



## **NEW JERSEY REVENUE FROM ENVIRONMENTAL DAMAGES LAWSUITS DEDICATED TO ENVIRONMENTAL PROJECTS AMENDMENT**

### **PUBLIC QUESTION #2**

#### **Question on Ballot:**

Do you approve amending the Constitution to dedicate all moneys collected by the State relating to natural resource damages in cases of contamination of the environment? The moneys would have to be used to repair, restore, replace, or preserve the State's natural resources. The moneys may also be used to pay legal or other costs incurred by the State in pursuing its claims.

#### **Interpretive statement on the Ballot:**

"This amendment would dedicate moneys collected by the State relating to natural resource damages through settlements or awards for legal claims based on environmental contamination. These moneys would be dedicated to repair, replace, or restore damaged natural resources, or to preserve the State's natural resources. These moneys would be spent in an area as close as possible to the geographical area in which the damage occurred. The moneys could also be used to pay for the State's legal or other costs in pursuing the claims. Currently, these moneys may be used for any State purpose."

#### **LWVNJ Education Fund**

##### **Background:**

This question would amend the NJ State Constitution to restrict the use of moneys received by the state from environmental damages lawsuits so that such moneys are dedicated only to environmental restoration purposes. This type of constitutional amendment is commonly known as a "lockbox" amendment similar to the 2016 amendment that created the NJ Transportation Trust Fund so that all state gasoline tax revenues would be locked in for use in state transportation projects. Environmental damages lawsuits are not the same as lawsuits to clean up contaminated sites. Environmental damages lawsuits are intended to restore some people-oriented use of the polluted

land or water, such as creating usable public fishing areas, restoring public access to a water body for kayaking, or creating a public park. Recent major environmental damages lawsuits have had their focus in the state's historically industrial cities where population is dense and green space is scarce. The proposed constitutional amendment would pay for construction, legal, and administrative costs for such environmental restoration of public natural resources.

This amendment was proposed as a response to the trend of diversions of state environmental damages lawsuit revenues from environmental restoration projects to the General Fund to balance the State budget of 2015, 2016, 2017 and the current Fiscal Year budget of 2018. The state constitution requires a balanced budget, and recent proportionally large diversions of environmental damages lawsuit revenues to help balance that budget have come under public scrutiny.

This proposed constitutional amendment not only restricts all revenues from environmental damages lawsuits to environmental projects, but also targets the restoration as close to the site of original environmental damage as possible. Permanent protection of a State natural resource at the damaged site or in the water region is also an approved environmental use under this amendment.

**Reasons to Vote Yes:**

- Ensure that environmental damages lawsuits awards would result in restoration of the specified damaged New Jersey land or water, or if not possible at the damaged site, then restoration or permanent protection of State natural resources nearby.
- Encourage the Department of Environmental Protection to continue to pursue lawsuits to restore polluted natural resources of the State so that the public can use them again.

**Reasons to Vote No:**

- Allow the governor and state legislature to continue to have the flexibility to use environmental damages lawsuit revenues for the General Fund in order to balance the state budget.
- The amount collected from a settlement may not be sufficient to complete a project once started. If funds are insufficient, additional funds may be required from the state budget for a project that was expected to be paid for out of settlement revenues.