated, stable source of funding to continue the State's current programs for open space, including flood prone lands, farmland, and historic preservation implemented pursuant to Article VIII, Section II, paragraph 7 of the State Constitution, the "Garden State Preservation Trust Act," P.L.1999, c.152 (C.13:8C-1 et seq.),

SCR160 B.SMITH, BATEMAN

5

1 and various bond acts passed by the voters of this State over the last
2 50 years.

3 Specifically, this constitutional amendment would dedicate \$200
4 million annually for the next 30 years, from Fiscal Year 2015
5 through Fiscal Year 2044, of State sales and use tax revenue to
6 finance the State's programs for open space preservation, farmland
7 preservation, and historic preservation. The specific allocation for
8 each of these purposes would be established by law. The
9 amendment also allows for the dedicated monies to be used for
10 stewardship activities and administrative costs associated with the
11 programs.

12 The constitutional amendment also recognizes a special funding
13 category under open space preservation, referred to as the "Blue
14 Acres" program, for the acquisition, for recreation and conservation
15 purposes, of lands that have incurred flood or storm damage or are
16 likely to do so, or that may buffer or protect other properties from
17 flood or storm damage. Properties are purchased from willing
18 sellers only. The Blue Acres program is administered by the
19 Department of Environmental Protection's Green Acres Program.

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SENATOR BOB SMITH (Chair): Let's call the hearing on SCR-160 to order.

Please call the roll.

MR. MOLIMOCK (Committee Aide): Senator Bateman.

SENATOR BATEMAN: Here.

MR. MOLIMOCK: Senator Greenstein.

SENATOR GREENSTEIN: Here.

MR. MOLIMOCK: Senator Smith.

SENATOR SMITH: Present.

A couple of introductory remarks. First, this hearing is necessitated by the fact that the original SCR that we did -- that had a 36-2 vote in the Senate -- when it went to the Assembly it went with an OLS fiscal *no*. And the OLS fiscal no shocked the financial conscience of the Assembly, and here's the reason why. The original SCR had been set up to say that we wanted to dedicate one-fifth of one penny of the sales tax for open space. OLS, when they did their analysis, said that sales tax should increase by 4 percent a year. So when you got to the out years in the SCR -- which is 30 years -- there was a pretty big number associated with the acquisition of open space, farmland preservation, historic preservation, etc.

So the gist of that was that the Assembly suggested that we cap the open space money. So the new SCR says one-fifth of one penny in sales tax, up to a max of--

MR. DUHON (Majority Aide) It doesn't even talk about (indiscernible).

SENATOR SMITH: It just says \$200 million across the board.

MR. DUHON: Yes.

SENATOR SMITH: So we're not even referring to the pennies anymore. But it caps it at the \$200 million a year for the 30 years which, obviously, especially based on the OLS analysis, is considerably less over time. But it provides a stable source of funding for open space.

For those people who are new to this issue, there is no more open space money. It's gone. And your opinion of this may be flavored by whether you feel that the acquisition of open space, farmland preservation, historic preservation is a worthy goal for the State to pursue. And I would suggest to you, at least the members of this Committee and the vast majority of the Senate felt that it really was a very worthy goal, but we needed to tighten down the monetary end of it. And this tightens down the monetary end of it.

I would also suggest that it's needed more than ever now -- not just because we're out of open space funds, but because we now have the complications associated with Hurricane Sandy. We saw the Governor in the last two weeks doing a whole bunch of press conferences where he started to use fractions of \$300 million in the Sandy relief money for the acquisition of flood-prone properties throughout the state. Well, he's getting 30 properties here, and 39 properties there. And these are big chunks of money when they go out. That money is going to be gone, and it's going to leave literally thousands of homes in New Jersey subject to flooding, global climate change -- whatever you want to call it. We really need a pot of money to change the reality that is in New Jersey today. Just so you know, in the Open Space program, flood-prone property gets the

second-highest priority in terms of acquisitions. The only thing that's higher is acquisitions that protect water supplies.

So you really need this money, because once that \$300 million is gone, there is no more. And we're going to leave a lot of New Jersey citizens and homes and businesses at risk. And we still need to continue our efforts to acquire open space, farmland preservation, etc.

So you have the revised SCR. Now you need to know something else. Our Constitution is pretty specific about how you have to do this. If you want to get it on the ballot, you have to have a concurrent resolution on the desks in both houses of the Legislature. That condition we've met on this new Concurrent Resolution. You have to have a public hearing -- and that's what this is. And then finally you have to do this by August 1.

MR. DUHON: You have to publish it three months before the election.

SENATOR SMITH: You have to publish three--

MR. MOLIMOCK: By August 5 it has to be published.

SENATOR SMITH: It has to be published; all right. Now, in order for that to happen, both houses of the Legislature have to come back into session and they have to vote on it. Now, there are some people in opposition; I have the feeling that here in the Environment Committee this is going to be released, approved -- whatever you want to call it.

SENATOR BATEMAN: There's no vote required.

SENATOR SMITH: Actually, there's no vote required. But, that being said, getting the Legislature to meet in the summer (laughter) is tougher than pulling teeth. I mean, it is a very tough thing. So for all those

people who are in favor of us having a real open space program with a stable source of funding to help us deal with farmland, open space, historic preservation, and Storm Sandy -- you need to get your cards, letters, and phone calls going. And my recommendation is that, first, you start with your local legislators to say you're in favor of it and you'd appreciate if they would go back into session and meet the deadline.

And then secondly, to get your e-mails, cards, letters, and phone calls to the Senate President's Office, Senator Sweeney; the Senate Majority Leader, Senate Weinberg; the Speaker of the General Assembly, Sheila Oliver; and the Majority Leader, Lou Greenwald. Because it's going to take leadership to crack whips to be willing to schedule the sessions. And your deadline is August 1 to get it published. So we have a two-week window. If you feel strongly about open space this is your moment to call every friend you have, your local legislators, and the leadership in both houses.

And that being said-- Yes, sir, Senator Bateman.

SENATOR BATEMAN: Mr. Chairman, if I may just make a couple of comments.

First of all, obviously, it's my preference that we get this done in the next two weeks. The good thing is the funding won't kick in until Fiscal Year 2015, so even if we can't get this done in two weeks -- and, knowing Trenton, I think it's going to be a very difficult assignment -- there is still hope that we're going to get this in place in time for 2015.

And I think it's very important to note a couple of other things. I mean, there was an amendment which would provide for money to be used for stewardship. Because what happens in a lot of these

purchases is we have the money to purchase the property, but no money to run it or to maintain it. So I think that's one of the important amendments.

And we can't lose site of the towns like Manville, and I'm sure there's -- I know there's a number of towns around New Jersey. But in my district in particular, Manville and parts of Hillsborough, and parts of Branchburg that had been flooded -- not just with Superstorm Sandy, but with Hurricane Irene and Hurricane Floyd -- they're still waiting for funding for buyouts. And every time we have a major storm, in particular the Lost Valley in Manville, New Jersey, gets flooded. And we've had some money, but as the Chairman said, it takes a lot of money for buyouts. And in these areas there is nothing we can do that's going to alleviate the flooding -- with the exception of buyouts.

So this is very important. I'm 100 percent behind it. I encourage, as the Chairman did, everybody to reach out for the Senate President and the Speaker to try to get this on the fast track, because I think that we're at a critical stage in our Open Space program and we need this money ASAP.

SENATOR SMITH: Thank you, Senator.

Okay. Let's start with Jay Watson, the Delaware and Raritan Greenway Land Trust and, in a former life, an Assistant or Deputy Commissioner at the DEP.

J O H N S. W A T S O N JR.: (off mike) Both; I served in both capacities at one point or another.

SENATOR SMITH: Jay.

MR. WATSON: Thank you very much.

Good morning, Chairman Smith and Senators. Thank you so much for hearing us today.

My name is Jay Watson and I am the Vice President of D & R Greenway Land Trust, which has supported the preservation of over 17,000 acres of New Jersey's remarkable landscapes since 1989 -- largely accomplished using either the Green Acres funding or Garden State Preservation Trust funding.

We are members of the New Jersey Keep it Green Coalition and we strongly support SCR-160. During my career -- and as you said, Mr. Chairman -- I've spent my entire career protecting New Jersey's natural resources, and I've been fortunate to do so -- most of that in the Green Acres Program -- the New Jersey Green Acres Program. I've been very fortunate to see firsthand that this funding reaches every single community in New Jersey.

The funding literally shapes our state and has measurable impacts on the quality of life in this great state of ours. The funding protects our natural resources, and it protects our farmers by allowing them to stay on their land, and the state's agriculture. It preserves our historic fabric and provides quality recreational opportunities to our urban residents and our suburban residents.

Mr. Chairman, we do not have a 100 more years to shape what will become of New Jersey's landscape. All indications are that our land uses will be determined by 2050 -- just 37 years from now. We have the capacity to continue, right now, all the good work. Hundreds of not-for-profits like ours are working every day to preserve the best of what's left of this great state.

The State funding, as you know, leverages many local and county tax dedications, and other Federal and private foundation funding. A lot of that funding will go away if there is not a match from the State government. The revised legislation that you hear today, Mr. Chairman and Committee members, should be passed in both chambers without delay and we should let the New Jersey voters decide this issue -- and we're confident that they will get this thing passed.

So I thank you for everything you've done, you continue to do, and always do. And I thank this Committee for hearing it today. And I hope to be able to go into a voting booth very shortly and pull a lever in favor of open space.

So thank you, Sir.

SENATOR SMITH: Thank you, Jay.

Barbara Sachau, in opposition.

Ms. Sachau.

B A R B A R A S A C H A U: I did have a comment on the last speaker who says that this is such an important thing. Well, maybe they could just go out and ask for donations to do this. If people believe in it so strongly they could work on their own, without this legislation, to get donations to save all these issues.

But I do feel this is a bill that is a mishmash. We've got a lot of things thrown in here: We've got Green Acres, we've got Blue Acres, we've got farmland, we've got historic preservation. I think that those things should be separated out and we should let the voters decide -- and the public -- talk about what they think is important to fund.

First of all, we know a lot of Federal money is coming in here for Blue Acres, and we also know that Governor Christie has a fund that's coming, and there are also other funds that were established at the time of the incident. And so that money may be there -- and there's no accounting for that in setting up this fund, and where this money then would go. There's no designation here, in this bill, how that money impacts this funding.

And also the way you have written this question up for the public to hear -- you have used the word *preserve* over and over. So I went to the dictionary to look up the word *preserve*. And what's going on here in our forests, for example -- which is part of our open space -- it's not preservation because you also passed a logging bill -- a logging bill out of the same derivation of the birth of this bill. You passed a logging bill which means that the forest is going to be attacked and logged -- all to make wood pellets. For what -- so that we can pollute our air? I don't believe in that.

But the word *preserve* means to keep alive, to keep in existence, to make lasting, to retain, to keep safe from harm and injury, and to save. And if you have a logging bill going through concurrently with this bill, that does not allow saving our forests. And we're, in fact then, asking taxpayers to pay for something that's not there. It's a figment of somebody's imagination to save if you-- So the use of that word is completely wrong. We get that far too often in bills from all government levels these days, where you find a more palatable word to use instead of the real word of what's going on --- like using the word *stewardship* for logging. And here's another example of using the word *preserve* when you're not going to preserve the forest, which is part of the open space.

And turning this-- I find a lot of problems with what Green Acres does with the land that we do save. In fact, they give it over to New Jersey Division of Fish and Wildlife which is, in fact, engaged in three sites right now, currently, to log. They are logging-- They have logged at Sparta Mountain, they have logged at-- They're going to log at Walden Brook, and they're going to log at Greenwood Forest -- Greenwood Wildlife Management Area. And they're doing this on the supposed myth that we're going to save golden warblers. Well, there are a lot of problems with that kind of thing that Green Acres did. And that needs to be gone into and to have a public hearing on that.

I also oppose a 30-year term. I don't see why we should set this up for a 30-year term, nor do I see it as a constitutional amendment. And I think that this can be simply a disposition of monies from the Legislature rather than a constitutional amendment, which sets New Jersey up for something that may not be relevant in 30 years. There is no reason to make such a long period for that.

We need this law to be made much tighter in regulation as to what it does. And I find it to be a lax proposal and I don't think it should be passed at all.

And the public wants hearings included on any actions going on with these Committees, because far too often we have secret meetings that exclude the public, and that's actually absolutely wrong. We need open government, and supposedly we have bills to do that. But somehow we have meetings where only certain stakeholders are invited, and I find that defeats the purpose of democracy.

Thank you for your attention.

SENATOR BATEMAN: Mr. Chairman, may I just comment on that last comment.

This is a public hearing. This hearing is open to any member of the public who would like to come -- he or she -- and testify.

MS. SACHAU: The origin of this bill started in a very closed stakeholder meeting where the public was specifically excluded. You should have had input at that part.

Thank you.

SENATOR SMITH: Thank you for your comments.

John Miller, New Jersey Association for Flood Plain Management.

Mr. Miller, are you here?

J O H N M I L L E R: Yes, I am. Thank you.

SENATOR SMITH: Okay.

MR. MILLER: Mr. Chairman, you said it very well, and Senator Bateman certainly expressed the importance of SCR-160 in terms of continuing a very important program in Blue Acres. We take advantage of Blue Acres; we actually leverage a lot of FEMA dollars. FEMA grants require a local match, and Blue Acres/Green Acres has been that local match on a number of mitigation grants funding.

And it's not just Sandy; we've done it, as Senator Bateman mentioned -- we've done it in Irene, we did it in previous events. The State of New Jersey has had 11 Presidential disaster declarations related to flooding in the last 8 years. We have a major problem: We just went beyond the state of Florida-- I use to say we were the most flood-prone state outside of the Gulf Coast. Now we are not that; we are actually

number 3 in the nation after Louisiana and Texas. So we really need to address our flood problems, and the importance of Green Acres and Blue Acres providing that local match of funding is really important.

Our organization is the New Jersey Association for Flood Plain Management. We're all about public safety; that's our main goal. We believe that buyouts are a very important -- voluntary, I'd like to say -- buyouts are a very important tool. Maybe five years ago the demand for buyouts wasn't that great. Right now, it definitely-- The demand exceeds the money we have for it, so there is a great demand. People are signing up to be voluntarily bought out and the funding in this SCR -- the \$200 million, with a part of that going to open space and voluntary buyouts -- is extremely important.

So I thank you for your time.

SENATOR SMITH: Thank you, Mr. Miller.

For the record, Janice Armstrong of Preservation New Jersey wanted to put her organization on the record in favor, with no need to testify; Bill Kibler, Raritan Headwaters Association, wanted to put his association on the record in favor, with no need to testify; Enid Torok, New Jersey Recreation and Park Association, wanted to put her association on the record in favor with no need to testify; John Donnadio, New Jersey Association of Counties, wanted to put his organization on record in favor, with no need to testify; Cate Litvak, Advocates for New Jersey History, wanted to put her association on record in favor, with no need to testify; Liat Kastner, New Jersey League of Conservation Voters, wanted to put her organization on record in favor, with no need to testify; Mike Prado and [Daryn Iwicki](#), representing Americans for Prosperity, wanted to put their

organization on record opposed, with no need to testify; Bill Mullen of New Jersey Building and Construction Trades Council wanted to put his organization on record as opposed, with no need to testify.

Dave Pringle, New Jersey Environmental Federation, opposed -- he's not present. Gordon MacInnes, New Jersey PP--

SENATOR BATEMAN: Former Senator.

SENATOR SMITH: Former Senator Gordon MacInnes.

S E N A T O R G O R D O N A . M A C I N N E S : And former Commissioner.

SENATOR SMITH: And former Commissioner of-- What were you the Commissioner of, Gordon?

SENATOR MACINNES: Assistant Commissioner of Education.

SENATOR SMITH: Okay.

SENATOR MACINNES: Former member of the Assembly. I'm going to change my first name to *Former*. (laughter)

I appreciate the opportunity, Mr. Chairman and members of the Committee. I'll be, I hope, practical and brief.

First of all, the support for Green Acres, for open space, for historic preservation, for Blue Acres -- there's a broad agreement that these are important things for the State to do. We have a mechanism for doing that in terms of the annual budget, where we basically decide what's important; and that is measured by how many dollars we allocate to whatever. And from time to time we go to the people to ask them whether they share the view of the Legislature that something is important -- 13 times since the 1947 Constitution the question has been put to New Jersey

residents about whether they want to incur debt to preserve farmland, to purchase open space, to expand recreational opportunities, to acquire Blue Acres; 13 times they've said yes.

That's the practical and, I think, prudent financial practice for financing something which is a capital investment. And I just wanted to point out that with the revised Concurrent Resolution -- which changes the number rather dramatically -- even at that, there are some implications which ought to be recognized, analyzed, and presented to the public. And with the time squeeze you mentioned, Mr. Chairman, that's probably going to be impossible. But certainly this is something that should be looked at by the budget committees that have just spent three months looking at the 2014 budget, line by line. And this has consequences.

So rather than trying to predict the future, let me just take a snapshot of the last five years or so to put this in context.

What if we had done this earlier and we had said, "Let's just take \$200 million" -- which doesn't sound like a lot of money in a \$33 billion budget -- what if we had taken \$200 million and let's look at the budget for 2014. The first consequence would be, we would take what is a razor-thin surplus appropriation of \$300 million and we would reduce it to an accounting error of \$100 million -- which would be recognized immediately by the credit rating agencies as a doubtful balanced budget -- number one. Number two, the alternative would be to find \$200 million in additional reductions or new revenues. And how that would happen and who would do it in a budget that doesn't change very much from last year's budget, and where we're not really in balance-- Because we're in balance when we have current expenditures being balanced by current revenues;

we're short by over a billion dollars in this budget, as we were last year, as we have been for most of the last 20 years, unfortunately -- which puts us in the kind of hole we're in.

So secondly, if we look at the surplus, it gets dangerously low. We are operating this year with an expectation that revenues will go up by \$1.6 billion. This represents 12 cents of every dollar of increased revenue, if we hit that goal. If you take the disagreement between OLS and the Administration -- and let's just round it off to \$400 million -- if OLS proves to be right you're down to \$1.2 billion in increased revenues and this represents 16 cents of every dollar, going forward. Plus, with the 2014 budget, having done this you would have-- This would have been the second-largest increase in spending, behind the contributions for employee pensions. This is twice the size of the increase that took place for school aid -- a \$25 billion public enterprise in New Jersey where we increased it by just about \$100 million this year. Not very much -- practically invisible -- for most of the districts in New Jersey.

So it's that kind of consequence which says, "Wait a minute. Even at \$200 million, having it constitutionally dedicated will raise these issues of priority and of changing conditions." And if you just looked back to what happened with the great recession -- the double-digit decline in one year of revenues, what happened with that -- we're going to have recessions in the next 30 years -- a pretty good bet. We've had -- what? -- seven of them in the last 30 years. And with the recession, particularly with one that was as deep as this one, we had an attitude of shared sacrifice across programs that everybody believes are crucial -- including public education, including support for higher education, including services to the most

vulnerable citizens in this State, including all the things that the State provides.

Under this amendment to the Constitution, \$200 million would have had to been inflicted on other important services because this would have been the only protected program under the budget -- or practically the only protected program.

So for a variety of very practical reasons, I would restate my opposition to this Senate Concurrent Resolution.

SENATOR SMITH: Thank you for your comments.

Amy Hansen, New Jersey Conservation Foundation, in favor.

Actually, you know what? Let me ask a panel to come forward. Also Jackie Rhoads, Pinelands Preservation; and Megan Tinsley, New Jersey Audubon -- all in favor.

Come on up.

AMY HANSEN: Hi. Is it still morning? Good morning, Chairman--

SENATOR SMITH: Barely. (laughter)

MS. HANSEN: --and Committee members. Thank you so much for your work to support this bill.

On behalf of New Jersey Conservation Foundation and the Keep It Green Coalition, of which we are a member, we really thank Senator and Bateman and Chairman Smith for your work to champion this open space preservation, going forward.

As many of us know, the Farmland Preservation Program, Green Acres and Historic Preservation programs provide a myriad of benefits to New Jersey, including employment, healthy recreation

opportunities, and ecotourism, as well as protection of our critical drinking water supplies and other natural resources.

There's a 63-acre farm in the Rosemont Valley in Hunterdon County that needs preservation funding. It's the last farm that is unpreserved in that historic valley, but funding has run out. There are many other farms throughout the state in a similar situation.

My husband and I own and operate an organic fruit and vegetable farm in the Highlands that we preserved in 2004. The Farmland Preservation program helps keep the water clean for irrigation to produce healthy food. We sell our produce at farmers' markets which benefits our communities and local economies.

This legislation already passed through the full Senate by a vote of 36 yes votes to 2 no votes -- as close to a bipartisan mandate as one ever gets in the Legislature. We urge you to support SCR-160 and help secure its passage in both houses as soon as possible.

Thank you.

SENATOR SMITH: Thank you, Ms. Hansen.

Jaclyn Rhoads, Pinelands Preservation -- in favor.

JACLYN RHOADS: Yes, thank you, Senator Smith.

I'd just like to echo Ms. Hansen's comments in regard to thanking you -- both Senator Bateman and, of course, you Senator Smith -- for carrying this through and sponsoring this legislation.

My name is Jaclyn Rhoads, again, Pinelands Preservation Alliance. We are, again, a member of the Keep It Green Coalition. We support this incredibly important piece of legislation. There are many lands still in need of protection in the Pinelands, all of which are addressed in

your Resolution. They are ecologically sensitive, historically significant, and agriculturally productive lands still in need of protection.

The Pinelands is an internationally recognized biosphere reserve. We do have nearly 450,000 acres that are protected, either through State Parks and Forests, or private preservation lands, or ag preservation lands. But the development pressures continue regardless. And those pressures will continue to get worse as we start to reach build-out, and I think as we near -- get closer to and have historic preservation elements to them, those lands will be subject to those pressures regardless of the Pinelands protections and regulations that exist.

And I think there's a misconception out there that because you're in the Pinelands that it's automatically protected. And I think that misconception exists throughout the State where, as someone noted earlier, like we won't need this program in 30 years. Well, the Pinelands was protected, I guess, over 35 years ago now, and we still need money today. We still have lands that are in need of this valuable money to protect these areas.

The Pinelands Commission has a dedicated science office; and what they found is at least -- there are about 70,000 acres of land that are of high ecological integrity, that are not protected, that are not within the Management Areas, and that have very little development. They're actually in highly developable regions of the Pinelands. And without this funding coming through, they will be lost forever to development. And these lands represent plants and animals of global significance -- some things that people don't recognize. But not only that, by protecting these lands for their natural resource value, there's actually an economic component that is

beneficial to the people in the Pinelands. According to the Pinelands Commission long-term economic study, where they looked at 2011 numbers, they found that the Pinelands actually fairs much better than other regions in certain categories -- obviously, especially in non-recession times -- particularly in which property tax bills were about \$3,000 less than the average tax bill throughout the state. They have found that there are many other categories in which they benefit, and there are tons of studies that show increased property values -- all the benefits that come with having open space in your area. And I think we can show that time and again.

So I just wanted to close by saying it's important for New Jersey to invest in the State's fiscal as well as environmental health. I think both of these tie together very nicely with this resolution, with this funding. And we will work our best to make sure that this happens this year as well.

Thank you.

SENATOR SMITH: Thank you.

Megan Tinsley, New Jersey Audubon.

Megan.

M E G A N T I N S L E Y: Thank you, Chairman Smith and members of this Committee, for your history and strong support for New Jersey's preservation programs.

SENATOR SMITH: Megan, let me ask you a favor.

MS. TINSLEY: Yes.

SENATOR SMITH: If you have a written thing, just give it to us. Talk to us from your heart.

MS. TINSLEY: Okay.

Well, thank you for your support. Again, I'm Megan Tinsley, representing New Jersey Audubon Society, the coordinating group of the New Jersey Keep It Green Coalition.

Many of our members have already testified, and several will follow about all the reasons that you already know about why this is so important -- to preserve clean air and drinking water for our residences, to temper the future impacts of storms by restoring flood-prone areas, allowing children to have access to safe places to play in every corner of the state no matter where they live, allowing New Jersey agriculture to continue to provide us with produce, and then preserving the sites that showcase our history and what makes our state unique.

So I won't (indiscernible) there, but I did want to highlight a component of this legislation that will be the first time that that's ever included in New Jersey Preservation's funding initiatives. And it's required because we have a great history of preserving land, but not so much taking care of the land that we've preserved. So SCR-160 includes a provision for stewardship so that we can better manage the lands that we've preserved, maintaining their ecological integrity and their natural resources value.

Now, we particularly appreciate Senator Bateman's leadership on this issue. And we recommend 10 to 20 percent of funds -- ideally, 20 percent -- be used, going forward, for stewardship issues. It only makes sense to invest in those properties and projects, that we thought were important initially, to keep them going rather than they fall into a state of disrepair and deterioration -- which, really, just doesn't lend a good eye to what we're trying to do with this program.

So we wanted to emphasize that, and just note that this component is another reason why this legislation charts a way forward for New Jersey's vibrant future. And by containing the stewardship component, it really paves the way to not only enabling us to do new projects and new acquisitions, but also keep up those that we've already invested in.

And one last note: I would just take a moment to say that we submitted written testimony provide by Monmouth County Freeholder Lillian Burry. We submitted that into the record; she wasn't able to be here.

SENATOR SMITH: Thank you very much.

Dave Pringle, Jeff Tittel -- as a panel.

J E F F T I T T E L: Thank you.

SENATOR SMITH: Mr. Pringle with the Environmental Federation, Mr. Tittel with the Sierra Club.

MR. TITTEL: I just want to start off and say that the Sierra Club is the nation's oldest and largest conservation organization, and the organization that helped develop the concept of a national park and strongly supports open space funding. And if you noticed, I didn't check a box; and the reason is -- I'm going to explain -- because I think right now if this Legislature wanted to do something to help protect open space, to make sure that we have it for future generations, you should be amending the Economic Opportunity Bill -- which is going to be subsidizing development right on top of many of the lands we're trying to preserve.

SENATOR SMITH: Let me ask you to focus.

MR. TITTEL: I will, but I just wanted to put that out there. Because I think that is critical, because if you are subsidizing sprawl development in the Highlands in planning areas 4 and 5, and in Pineland villages, we're not going to be able to save a lot.

SENATOR SMITH: Is the Sierra Club in favor of the legislation, or opposed?

MR. TITTEL: We have concerns, and I'll get to it at the bottom.

SENATOR SMITH: Okay, you're opposed.

MR. TITTEL: We're not taking a position, and I'll tell you why.

And the reason is that normally we have opposed; and the reason was because we don't think it's fiscally prudent. I mean, we would rather-- Right now, we're taking \$200 million out of Clean Energy to balance the budget, and that money could do a lot of good to lower our greenhouse gas footprint, to help people rebuild from Sandy, and we're robbing it. The concern we have is that open space is sustainable. And we want to make sure that open space sustains New Jersey, but the funding mechanism needs to be sustainable and this mechanism is not.

However, if this Legislature keeps spending money like there's no tomorrow, and subsidizing Xanadu, and subsidizing sprawl development, that's going to impact the ability to buy open space. You know, we'll support this if it's on the ballot. But we do have our real concerns. And that's why I'm saying what I'm saying. I think, given the fact that you have a year before it actually kicks in, we can actually work to have a crafted bill that may still have to take dedicated funds from existing programs, but

maybe not as much; that we can direct money from previous interest on bond acts that have been refunded, from leases on lands for infrastructure, and a lot of other things; and put that together as a package. You know, I think to us, we believe that open space should not lead to cuts in other programs. And that's really where our concern lies. And I think we can do it better, and we do need to do it, and we do need to have money for open space -- but I think it shouldn't come at the expense of other programs. And I think we do have time to work on it.

But if it's on the ballot, we will support it. We think there are better ways.

And I just wanted to point to one other issue that I think is critical and why we have real concerns. When you look at this funding mechanism, 80 percent of the money comes from urban areas and urban districts. And 80 percent of the benefit historically, under the changes in the formula that happened under Governor Whitman, go to rural and suburban areas. One of the things that is really missing, and one of the real concerns I have, is in your definition of stewardship: one, there needs to be a real urban parks component so that we can tie revitalization of our cities and existing communities to funding park improvements and park development, and open space in those areas. The urban areas of New Jersey have one-quarter of the open space that they're supposed to have, based on standards. And I think that that's an important thing that's been missing since the Whitman changes.

The other thing that bothers me, from a Sierra Club conservation standpoint -- and from somebody who spent years in the Highlands, and whose family used to run a camp -- we do not have

recreation areas for people. We buy open space, and we keep them private, or they're so limited in access that no one can use them. The State of New Jersey has not built or opened a new area for swimming in more than 30 years. And when opportunities have come up to acquire camps -- and I'll give one example: Suntan Lake in Riverdale, right off of Route 287, right off of Route 23, double-size Olympic swimming pool, pond, full picnic grounds, tennis courts, on a trout river -- everything. The State wouldn't buy it -- even though the mayor of the town pleaded with them, and I was there -- because the State didn't have money to maintain it.

When Hudson (indiscernible) Camp came up for sale -- full campgrounds -- the State wouldn't buy it. And the two other examples I'll give you: When the KOA camp in West Milford came up -- full campground, full swimming, hook-ins for trailers -- the State bought it to stop it from being developed, and leases it to West Milford for a youth center. We do not have a campground in the (indiscernible) park divisions in all the Ringwood State Parks. We do not have enough swimming areas. The swimming areas for north Jersey -- there are 7 of them for 5 million people that closed by 10 a.m. on a Saturday and Sunday in the summertime.

So as you craft this open space, you should also remember that people have to be part of it; that we need to make sure that we can have recreation areas and we can have opportunities in our urban areas as part of it. Because open space is important, and we need to protect water, and we need to do buyouts, but we also need to make sure that we use this as part of an overall picture of New Jersey.

And that's why even though I have real concerns on the funding mechanism, because I think we shouldn't be cutting other programs to fund open space-- This Legislature is going to steal money for Xanadu and steal money for development. You know, you guys can keep spending; that's your job.

Thanks.

SENATOR SMITH: Thank you for your comments.

Mr. Pringle, Environmental Federation -- reluctantly in opposition.

DAVID PRINGLE: Yes. And maybe I'll even amend that to just be blank. If I'd known Jeff had done that I probably would have done the same thing.

It's great to be here with four environmental champs: the three current members of the Senate Environment Committee and Senator MacInnes, who was, you may or may not know, a member of the Environment Committee in the 1990s. He was very much an environmental champ. And we miss him, but we're glad he's with Policy Perspective now.

We do have-- It's not easy or comfortable doing this, for an environmental group to express reservations about open space funding. We clearly, desperately need to be replenishing the Garden State Trust. But we also desperately need to be fiscally responsible: replenish the Transportation Trust Fund; we have pensions, we have schools, we have Clean Energy funds that are being raided by more than this would fund. So we'd be exacerbating those kinds of situations if this resolution moves forward in its current form.

We would be open to amending it; and I know that's difficult, given the deadline. But if there was some kind of catch for-- What matters is how much sales tax grows. When we did this last time, sales tax was growing many times more than the \$98 million. That's not the case now, and yes, it might be different in 5 years or 10 years or whatever, but we have to go with what we now know, and we now know that this would divert more and would result in budget cuts somewhere unless we find corresponding offsets. Jeff certainly mentioned a bunch, and if those things started really happening we could feel very differently.

We'd also, in the short term, support-- We had concerns in the past because we want a long-term, stable source, but maybe another stop gap, a year or two bond act -- and you have more time to do that because that deadline is several weeks later than a constitutional amendment. So that should be something we take a look at.

We very much appreciate all the work, and effort, and desire to do this, but we think there needs to be a better way.

Thank you.

SENATOR SMITH: Thank you for your comments.

Our next panel: Allen J. Cannon, Deputy Mayor, Hopewell Township; Jennifer Coffey, Stony Brook-Millstone Watershed; and Ed Wengryn, New Jersey Farm Bureau.

UNIDENTIFIED MEMBER OF COMMITTEE: All in favor.

SENATOR SMITH: What's that?

UNIDENTIFIED MEMBER OF COMMITTEE: All in favor.

SENATOR SMITH: All in favor. Brevity is the soul of wit.

(laughter)

Allen J. Cannon.

JENNIFER COFFEY: Chairman, if I may. We also have the Mayor of Hopewell Township here. Would it be possible for her--

SENATOR SMITH: All right; why don't we put the two Mayors up. Who's the other Mayor?

MAYOR VANESSA SANDOM: Me. I'm Vanessa.

SENATOR SMITH: And you are?

MAYOR SANDOM: Vanessa Sandom, Hopewell Township.

SENATOR SMITH: I'm sorry, I couldn't hear your name.

MAYOR SANDOM: Vanessa Sandom, Hopewell Township; and Allen Cannon, Deputy Mayor of Hopewell Township.

SENATOR SMITH: Okay.

MAYOR SANDOM: So you have a whole contingent of Hopewell Township people.

SENATOR SMITH: All right. So we have everybody but Mr. Wengryn. We'll bring you up next, Mr. Wengryn.

Take it away, Mayor.

MAYOR SANDOM: Thank you, Chairman Smith, thank you, everyone. And to Senator Bateman -- my heart is out to you and your municipalities. I know how rough it's been for people in your area. So we feel your pain, I'm sure.

I want to take an opportunity to speak to you today about something that's practical for our Township -- and that is a fiscal impact of preserving open space on our taxpayers. And when I say preserving *open* space, I don't just mean preserving open space; I'm talking as well about

trees, forests, farmland, historic preservations. And so I'm going to be using open space, but I mean all of those.

And to the speaker earlier today who is concerned about whether or not we actually use money to preserve woodlands -- we do. In our Township we do, and I know in other townships they do as well.

We've done a number of studies over the years -- fiscal impact studies that show without a doubt that when you preserve open space, we are actually saving taxpayer money; and we are doing that because it costs more to provide municipal services and actually educate the children that come with every home that's built, in lieu of preserving that. And we have a number of individuals -- homeowners in the town -- who come to us and ask us to preserve their property. This is property that's been in their families for generations and for many, many years. And they would rather we would preserve it than actually sell it to the Toll Brothers or other kinds of residential developers. And we know that it makes financial sense for our taxpayers to do that. But we can't afford it. We have 3 cents dedicated -- open space tax in Hopewell Township. We raise about \$1.2 million every year. And we can't do it alone.

And so we have to rely on our non-profit organizations, State, county, and other organizations so that we can leverage each dollar. And together we actually can afford to do something that makes sense for our taxpayers. And I know former Senator MacInnes talked about the impact on the State budget. But I'm there on a day-to-day basis trying to find ways to save our taxpayers money. And one of the ways to do that is to make sure that houses aren't developed there, aren't built. And we're

worried about sprawl, but it just costs us a lot of money to service those homes.

So from a financial standpoint, it's important for us. And I just thought that would be a different perspective. We certainly agree with everything that everyone else said -- from an environmental standpoint. And we do provide recreation services on our open space properties at the preserves.

DEPUTY MAYOR ALLEN J. CANNON: Thanks.

Hi, I'm Allen Cannon, Deputy Mayor, Hopewell Township. Good afternoon--

SENATOR BATEMAN: Yes. (laughter) We made it.

DEPUTY MAYOR CANNON: --to the Committee and to the Chair.

I bring a unique perspective in our community, because I was born and raised in Camden, New Jersey. I didn't always live where open space and agriculture was the centerpiece of life. But I gained my appreciation for these amenities in life while living in Camden, New Jersey. Open space that was provided in the urban environment -- the access to open space provided to urban environment children allowed me the opportunity to go hunting, fishing, horseback riding, practice archery. So there's a myriad of exposure that an urban child can get by having open space access.

I would move that the Committee consider these urban areas because they do generate a lot of taxes. And those recreational opportunities need to be a part of the bill because in 30 years -- 30 years

seems like it's a long time, but it's to eternity that you have to do without open space if you allow it to lapse into disrepair or nonexistence.

Thank you.

SENATOR SMITH: Thank you.

Jennifer.

MS. COFFEY: Am I on?

SENATOR BATEMAN: Yes, you're on. (laughter)

MS. COFFEY: Good afternoon. Thank you, Chairman and members of the Committee. So we have crossed the afternoon threshold.

I've had the great pleasure of testifying in front of this Committee and am in agreement with all that has been said so far this morning. So I will try to keep it brief.

My name is Jennifer Coffey. I'm the Policy Director for the Stony Brook-Millstone Watershed Association; and I'm also serving as the Communications Chair for the New Jersey Keep It Green Coalition which, as you know, is a coalition of more than 180 different conservation groups, farmers, historic advocates, and outdoor enthusiasts. In my role with the Stony Brook-Millstone Watershed Association, we have been proud partners with Hopewell Township -- so I thank you for coming out today -- Princeton Township, we're reaching out to Manville trying to address issues there, as well as with the 25 municipalities -- including Cranbury and Hightstown -- in our watershed.

SCR-160 is incredibly important for New Jersey and we are in full support of this bill. Long-term sustainable funding for the programs that it would support -- the Green Acres, Blue Acres, Farmland and Historic Preservation programs -- are essential for our economy, for our public

health, for our environmental quality. They, as you know, protect our drinking water resources and provide us with opportunities to provide flood relief. They also support our economy in ways of supporting of our tourism industry. There's a study that you may have heard of by the New Jersey Outdoor Alliance that shows that outdoor recreation alone generates \$17.8 billion in consumer spending, \$6.1 billion in wages and salaries, \$1.3 billion in local and State tax revenues, and 158,000 direct jobs in New Jersey. So this measure is an investment in our public health, safety, environment, our watersheds, our clean water, providing relief to those who are suffering under flooding.

And so without taking too much more time -- because we have crossed the threshold into the afternoon with this public hearing -- I would like to thank you for all of your efforts in moving this bill and the prior bills forward, and let you know that the Stony Brook-Millstone Watershed Association, as a member of the New Jersey Keep It Green Coalition, will continue to work hard to advocate for and support renewed open space, farmland, historic preservation funding in New Jersey.

SENATOR SMITH: Thank you so much.

Bill Holland and Bill Wolfe, as a panel -- Mr. Holland representing New Jersey Working Families Alliance; Bill Wolfe, as a citizen.

BILL WOLFE: Thank you, Mr. Chairman.

My name is Bill Wolfe. I'm here today as a citizen, and I'm speaking my conscience as a citizen, with some of my knowledge as a planner and policy person at the State level.

And it's tough, and I don't think -- for my friends here, and colleagues from the Keep It Green Coalition -- I don't think there's anybody

in the State of New Jersey who has been as strong a proponent of sound land use preservation and conservation. And as you know, Mr. Chairman, I was involved in drafting S-1. I sat down with you and OLS; I was there, okay? I worked on the regulations in the Highlands; the septic density standard 88-acre minimum lot size was my crafting, my handwriting, my concept. Two hundred thousand acres of stream buffers protected in the Category 1 program was my work product, okay? So I'm a strong proponent.

But -- getting on the bill. Open space acquisition is one part of a land-use planning and conservation program. And from a policy perspective, all the other tools in that tool kit -- whether it's the State plan, whether it's the various regional plans at the Highlands and the Pinelands, whether it's the DEP program plans of water quality management planning and water supply planning, environmental regulation, land-use regulation -- all those other tools in the tool kit are very cost-effective and very effective, and they're all being not only neglected, they're being affirmatively rolled back. And there's not one word of concern expressed about that by the Keep It Green Coalition or by this Legislature -- in holding this Administration accountable to an extraordinary rollback in the regulatory and planning framework we have, that open space is supposed to supplement as one piece. Public money is supposed to work hand-in-glove with the regulatory stick. The regulatory stick has withered on the vine; it's dead. And if we're going to be professionals here and be honest, we have to say that land-use planning and land-use regulation have to be beefed up. And I cannot, in good conscience, support public money going into a land-use planning scheme when we have the Governor promoting redevelopment

in the hazardous locations that were just wiped out under Sandy. And here we're justifying this money on the basis that we need to buy out flood-prone properties, when we have the Governor defunding and deregulating infrastructure; and the DEP Commissioner issuing an Administrative Order -- extraordinary -- deregulating the replacement of infrastructure in the same locations at the same elevations that were just damaged. And we sit here with a straight face and say, "We're going to put more money into that."

SENATOR SMITH: Bill, just in case I'm missing the analysis, are you suggesting that if Governor Christie is reelected, that we shouldn't make any attempts to put together funding for open space?

MR. WOLFE: No, I'm just saying that you shouldn't give with one hand what you're taking away with another. It's not rational policy. And you should have-- If the Governor is going to be reelected -- that's not even relevant at this point. The point is the entire-- And it's not just this Governor, it's the last governor, too. And, frankly, the-- Well, not so much the governor before him. But the point is the whole trend, the whole arc of the policy direction -- from land-use planning and regulation -- has gone completely in the opposite direction that it needs to be going. And I can't say why we should be, as a State, using taxpayer dollars to try to put Band-Aids on massive wounds we're self inflicting. That to me is just-- That contradiction is too big for my head to tolerate, as a professional. I can't sit here and say, "I can tolerate that."

The second point of policy opposition--- Senator MacInnes made some very good points on the State budget. I'll supplement that with-- And I completely agree with the major policy issues that are embedded in a diversion of \$200 million; that you're making policy choices

now that you don't know the consequences of and you're setting yourself up with constraints on the fiscal side of the budget.

But in addition to that, there are huge equity problems here. The sales tax is an aggressive mechanism; everybody agrees. That means the people paying the money are the least able to pay. So on the cost side of the equation for the program, you have an inequity, you have a regressive program. On the benefit side, I think Tittel made some good points. I think we -- with a straight face -- have to say that from a distribution standpoint, those more better off are making out and making more use of open space acquisitions -- whether it's increasing your residential property values up in Hopewell where I built a home near preserved land, so I know the economics of that. I'm not a hypocrite; I'm honest. So my point is, when the Hopewell contingent shows up, hey, it's great. I bought a house and built in Hopewell, too, when I put my kids through that school system -- for that very reason, all right? So I have a problem with conscience on that as well. But the point is, let's be honest. And there are equity issues.

And the last point is -- and MacInnes made it very, very well -- is that open space is a capital investment, and you don't make capital investments out of operating revenue. The sales tax is an operating fund; it funds the General Fund, it's not for capital investment purposes. And, again, we're into this larger context, this barren room that nobody's talking about -- is we're in austerity. Why is no new revenues-- Why was that off the table from day one? So the equity context--

And the last point -- and this is really an important point -- to hear Audubon call for 20 percent of the fund. The expectation now is 20 percent of this money is going to go to stewardship. I have a problem in

that stewardship, number one, is not defined. There is no technical definition of stewardship. Number two, crazy expectations are being generated if they think that 20 percent of this money is going to go to stewardship. And the third point is we have an ongoing debate about what stewardship means in the context of forestry. And there are deep divisions there. And if we can't have some consensus on that, I would prefer to take it out.

And the last point is that, from a democratic standpoint, amending the Constitution might be one of the more significant things that a voter does. And that the interpretive statement and the text of the question do not -- there is no fidelity there between what the monies are used for. And particularly with respect to stewardship -- that, I think, is a little bit-- That's a bridge too far for me, from a principle standpoint, to say you could honestly do. I don't think it's honest and there's no harmony and fidelity between what the bill would do, particularly if 20 percent of the money is going to stewardship.

And I'm sorry to be angry about it, and--

SENATOR SMITH: It's okay.

MR. WOLFE: --I'm speaking my conscience.

SENATOR SMITH: Senator Greenstein, did you have a question?

SENATOR GREENSTEIN: Yes, just very quick.

I just didn't catch, Bill, in your testimony, what is your suggestion, then, for preserving open space? Is it doing it year-by-year?

MR. WOLFE: No. I mean, we could go with the MacInnes 13 consecutive debt approvals by the voters. You could do it through debt, or

you can do it through-- I prefer your water tax, because I think that's the most--

SENATOR BATEMAN: That has no legs.

MR. WOLFE: Right. Well, you see what I mean? But let's be honest. Let's go down swinging. If the voters won't approve money for something this important, then I think-- And if we can't make that case to the voters that something has-- You know what? Bridges have fallen into rivers, you know, things are collapsing, and we can't make a case? We have to take leadership and make a case to the public that we need to spend-- You need to open your wallets, people; you've been getting tax breaks and benefits for two decades now. We're now in a situation with the greatest disparity in wealth and income that we have ever had in the country, and we're not willing to say that those with the assets have to pay a little more. We have to kind of bite that bullet and that would be my answer to that question.

SENATOR SMITH: Thank you for your comments.

Senator.

SENATOR BATEMAN: I thought the whole purpose of putting the question on the ballot was to let the public decide, Bill.

MR. WOLFE: Through the Chair -- and I completely agree with you. But you are constraining their options. You want to put three questions on the ballot and see which one they like? Let's do that. But let's be honest.

SENATOR SMITH: Bill Holland.

BILL HOLLAND: Thank you, Mr. Chairman and members of the Committee, for letting me speak. I'll be really brief because a lot of my points were made earlier.

As part of our work, we lead the Better Choices for New Jersey Coalition -- a coalition of over 80 community, environmental, and labor organizations concerned with the need for new revenue in the State to fund essential services.

The main point I would make is that no one here disputes the need for investment in open space, and we applaud the work of the Committee to attempt to do that. But we do have concerns with the way this bill is written and how to fund it -- that it would come at the cost of funding both essential services and the search for programs that would create the jobs New Jersey needs to grow out of its current economic situation.

We spent three years facing brutal budget cuts to everything from schools -- that have seen over a billion dollars in cuts; to clean energy -- that seems to get hundreds of millions of dollars in cuts every single year. And as currently written, by diverting funds without a specific funding source, as this bill is currently written and would go in front of voters, would really continue that trend of underfunding the sort of programs that citizens across the state rely on and that would create the sorts of jobs New Jersey needs.

So I would just urge that caution, as was previously mentioned. I mean, numerous people have proposed policies such as a water tax or other revenue sources that we feel would provide more balance and could

help get at the sorts of goals that this Committee is trying to get at, while also preserving funding in the sort of essential services that we need.

So thanks a lot.

SENATOR SMITH: Thank you, Mr. Holland.

Ed Wengryn and Shane Godshall -- Mr. Wengryn from the Farm Bureau, Shane Godshall from American Littoral -- and with the admonition that brevity is the soul of wit.

E D W E N G R Y N: Mr. Chairman and members of the Committee -- again, also Senator Bateman for his work on moving this in the bipartisan manner -- we thank you both for allowing this hearing to happen today.

And for farming and farmland, the real issue for us is the State making a commitment to continue preservation efforts. Since 1997 and, really, that first big kick to do long-term, a lot of our farmers have been using the preservation programs to do estate planning and to ensure the transfer of a farm to the next generation. Without the commitment from the State, you can't do that kind of long-term estate planning. There is nothing for them to say that these programs will be there 5 years from now, 10 years from now when they need to take advantage of them.

And then the options are, you look at selling the farm for development. And that's why it's critical to have action happen sooner, rather than later; for the State to say, "We need to make this long-term investment," then families and landowners can plan for the long-term retention of those land investments.

That's it in a nutshell for us. It's very important; now is really the time. We get delayed implementation date, but making the

commitment now so people can make those plans and take those steps -- it's really critical.

So thank you.

SENATOR SMITH: Thank you for your comments.

S H A N E G O D S H A L L: Good afternoon. My name is Shane Godshall; I'm with the American Littoral Society. We're an environmental advocacy group that focuses on coastline issues.

First of all, we'd like to thank you very much for your support on this issue, and we hope to see this continue on through. The American Littoral Society and its members strongly support SCR-160 and would encourage that the legislation be taken up and passed in both chambers as soon as possible.

And I will simply leave it with: preservation of open space is absolutely fundamental to the health and prosperity of New Jersey's coastlines.

Thank you.

SENATOR SMITH: Thank you.

SENATOR BATEMAN: Very good.

SENATOR SMITH: And finally, Erica Van Aucken, New Jersey Highlands Coalition, and Tom Gilbert, Trust for Public Lands.

Erica, are you here? Yes, you are.

SENATOR BATEMAN: In favor.

SENATOR SMITH: And Tom is here.

SENATOR SMITH: Do it in whatever order you want you'd prefer.

E R I C A V A N A U C K E N: Thank you. I'll be brief.

My name is Erica Van Aucken. I'm the Campaign and Grassroots Coordinator for the New Jersey Highlands Coalition. I just want to take a minute to echo some of the statements made from my colleagues -- from New Jersey Keep It Green.

I'd like to thank the Chairman and members of the Committee for this hearing and also for your support of SCR-138 last month.

Chairman, as you know, funding for preservation programs is especially crucial in the Highlands -- the drinking water source for 64 percent of the state. One of the best ways to protect the Highlands is to preserve its land. This mechanism for protecting the Highlands cannot lapse. A funding source must be identified now. Without a consistent funding mechanism in place the region's critical resources, including water, forests, farmlands, and biodiversity, are left vulnerable to development pressures.

The Highlands Coalition will continue working with New Jersey Keep It Green for the protection of the Highlands region and for its critical resources.

Thank you.

SENATOR SMITH: Thank you.

Tom Gilbert, anchorman. (laughter)

T O M G I L B E R T: Thank you, Chairman Smith, Senator Bateman, and Senator Greenstein, for the leadership and support that you all have demonstrated -- in fact, that the entire Senate has demonstrated on this issue.

On behalf of the over 180-member groups of New Jersey Keep It Green, we urge the Assembly and Senate leadership to move this revised legislation forward without delay.

I just want to take a couple of minutes to respond to some of the concerns that have been raised today. It is our firm belief that this is an investment that the State not only can, but must continue to make over the next three decades. In fact, it can't afford not to.

Consider that \$200 million annually represents less than two-thirds of 1 percent of the State's nearly \$33 billion budget. Does it make sense for New Jersey -- the most densely populated state in the nation, one that's projected to reach build-out by mid-century -- to dedicate less than a percent of the State budget to preserving critical lands, drinking water supplies, productive farmland, parks, and historic sites? We would argue that it does, without question. And we also have to consider the cost if we fail to make this investment -- such as increased water treatment costs, loss of productive farmland, and exacerbated flood and storm damage from the loss of open space.

My organization has conducted research previously that found every \$1 invested in State preservation programs returns \$10 in economic value to the State through such services as water filtration and flood control.

As some have said, that this will take funds away from other pressing needs -- and I think we should all bear a few facts in mind. Over the long term, sales tax revenues have grown by an average of 4.7 percent annually. Sales tax revenues have increased the past two years by an average of \$260 million annually. They're up 3.1 percent year-to-date.

Sales tax revenues are projected to grow by \$390 million in FY2014. This dedication does not even begin until FY2015, so there are no impacts on next year's budget. And if these trends continue, there will be ample funds to generate \$200 million annually to preservation efforts -- still leaving hundreds of millions of new revenues above and beyond today's revenues to address other critical needs.

As of this month, Amazon.com sales are now subject to the sales tax in New Jersey, and that is another factor which should contribute to growth in sales tax revenues, going forward.

We should also bear in mind that the State has already been spending an average of \$200 million annually since 1998. So what we're talking about here -- and that's been done through a combination of bonds, but also a previous sales tax dedication. The State has done this before, in 1998, dedicating existing sales tax revenues. It is arguably the most successful preservation initiative in the State's history; it's hailed as a national model. So why, all of a sudden, we would think that we need to reinvent the wheel -- I don't understand. This is simply continuing what has been an incredibly successful approach, making sure that it can be done on a sustainable basis, going forward, on a pay-as-you-go basis. And this would not increase sales taxes, so it would not be regressive, as suggested by another speaker.

Furthermore, this is the approach that is clearly favored by voters. We have already polled the voters to ask them which of various options they prefer, and they overwhelmingly prefer this approach -- with an overwhelming 69 percent of voters who support dedicating \$200 million annually in sales tax revenues.

On the issue of whether this supports parks in urban areas: My organization, The Trust for Public Land, has been working with the City of Newark, Essex County, and other partners putting new parks on the ground in the City of Newark, which would not be happening without an investment from Green Acres.

Camden County has received over \$30 million in grants to develop parks in the city, so this clearly is a very enormous benefit to our cities in urban areas.

So in closing, we thank you for your continued bipartisan leadership on this issue. We urge the Legislature to move this forward without delay and give the voters an opportunity to decide.

Thank you.

SENATOR SMITH: Very good.

That concludes our hearing. Thank you, everyone, for participating.

SENATOR BATEMAN: I was going to make one comment.

SENATOR SMITH: All right. Senator Bateman feels the need. (laughter)

SENATOR BATEMAN: I'm sorry, Mr. Chairman, because I know it's been long.

But I just want to address a couple of things.

This is obviously not the perfect answer, Bill. I know that you prefer other ways, but every day we don't act we lose an opportunity. And I have to go back to my district -- if I have to look a man in the face who lives in Lost Valley, in Manville, New Jersey, who's been flooded three times in the last five years -- waiting for a buyout. This is not the perfect solution,

but it's the only game in town right now. And you know that the other ones, for whatever reasons, didn't have any legs. So a lot of people have worked very hard to get this to this point. And this is our best opportunity.

And so I haven't seen June figures, but as of May -- six straight months in a row -- the revenues outpaced the projections. The money is coming in. This is our opportunity; it's a golden opportunity. It may not be perfect, but it's a great solution.

SENATOR SMITH: Ditto. (laughter)

(HEARING CONCLUDED)