March 10, 2015

Re: Open Space, Farmland and Historic Preservation Funding

Dear Mayor:

League Resolution 2012-4, "Supporting Sustainable State Funding for Preservation and Stewardship of Open Space, Park, Farmland and Historic Sites in New Jersey" was unanimously adopted at our Annual Business Meeting on December 5, 2012. The League, without advocating a particular approach, called on the State Legislature and the Administration to reach a political consensus and advance a funding source to preserve open space, parks and farmland.

In November, New Jersey voters approved a referendum to amend the State Constitution to dedicate 4% of corporation business tax (CBT) and change the amounts allocated to the various environmental programs funded by the existing dedication of 4% of the revenue annually collected from the CBT, and add a new allocation category, beginning on July 1, 2015. It would increase the annual dedication from 4% to 6%, beginning on July 1, 2019.

With that approval, the new dedicated funding will be less than in the past but it does guarantee a funding source for the next 30 years.

The Administration and the Legislature now must decide how this new dedicated funding will be allocated. The Governor’s proposed FY 2016 budget recommends approximately $80 million allocated as follows:

- $27.9 million for the preservation and acquisition of lands for recreation and conservation;
- $16.9 million for agricultural/horticultural use;
- $1.4 million for historic preservation;
- $20 million for stewardship of State Parks; and
- $13.9 million for capital improvements to State parks.

For more, please see this excerpt from the Budget-in-Brief document: http://www.njslom.org/legislation/BudgetinBriefOpenSpaceCBT.pdf

On Monday, the Senate Environment and Energy Committee approved S-2769, which would implement the constitutional dedication of CBT revenues for open space, farmland and historic preservation. The bill works off the assumption that the 4% dedication will yield approximately $71 million in revenues and proposes the allocations as follows:

- 64% (approximately $45.4 million) for Green Acres funding, including:
  - 14.1% (approximately $10 million) for State Acquisition;
  - 21.1% (approximately $14.98 million) for State Development;
- 24.3% (approximately $17.25 million) for Local Acquisition and Development;
- 4.5% (approximately $3.2 million) for Non-Profit Acquisition and Development.
- 4% (approximately $2.8 million) for Blue Acres funding;
- 29% (approximately $20.6 million) for Farmland Acquisition and Development; and
- 3% (approximately $2.1 million) for Historic Preservation;

For more, please see this handout which was provided at the Senate hearing: http://www.njslom.org/legislation/SENhanoutOpenSpaceCBT.pdf

After taking extensive testimony, including requests primarily from historic preservation and farmers advocates for additional funding, the Committee approved the bill and it was 2nd referenced to the Senate Budget and Appropriations Committee for its review.

The question of exactly how much and for what purposes this funding will be allocated will be determined through the State budget process over the upcoming months, with the deadline to pass and sign a balanced budget on June 30, 2015. The League will continue to monitor and evaluate these funding proposals and report on any developments. Contact: Mike Cerra, 609-695-3481 x120, mcerra@njslom.org

Very truly yours,

William G. Dressel, Jr.
Executive Director