

August 19, 2013

**SENATE BILL NO. 576  
(First Reprint)**

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 576 (First Reprint) without my approval.

The Spill Compensation and Control Act prohibits the discharge of hazardous substances and pays for cleanup and removal costs out of the New Jersey Spill Compensation Fund ("Spill Fund"). The Spill Fund also pays for the installation and maintenance of point-of-entry water treatment systems (known as "POETS") that remedy contamination of private residential wells.

To alleviate fiscal pressures on the Spill Fund, the Department of Environmental Protection previously enacted regulations that limited the Spill Fund's liability for future POETS maintenance costs to only the initial Spill Fund claimant, and not a subsequent purchaser of the impacted residential property with knowledge of the existence of the POETS. That regulatory change placed the Spill Fund on more sound financial footing and helped ensure that the Spill Fund can continue to appropriately respond to future hazardous discharges.

This bill seeks to revert to the prior practice, thereby jeopardizing the future viability of the Spill Fund and potentially triggering a statutory tax escalator on petroleum should the Spill Fund's balance fall below enumerated thresholds. As such, this bill runs contrary to the sound fiscal discipline that has been a hallmark of my Administration while also endangering the Spill Fund's ability to swiftly and adequately respond to future discharges.

Accordingly, I herewith return Senate Bill No. 576 (First Reprint) without my approval.

Respectfully,

/s/ Chris Christie

Governor

[seal]

Attest:

/s/ Charles B. McKenna

Chief Counsel to the Governor