

Article VIII, Section II, Paragraph 4 New Jersey Constitution

LEGISLATIVE HISTORY CHECKLIST
Compiled by the NJ State Law Library
(Petroleum products – gross receipts tax and sales tax)

New Jersey Constitution: Article VIII, Section II, Paragraph 4

BILL NO: SCR1

SPONSOR: DiFrancesco, Matheussen, DeCroce, Merkt, Bodine, Augustine, Heck

DATE INTRODUCED: 1/11/2000

COMMITTEE: **Assembly:** Transportation; Appropriations

Senate: Transportation; Budget and Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 6/29/2000

SENATE: 6/26/2000

FILED WITH SECRETARY OF STATE: 6/30/2000

DATE OF ADOPTION: 11/7/2000

EFFECTIVE: 12/7/2000

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Introduced bill enacted) Yes

SPONSOR'S STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS:

No

974.90 Public hearing before Senate Transportation Committee : Senate committee substitute for Senate
T235 concurrent resolution no. 1 : proposes dedication of petroleum products gross receipts tax and certain
2000d amounts from sales tax on revenues from the sale of new motor vehicles for transportation purposes : [May
30, 2000, Trenton, New Jersey]

NEWSPAPER ARTICLES:

Yes

Malinconico, J. (2000, May 31). Constitutional change advances with hearing by Senate panel. *Star-Ledger, The (Newark, NJ)*, p. 18.

S. Twyman, A. (2000, June 23). ACTION IN TRENTON. *Star-Ledger, The (Newark, NJ)*, p. 30

Weissman, D. (2000, July 28). Women Voters sue state over transit fund question. *Star-Ledger, The (Newark, NJ)*, p. 25.

JACKSON, H. (2000, July 28). GROUP SUES STATE TO BLOCK TAX REFERENDUM FOR TRANSPORTATION. *The Record (New Jersey)*, p. A6.

Weissman, D. (2000, August 5). Judge denies bid to block transit vote. *Star-Ledger, The (Newark, NJ)*, p. 18.

TTF court test. (2000, August 17). *Jersey Journal, The (Jersey City, NJ)*, p. 1.

JACKSON, H. (2000, October 24). LEGISLATURE'S BROAD POWER DEFENDED LWV SUIT SPAWNS CHECKS-BALANCES DEBATE. *The Record (New Jersey)*, p. A3

AHEARN, J. (2000, November 1). VOTE NO ON THE TRANSPORTATION REFERENDUM. *The Record (New Jersey)*, p. L11.

WOOLLEY, W. (2000, November 8). Voters okay questions on transit aid and sex offenders e-list. *Star-Ledger, The (Newark, NJ)*, p. 26.

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**SENATE CONCURRENT
RESOLUTION No. 1**

**STATE OF NEW JERSEY
209th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Senator DONALD T. DIFRANCESCO

District 22 (Middlesex, Morris, Somerset and Union)

SYNOPSIS

Proposes dedication of petroleum products gross receipts tax and certain amounts from sales tax on revenues from the sale of new motor vehicles for transportation purposes.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



SCR1 DIFRANCESCO

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1 **A CONCURRENT RESOLUTION** proposing to amend Article VIII,
2 Section II, paragraph 4 of the Constitution of the State of New
3 Jersey.

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 the
9 State of New Jersey is agreed to:

10
11 PROPOSED AMENDMENT

12 Amend Article VIII, Section II, paragraph 4, as follows:

13 4. There shall be credited to a special account in the General Fund;
14 (a) for **[the] each** State fiscal year **[in which the amendment to this**
15 **paragraph is approved by the voters]** commencing on and after July 1,
16 1999 an amount equivalent to the revenue derived from **[\$0.025]**
17 \$0.09 per gallon from the tax imposed on the sale of motor fuels
18 pursuant to chapter 39 of Title 54 of the Revised Statutes[, and an
19 amount equivalent to the revenue derived from \$0.07 per gallon from
20 the tax shall be credited to the account in each of the first two State
21 fiscal years commencing after the approval of the amendment to this
22 paragraph by the voters, and an amount equivalent to the revenue
23 derived from \$0.08 per gallon from the tax shall be credited to the
24 account in the third State fiscal year commencing after the approval of
25 the amendment to this paragraph by the voters, and an amount
26 equivalent to the revenue derived from \$0.09 per gallon from the tax
27 shall be credited to the account in the fourth State fiscal year
28 commencing after the approval of the amendment to this paragraph by
29 the voters and annually thereafter];

30 (b) for the State fiscal year in which the amendment to this
31 paragraph is approved by the voters an amount not less than
32 \$100,000,000 derived from the State revenues collected from the tax
33 on the gross receipts of the sale of petroleum products imposed
34 pursuant to P.L.1990, c.42 (C.54:15B-1et seq.) as amended and
35 supplemented, or any other subsequent law of similar effect, and for
36 each State fiscal year thereafter an amount not less than \$200,000,000
37 derived from those revenues; and

38 (c) for the State fiscal year next commencing after the amendment
39 to this paragraph is approved by the voters an amount not less than
40 \$80,000,000 from the State revenue collected from the State tax
41 imposed under the "Sales and Use Tax Act," pursuant to P.L.1966,
42 c.30 (C.54:32B-1 et seq.), as amended and supplemented, or any other

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

Matter underlined thus is new matter.

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1 subsequent law of similar effect, for the State fiscal year thereafter an
2 amount not less than \$140,000,000 from those revenues, and in each
3 State fiscal year thereafter an amount not less than \$200,000,000 from
4 those revenues; provided, however, the dedication and use of such
5 revenues as provided in this paragraph shall be subject and subordinate
6 to (a) all appropriations of revenues from such taxes made by laws
7 enacted on or before [December 6, 1984] December 7, 2000 in
8 accordance with Article VIII, Section II, paragraph 3 of the State
9 Constitution in order to provide the ways and means to pay the
10 principal and interest on bonds of the State presently outstanding or
11 authorized to be issued under such laws or (b) any other use of those
12 revenues enacted into law on or before [December 6, 1984]
13 December 7, 2000. These amounts shall be appropriated from time to
14 time by the Legislature, only for the purposes of paying or financing
15 the cost of planning, acquisition, engineering, construction,
16 reconstruction, repair and rehabilitation of the transportation system
17 in this State and it shall not be competent for the Legislature to
18 borrow, appropriate or use these amounts or any part thereof for any
19 other purpose, under any pretense whatever.

20 (cf: Article VIII, Section II, paragraph 4 amended effective December
21 7, 1995)

22

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

31

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

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

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

38 If you favor the proposition printed below make a cross (X), plus
39 (+), or check (T) in the square opposite the word "Yes." If you are
40 opposed thereto make a cross (X), plus (+) or check (T) in the square
41 opposite the word "No."

SCR1 DIFRANCESCO

1 b. In every municipality the following question:
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3		DEDICATION OF PETROLEUM
4		PRODUCTS GROSS RECEIPTS TAX AND
5		CERTAIN AMOUNTS FROM SALES TAX
6		FOR THE TRANSPORTATION SYSTEM
7		IN THIS STATE
8		Shall the amendment to Article VIII, Section
9		II, paragraph 4 of the Constitution of the State
10		of New Jersey, agreed to by the Legislature,
11		providing for the crediting of revenue in a
12		special account in the General Fund in the State
13		fiscal year in which this amendment is
14		approved, of not less than \$100,000,000 of the
15		revenues from the tax on the gross receipts of
16		the sale of petroleum products, and of not less
17		than \$200,000,000 of such revenue in each
18		State fiscal year thereafter and providing that in
19		the State fiscal year commencing one year after
20		approval of the amendment and thereafter the
21	YES	crediting in that special account of certain
22		amounts of the revenues from the State tax
23		imposed under the "Sales and Use Tax Act,"
24		which shall be not less than \$80,000,000 for
25		the State fiscal year in which this amendment is
26		approved and \$140,000,000 for the succeeding
27		State fiscal year, and \$200,000,000 for each
28		State fiscal year thereafter, to be available only
29		for the funding of the State transportation
30		system, subject to laws enacted on or before
31		December 7, 2000 dedicating any of these
32		revenues for debt service on bonds of the State
33		or for any other uses of these revenues, be
34		approved?

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1		INTERPRETIVE STATEMENT
2		This constitutional amendment dedicates
3		certain tax revenues for funding the
4		construction and repair of the State
5		transportation system. It provides that the
6		revenues from the tax on the gross receipts of
7		the sale of petroleum products would be
8		dedicated for that funding. Also beginning in
9		the State fiscal year commencing one year after
10		approval of the amendment certain amounts
11		from the annual revenues from the State sales
12		tax equal to approximately one- third of that
13		revenue on the sale of new motor vehicles
14		would also be so dedicated. The minimum
15		amount dedicated from the petroleum products
16	NO	tax would be \$100,000,000 in the fiscal year in
17		which this amendment is approved and
18		\$200,000,000 for each fiscal year thereafter.
19		For the sales tax, the minimum amount would
20		be \$80,000,000 for the fiscal year commencing
21		one year after this amendment is approved,
22		\$140,000,000 for the succeeding fiscal year and
23		\$200,000,000 for each fiscal year thereafter.
24		This amendment would add the revenues
25		from the petroleum products tax and a portion
26		of the sales tax to the revenues already
27		dedicated from 9 cents of the State tax on
28		motor fuels as sources of funding of the
29		construction and repair of the State
30		transportation system.

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STATEMENT

36 This concurrent resolution proposes to amend Article VIII, Section
37 II, paragraph 4 of the State Constitution to dedicate the revenues from
38 the petroleum products gross receipts tax and the revenues from the
39 State sales tax that would be approximately equal to one-third of the
40 revenues from the tax on the sale of new motor vehicles for funding
41 the construction and repair of the State transportation system. The
42 dedication of the petroleum products tax would take effect in the State
43 fiscal year in which this amendment is approved by the voters, while
44 the sales tax dedication would begin in the State fiscal year
45 commencing one year after voter approval of the amendment. For the

SCR1 DIFRANCESCO

1 petroleum products tax the minimum amounts of the dedication would
2 be \$100 million for the first fiscal year in which this amendment is
3 approved by the voters and \$200 million in each fiscal year thereafter,
4 while the minimum amounts of the sales tax dedication would be \$80
5 million for the fiscal year commencing one year after voter approval,
6 \$140 million for the succeeding fiscal year and \$200 million for each
7 fiscal year thereafter. These revenues would be added to the currently
8 constitutionally dedicated revenues of 9 cents from the motor fuels tax
9 for transportation purposes.

**ASSEMBLY CONCURRENT
RESOLUTION No. 116**

**STATE OF NEW JERSEY
209th LEGISLATURE**

INTRODUCED JUNE 8, 2000

Sponsored by:

Assemblyman ALEX DECROCE

District 26 (Essex, Morris and Passaic)

Assemblyman RICK MERKT

District 25 (Morris)

Co-Sponsored by:

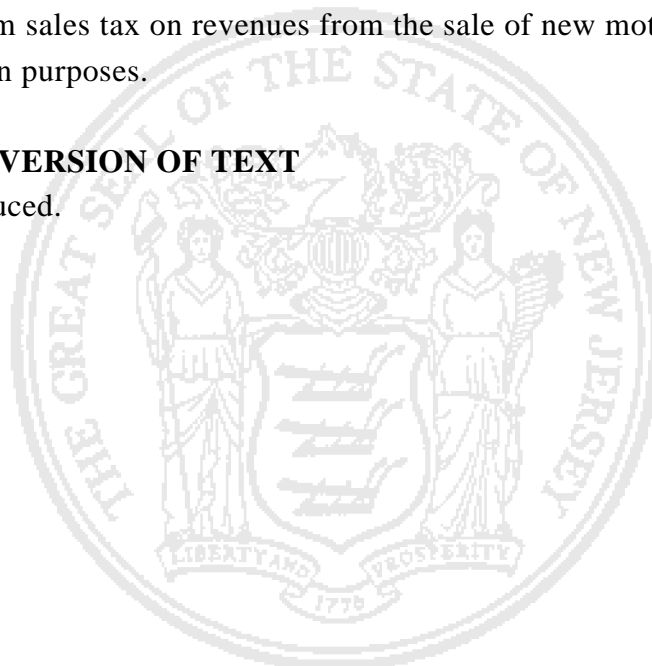
Assemblymen Bodine, Augustine and Assemblywoman Heck

SYNOPSIS

Proposes dedication of petroleum products gross receipts tax and certain amounts from sales tax on revenues from the sale of new motor vehicles for transportation purposes.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/30/2000)

1 **A CONCURRENT RESOLUTION** proposing to amend Article VIII,
2 Section II, paragraph 4 of the Constitution of the State of New
3 Jersey.

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

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

10
11 **PROPOSED AMENDMENT**

12 Amend Article VIII, Section II, paragraph 4, as follows:

13 4. There shall be credited to a special account in the General Fund;
14 (a) for [the] each State fiscal year [in which the amendment to this
15 paragraph is approved by the voters] commencing on and after July 1,
16 1999 an amount equivalent to the revenue derived from [\$0.025]
17 \$0.09 per gallon from the tax imposed on the sale of motor fuels
18 pursuant to chapter 39 of Title 54 of the Revised Statutes[, and an
19 amount equivalent to the revenue derived from \$0.07 per gallon from
20 the tax shall be credited to the account in each of the first two State
21 fiscal years commencing after the approval of the amendment to this
22 paragraph by the voters, and an amount equivalent to the revenue
23 derived from \$0.08 per gallon from the tax shall be credited to the
24 account in the third State fiscal year commencing after the approval of
25 the amendment to this paragraph by the voters, and an amount
26 equivalent to the revenue derived from \$0.09 per gallon from the tax
27 shall be credited to the account in the fourth State fiscal year
28 commencing after the approval of the amendment to this paragraph by
29 the voters and annually thereafter];

30 (b) for the State fiscal year in which the amendment to this
31 paragraph is approved by the voters an amount not less than
32 \$100,000,000 derived from the State revenues collected from the tax
33 on the gross receipts of the sale of petroleum products imposed
34 pursuant to P.L.1990, c.42 (C.54:15B-1et seq.) as amended and
35 supplemented, or any other subsequent law of similar effect, and for
36 each State fiscal year thereafter an amount not less than \$200,000,000
37 derived from those revenues; and

38 (c) for the State fiscal year next commencing after the amendment
39 to this paragraph is approved by the voters an amount not less than
40 \$80,000,000 from the State revenue collected from the State tax
41 imposed under the "Sales and Use Tax Act," pursuant to P.L.1966,
42 c.30 (C.54:32B-1 et seq.), as amended and supplemented, or any other

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

Matter underlined thus is new matter.

1 subsequent law of similar effect, for the State fiscal year thereafter an
2 amount not less than \$140,000,000 from those revenues, and in each
3 State fiscal year thereafter an amount not less than \$200,000,000 from
4 those revenues; provided, however, the dedication and use of such
5 revenues as provided in this paragraph shall be subject and subordinate
6 to (a) all appropriations of revenues from such taxes made by laws
7 enacted on or before [December 6, 1984] December 7, 2000 in
8 accordance with Article VIII, Section II, paragraph 3 of the State
9 Constitution in order to provide the ways and means to pay the
10 principal and interest on bonds of the State presently outstanding or
11 authorized to be issued under such laws or (b) any other use of those
12 revenues enacted into law on or before [December 6, 1984]
13 December 7, 2000. These amounts shall be appropriated from time to
14 time by the Legislature, only for the purposes of paying or financing
15 the cost of planning, acquisition, engineering, construction,
16 reconstruction, repair and rehabilitation of the transportation system
17 in this State and it shall not be competent for the Legislature to
18 borrow, appropriate or use these amounts or any part thereof for any
19 other purpose, under any pretense whatever.

20 (cf: Article VIII, Section II, paragraph 4 amended effective December
21 7, 1995)

22

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

31

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

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

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

38 If you favor the proposition printed below make a cross (X), plus
39 (+), or check (T) in the square opposite the word "Yes." If you are
40 opposed thereto make a cross (X), plus (+) or check (T) in the square
41 opposite the word "No."

42 b. In every municipality the following question:

1		DEDICATION OF PETROLEUM
2		PRODUCTS GROSS RECEIPTS TAX AND
3		CERTAIN AMOUNTS FROM SALES TAX
4		FOR THE TRANSPORTATION SYSTEM
5		IN THIS STATE
6		Shall the amendment to Article VIII, Section
7		II, paragraph 4 of the Constitution of the State
8		of New Jersey, agreed to by the Legislature,
9		providing for the crediting of revenue to a
10		special account in the General Fund in the State
11		fiscal year in which this amendment is
12		approved, of not less than \$100,000,000 of the
13		revenues from the tax on the gross receipts of
14		the sale of petroleum products, and of not less
15		than \$200,000,000 of such revenue in each
16		State fiscal year thereafter and providing that in
17		the State fiscal year next commencing after
18		approval of the amendment and thereafter the
19	YES	crediting to that special account of certain
20		amounts of the revenues from the State tax
21		imposed under the "Sales and Use Tax Act,"
22		which shall be not less than \$80,000,000 for
23		the State fiscal year next commencing after this
24		amendment is approved and \$140,000,000 for
25		the succeeding State fiscal year, and
26		\$200,000,000 for each State fiscal year
27		thereafter, to be available only for the funding
28		of the State transportation system, subject to
29		laws enacted on or before December 7, 2000
30		dedicating any of these revenues for debt
31		service on bonds of the State or for any other
32		uses of these revenues, be approved?

1		INTERPRETIVE STATEMENT
2		<p>This constitutional amendment dedicates certain tax revenues for funding the construction and repair of the State transportation system. It provides that the revenues from the tax on the gross receipts of the sale of petroleum products would be dedicated for that funding. Also beginning in the State fiscal year next commencing after approval of the amendment certain amounts from the annual revenues from the State sales tax equal to approximately one-third of that revenue on the sale of new motor vehicles would also be so dedicated. The minimum amount dedicated from the petroleum products tax would be \$100,000,000 in the fiscal year in which this amendment is approved and \$200,000,000 for each fiscal year thereafter. For the sales tax, the minimum amount would be \$80,000,000 for the fiscal year next commencing after this amendment is approved, \$140,000,000 for the succeeding fiscal year and \$200,000,000 for each fiscal year thereafter.</p> <p>This amendment would add the revenues from the petroleum products tax and a portion of the sales tax to the revenues already constitutionally dedicated from 9.0 cents of the State tax on motor fuels as sources of funding for the construction and repair of the State transportation system.</p>
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STATEMENT

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35 This concurrent resolution proposes to amend Article VIII, Section
36 II, paragraph 4 of the State Constitution to dedicate the revenues from
37 the petroleum products gross receipts tax and the revenues from the
38 State sales tax that would be approximately equal to one-third of the
39 revenues from the tax on the sale of new motor vehicles for funding
40 the construction and repair of the State transportation system. The
41 dedication of the petroleum products tax would take effect in the State
42 fiscal year in which this amendment is approved by the voters, while
43 the sales tax dedication would begin in the State fiscal year
44 commencing one year after voter approval of the amendment. For the
45 petroleum products tax the minimum amounts of the dedication would

ACR116 DECROCE, MERKT

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1 by \$100 million for the first fiscal year in which this amendment is
2 approved by the voters and \$200 million in each fiscal year thereafter,
3 while the minimum amounts of the sales tax dedication would be \$80
4 million for the fiscal year commencing one year after voter approval,
5 \$140 million for the succeeding fiscal year and \$200 million for each
6 fiscal year thereafter. These revenues would be added to the currently
7 constitutionally dedicated revenues of 9 cents from the motor fuels tax
8 for transportation purposes.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE CONCURRENT RESOLUTION No. 1**

STATE OF NEW JERSEY

DATED: MAY 4, 2000

The Senate Transportation Committee reports favorably a Senate Committee Substitute for Senate Concurrent Resolution No. 1.

This substitute concurrent resolution proposes to amend Article VIII, Section II, paragraph 4 of the State Constitution to dedicate the revenues from the petroleum products gross receipts tax and the revenues from the State sales tax that would be approximately equal to one-third of the revenues from the tax on the sale of new motor vehicles for funding the construction and repair of the State transportation system. The dedication of half of the revenue derived from the petroleum products tax would take effect in the State fiscal year in which this amendment is approved by the voters, while the sales tax dedication would begin in the State fiscal year next commencing after voter approval of the amendment. For the petroleum products tax the minimum amounts of the dedication would be \$100 million for the fiscal year in which this amendment is approved by the voters and \$200 million in each fiscal year thereafter, while the minimum amounts of the sales tax dedication would be \$80 million for the fiscal year next commencing after voter approval, \$140 million for the succeeding fiscal year and \$200 million for each fiscal year thereafter. These revenues would be added to the currently constitutionally dedicated revenues of 9.0 cents from the motor fuels tax for transportation purposes.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION No. 1

STATE OF NEW JERSEY

DATED: MAY 11, 2000

The Senate Budget and Appropriations Committee reports favorably Senate Concurrent Resolution No. 1 (SCS).

This concurrent resolution proposes an amendment to Article VIII, Section II, paragraph 4 of the State Constitution to increase the amounts of State tax revenue constitutionally required to be credited to a special account for the purpose of funding the planning, acquisition, construction and repair of the State transportation system.

Currently, the portion of State tax collections constitutionally dedicated for deposit into the account for funding such transportation purposes is set at an amount equivalent to the revenue from 9¢ per gallon from the tax on the sale of motor fuels (the "gas tax"). Under the proposed constitutional amendment, additional amounts would be dedicated to the account, as follows:

(1) Of the revenue collected from the petroleum products gross receipts tax (a tax imposed on gross receipts from the first sale of petroleum products within the State by any business that refines or distributes such products), (a) for the fiscal year in which the amendment is adopted, the minimum amount dedicated would be \$100,000,000, and (b) for each subsequent fiscal year, the minimum amount dedicated would be \$200,000,000; and

(2) Of the revenue collected from the State's general sales and use tax, (a) for the fiscal year commencing after the amendment is adopted, the minimum amount dedicated would be \$80,000,000, (b) for the next fiscal year, the minimum amount dedicated would be \$140,000,000, and (c) for each subsequent fiscal year, the minimum amount dedicated would be \$200,000,000.

FISCAL IMPACT

Adoption of this proposed amendment would increase the amount of State resources constitutionally dedicated to funding transportation purposes as follows: in the fiscal year in which the amendment is adopted, the amount would be raised from the current "baseline" level (i.e., the level mandated under current provisions of the Constitution) by \$100 million; in the fiscal year following the year of adoption, the amount would be raised above that baseline by \$280,000,000; in the

next fiscal year, the amount would be raised above the baseline by \$340,000,000; and in the third and subsequent fiscal years following the year of adoption, the amount would be raised above the baseline level by \$400,000,000. These increases in the amount of tax revenue dedicated to fund transportation purposes would result in corresponding decreases in the amounts of General Fund resources available for general purposes.

ASSEMBLY TRANSPORTATION COMMITTEE

STATEMENT TO

ASSEMBLY CONCURRENT RESOLUTION No. 116

STATE OF NEW JERSEY

DATED: JUNE 19, 2000

The Assembly Transportation Committee reports favorably Assembly Concurrent Resolution No. 116.

This concurrent resolution proposes to amend Article VIII, Section II, paragraph 4 of the State Constitution to dedicate the revenues from the petroleum products gross receipts tax, and the revenues from the State sales tax that would be approximately equal to one-third of the revenues from the tax on the sale of new motor vehicles, for funding the construction and repair of the State transportation system. The dedication of the petroleum products tax would take effect in the State fiscal year in which this amendment is approved by the voters, while the sales tax dedication would begin in the State fiscal year commencing one year after voter approval of the amendment. For the petroleum products tax the minimum amounts of the dedication would be \$100 million for the first fiscal year in which this amendment is approved by the voters and \$200 million in each fiscal year thereafter, while the minimum amounts of the sales tax dedication would be \$80 million for the fiscal year commencing one year after voter approval, \$140 million for the succeeding fiscal year and \$200 million for each fiscal year thereafter. These revenues would be added to the currently constitutionally dedicated revenues of 9 cents per gallon from the motor fuels tax for transportation purposes.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY CONCURRENT RESOLUTION No. 116

STATE OF NEW JERSEY

DATED: JUNE 22, 2000

The Assembly Appropriations Committee reports favorably Assembly Concurrent Resolution No. 116.

Assembly Concurrent Resolution No. 116 proposes an amendment to the New Jersey Constitution to dedicate part of the revenues from the petroleum products gross receipts tax and the sales and use tax for funding the construction and repair of the State transportation system.

The amendment provides that the dedication of the petroleum products gross receipts tax will take effect in the State fiscal year in which this amendment is approved by the voters, while the sales and use tax dedication will begin in the State fiscal year commencing one year after voter approval of the amendment. For the petroleum products gross receipts tax, the minimum amounts of the dedication will be \$100 million for the first fiscal year in which this amendment is approved by the voters and \$200 million in each fiscal year thereafter, while for the sales and use tax the minimum amounts of the dedication will be \$80 million for the fiscal year commencing one year after voter approval, \$140 million for the succeeding fiscal year and \$200 million for each fiscal year thereafter.

FISCAL IMPACT:

The amendment to the New Jersey Constitution, if approved by the voters, would dedicate \$100 million in the State fiscal year in which it was approved, \$280 million in the following fiscal year, \$340 million in the next year, and \$400 million in the third fiscal year following approval and thereafter.

These revenues would be added to the revenues of 9 cents per gallon from the motor fuels tax constitutionally dedicated for transportation purposes, currently providing about \$405 million annually.

SENATE COMMITTEE SUBSTITUTE FOR
**SENATE CONCURRENT
RESOLUTION No. 1**

STATE OF NEW JERSEY
209th LEGISLATURE

ADOPTED MAY 4, 2000

Sponsored by:

Senator DONALD T. DIFRANCESCO

District 22 (Middlesex, Morris, Somerset and Union)

Co-Sponsored by:

**Senator Matheussen, Assemblymen DeCroce, Merkt, Bodine, Augustine
and Assemblywoman Heck**

SYNOPSIS

Proposes dedication of petroleum products gross receipts tax and certain amounts from sales tax on revenues from the sale of new motor vehicles for transportation purposes.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Transportation Committee.



(Sponsorship Updated As Of: 6/30/2000)

1 **A CONCURRENT RESOLUTION** proposing to amend Article VIII,
2 Section II, paragraph 4 of the Constitution of the State of New
3 Jersey.

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 the
9 State of New Jersey is agreed to:

10
11 **PROPOSED AMENDMENT**

12 Amend Article VIII, Section II, paragraph 4, as follows:

13 4. There shall be credited to a special account in the General
14 Fund: (a) for [the] each State fiscal year [in which the amendment
15 to this paragraph is approved by the voters] commencing on and after
16 July 1, 1999 an amount equivalent to the revenue derived from
17 [\$0.025] \$0.09 per gallon from the tax imposed on the sale of motor
18 fuels pursuant to chapter 39 of Title 54 of the Revised Statutes[, and
19 an amount equivalent to the revenue derived from \$0.07 per gallon
20 from the tax shall be credited to the account in each of the first two
21 State fiscal years commencing after the approval of the amendment to
22 this paragraph by the voters, and an amount equivalent to the revenue
23 derived from \$0.08 per gallon from the tax shall be credited to the
24 account in the third State fiscal year commencing after the approval of
25 the amendment to this paragraph by the voters, and an amount
26 equivalent to the revenue derived from \$0.09 per gallon from the tax
27 shall be credited to the account in the fourth State fiscal year
28 commencing after the approval of the amendment to this paragraph by
29 the voters and annually thereafter];

30 (b) for the State fiscal year in which the amendment to this
31 paragraph is approved by the voters an amount not less than
32 \$100,000,000 derived from the State revenues collected from the tax
33 on the gross receipts of the sale of petroleum products imposed
34 pursuant to P.L.1990, c.42 (C.54:15B-1et seq.) as amended and
35 supplemented, or any other subsequent law of similar effect, and for
36 each State fiscal year thereafter an amount not less than \$200,000,000
37 derived from those revenues; and

38 (c) for the State fiscal year next commencing after the amendment
39 to this paragraph is approved by the voters an amount not less than
40 \$80,000,000 from the State revenue collected from the State tax
41 imposed under the "Sales and Use Tax Act," pursuant to P.L.1966,
42 c.30 (C.54:32B-1 et seq.), as amended and supplemented, or any other

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 subsequent law of similar effect, for the State fiscal year thereafter an
2 amount not less than \$140,000,000 from those revenues, and in each
3 State fiscal year thereafter an amount not less than \$200,000,000 from
4 those revenues; provided, however, the dedication and use of such
5 revenues as provided in this paragraph shall be subject and subordinate
6 to (a) all appropriations of revenues from such taxes made by laws
7 enacted on or before [December 6, 1984] December 7, 2000 in
8 accordance with Article VIII, Section II, paragraph 3 of the State
9 Constitution in order to provide the ways and means to pay the
10 principal and interest on bonds of the State presently outstanding or
11 authorized to be issued under such laws or (b) any other use of those
12 revenues enacted into law on or before [December 6, 1984]
13 December 7, 2000. These amounts shall be appropriated from time to
14 time by the Legislature, only for the purposes of paying or financing
15 the cost of planning, acquisition, engineering, construction,
16 reconstruction, repair and rehabilitation of the transportation system
17 in this State and it shall not be competent for the Legislature to
18 borrow, appropriate or use these amounts or any part thereof for any
19 other purpose, under any pretense whatever.

20 (cf: Article VIII, Section II, paragraph 4 amended effective December
21 7, 1995)

22

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

31

32 3. This proposed amendment to the Constitution shall be
33 submitted to the people at that election in the following manner and
34 form:

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

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

39 If you favor the proposition printed below make a cross (X), plus
40 (+), or check (T) in the square opposite the word "Yes." If you are
41 opposed thereto make a cross (X), plus (+) or check (T) in the square
42 opposite the word "No."

43 b. In every municipality the following question:

1		DEDICATION OF PETROLEUM
2		PRODUCTS GROSS RECEIPTS TAX AND
3		CERTAIN AMOUNTS FROM SALES TAX
4		FOR THE TRANSPORTATION SYSTEM
5		IN THIS STATE
6		Shall the amendment to Article VIII, Section
7		II, paragraph 4 of the Constitution of the State
8		of New Jersey, agreed to by the Legislature,
9		providing for the crediting of revenue to a
10		special account in the General Fund in the State
11		fiscal year in which this amendment is
12		approved, of not less than \$100,000,000 of the
13		revenues from the tax on the gross receipts of
14		the sale of petroleum products, and of not less
15		than \$200,000,000 of such revenue in each
16		State fiscal year thereafter and providing that in
17		the State fiscal year next commencing after
18		approval of the amendment and thereafter the
19	YES	crediting to that special account of certain
20		amounts of the revenues from the State tax
21		imposed under the "Sales and Use Tax Act,"
22		which shall be not less than \$80,000,000 for
23		the State fiscal year next commencing after this
24		amendment is approved and \$140,000,000 for
25		the succeeding State fiscal year, and
26		\$200,000,000 for each State fiscal year
27		thereafter, to be available only for the funding
28		of the State transportation system, subject to
29		laws enacted on or before December 7, 2000
30		dedicating any of these revenues for debt
31		service on bonds of the State or for any other
32		uses of these revenues, be approved?

1		INTERPRETIVE STATEMENT
2		This constitutional amendment dedicates
3		certain tax revenues for funding the
4		construction and repair of the State
5		transportation system. It provides that the
6		revenues from the tax on the gross receipts of
7		the sale of petroleum products would be
8		dedicated for that funding. Also beginning in
9		the State fiscal year next commencing after
10		approval of the amendment certain amounts
11		from the annual revenues from the State sales
12		tax equal to approximately one-third of that
13		revenue on the sale of new motor vehicles
14		would also be so dedicated. The minimum
15		amount dedicated from the petroleum products
16	NO	tax would be \$100,000,000 in the fiscal year in
17		which this amendment is approved and
18		\$200,000,000 for each fiscal year thereafter.
19		For the sales tax, the minimum amount would
20		be \$80,000,000 for the fiscal year next
21		commencing after this amendment is approved,
22		\$140,000,000 for the succeeding fiscal year and
23		\$200,000,000 for each fiscal year thereafter.
24		This amendment would add the revenues
25		from the petroleum products tax and a portion
26		of the sales tax to the revenues already
27		constitutionally dedicated from 9.0 cents of the
28		State tax on motor fuels as sources of funding
29		for the construction and repair of the State
30		transportation system.
31		