

27:1B-4

LEGISLATIVE HISTORY CHECKLIST

NJSA: 27:1B-4 et al

(Motor fuels
tax--increase)

LAWS OF: 1987

CHAPTER: 460

Bill No: A4649

Sponsor(s): Franks

Date Introduced: November 23, 1987

Committee: Assembly: --

Senate: Revenue, Finance & Appropriations; Transportation &
Communications

Amended during passage: Yes Amendment during passage denoted
by asterisk.

Date of Passage: Assembly: December 10, 1987

Senate: January 11, 1988

Date of Approval: January 19, 1988

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: No

Senate: Yes 12/17/87 & 12/16/87

Fiscal Note: No

Veto Message: No

Message on signing: Yes

Following were printed:

Reports: No

Hearings: No

See newspaper clipping file, "NJ-Transportation-1987 and 1988" in New Jersey
Reference Department.

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P. L. 1987, CHAPTER 460, *approved January 19, 1988*

1987 Assembly No. 4649 (*Official Copy Reprint*)

AN ACT concerning financing for transportation purposes, increasing the tax on motor fuels*, *amending R. S. 54:39-27** and amending **and supplementing** P. L. 1984, c. 73 ***[and R. S. 54:39-27]***.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 4 of P. L. 1984, c. 73 (C. 27:1B-4) is amended to read
2 as follows:

3 4. a. There is hereby established in the department a public
4 body corporate and politic, with corporate succession, to be known
5 as the "New Jersey Transportation Trust Fund Authority."
6 For the purpose of complying with the provisions of Article V,
7 Section IV, paragraph 1 of the New Jersey Constitution, the
8 authority is hereby allocated within the Department of Transportation,
9 but notwithstanding said allocation, the authority shall be
10 independent of any supervision or control by the department or
11 by any board or officer thereof. The authority is hereby constituted
12 as an instrumentality of the State, exercising public and essential
13 governmental functions, no part of whose revenues shall accrue to
14 the benefit of any individual, and the exercise by the authority of
15 the powers conferred by the act shall be deemed and held to be an
16 essential governmental function of the State.

17 b. The authority shall consist of five members as follows: the
18 commissioner and the State Treasurer, who shall be members *ex*
19 *officio*, and three public members, one of whom shall be appointed
20 by the Governor, with the advice and consent of the Senate, and
21 the two remaining to be appointed by the Governor, one of whom

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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Senate committee amendments adopted December 17, 1987.

**—Senate committee amendments adopted December 17, 1987.

22 upon recommendation of the President of the Senate and the other
23 upon recommendation of the Speaker of the General Assembly.
24 No more than three members of the authority shall be of the same
25 political party. The public members appointed by the Governor
26 shall serve a four year term, except that the public member
27 appointed by the Governor upon recommendation of the President
28 of the Senate shall serve for a four year term and the public member
29 appointed upon recommendation of the Speaker of the General
30 Assembly shall serve for a two year term.

31 With respect to those public members first appointed by the
32 Governor: the Senate shall advise and consent to the appointment
33 of the member not appointed upon recommendation of the President
34 and the Speaker within 30 days of the receipt thereof from the
35 Governor, such appointment having been sent by the Governor
36 to the Senate within 20 days following the effective date of this
37 act; the President of the Senate and the Speaker of the General
38 Assembly shall send their recommendations for public members
39 to the Governor within 20 days following the effective date of this
40 act. The Governor has an additional 10 days to accept or reject in
41 writing these recommendations.

42 Each public member shall hold office for the term of the member's
43 appointment and until the member's successor shall have been
44 appointed and qualified. A member shall be eligible for reappoint-
45 ment. Any vacancy in the membership occurring other than by
46 expiration of term shall be filled in the same manner as the original
47 appointment but for the unexpired term only.

48 c. Each public member, except those appointed upon recom-
49 mendation of the President of the Senate and the Speaker of the
50 General Assembly, may be removed from office by the Governor,
51 for cause, after public hearing, and may be suspended by the
52 Governor pending the completion of such hearing. All members
53 before entering upon their duties shall take and subscribe an oath
54 to perform the duties of their office faithfully, impartially and
55 justly to the best of their ability. A record of such oaths shall be
56 filed in the Office of the Secretary of State.

57 d. The authority shall not be deemed to be constituted and
58 shall not take action or adopt motions or resolutions until at least
59 three authorized members shall have been appointed and qualified
60 in the manner provided in this section. The commissioner shall
61 serve as chairperson of the authority. Prior to the authority being
62 constituted, the chairperson is authorized to transfer up to \$75
63 million to the department from the appropriations made to the

64 authority for the fiscal year commencing July 1, 1984. The members
65 shall annually elect one of their members as vice chairperson. The
66 members shall elect a secretary and a treasurer, who need not be
67 members, and the same person may be elected to serve both as
68 secretary and treasurer. The powers of the authority shall be
69 vested in the members thereof in office from time to time and three
70 members of the authority shall constitute a quorum at any
71 meeting thereof. Action may be taken and motions and resolutions
72 adopted by the authority at any meeting thereof by the affirmative
73 vote of at least three members of the authority. No vacancy in the
74 membership of the authority shall impair the right of a quorum of
75 the members to exercise all the powers and perform all the duties
76 of the authority, except that the authority shall not have the power
77 to issue its initial offering of bonds, notes or other obligations
78 unless all five members of the authority shall have been appointed
79 and qualified.

80 e. The members of the authority shall serve without compensa-
81 tion, but the authority shall reimburse its members for actual
82 expenses necessarily incurred in the discharge of their duties. Not-
83 withstanding the provisions of any other law, no member shall be
84 deemed to have forfeited nor shall the member forfeit the member's
85 office or employment or any benefits or emoluments thereof by
86 reason of the member's acceptance of the office of ex officio member
87 of the authority or the member's services therein.

88 f. Each ex officio member may designate an employee of the
89 member's department or agency to represent the member at meet-
90 ings of the authority. All designees may lawfully vote and other-
91 wise act on behalf of the member for whom they constitute the
92 designee. The designation shall be in writing delivered to the au-
93 thority and shall continue in effect until revoked or amended in
94 writing delivered to the authority.

95 g. A true copy of the minutes of every meeting of the authority
96 shall be forthwith delivered by and under the certification of the
97 secretary thereof to the Governor. No action taken at the meeting
98 by the authority shall have force or effect until 15 days after such
99 copy of the minutes shall have been so delivered, unless during this
100 15-day period the Governor shall approve in writing the same or
101 any part thereof, in which case the action shall become effective
102 upon approval. If, in said 15-day period, the Governor returns a
103 copy of the minutes with his veto of any action taken by the au-
104 thority or any member thereof at the meeting, the action shall be
105 null and void and of no effect. Notwithstanding the foregoing, if

106 the last day of the 15-day period shall be a Saturday, Sunday or
107 legal holiday, then the 15-day period shall be deemed extended to
108 the next following business day. The powers conferred in this para-
109 graph upon the Governor shall be exercised with due regard for the
110 rights of the holders of bonds, notes or other obligations of the
111 authority at any time outstanding, and nothing in, or done pursuant
112 to, this paragraph shall in any way limit, restrict or alter the obliga-
113 tion or powers of the authority or any representative or officer of
114 the authority to carry out and perform in every detail each and
115 every covenant, agreement or contract at any time made or entered
116 into by or on behalf of the authority with respect to its bonds, notes
117 or other obligations or for the benefit, protection or security of the
118 holders thereof.

119 h. The authority shall continue in existence until dissolved by
120 act of the Legislature, except that it shall not continue in existence
121 beyond [17] * [20] * 22* years unless the Legislature shall by law
122 prescribe otherwise. However, any dissolution of this authority,
123 by act of the Legislature or otherwise, shall be on condition that the
124 authority has no debts, contractual duties or obligations outstand-
125 ing, or that provision has been made for the payment, discharge or
126 retirement of these debts, contractual duties or obligations. Upon
127 any dissolution of the authority, all property, rights, funds and
128 assets thereof shall pass to and become vested in the State.

1 2. Section 9 of P. L. 1984, c. 73 (C. 27:1B-9) is amended to read
2 as follows:

3 9. a. The authority shall have the power and is hereby authorized
4 after November 15, 1984 and from time to time thereafter to issue
5 its bonds, notes or other obligations in principal amounts as in the
6 opinion of the authority shall be necessary to provide for any of
7 its corporate purposes, including the payment, funding or refund-
8 ing of the principal of, or interest or redemption premiums on, any
9 bonds, notes or other obligations issued by it, whether the bonds,
10 notes, obligations or interest to be funded or refunded have or have
11 not become due; and to provide for the security thereof and for the
12 establishment or increase of reserves to secure or to pay the bonds,
13 notes or other obligations or interest thereon and all other reserves
14 and all costs or expenses of the authority incident to and necessary
15 or convenient to carry out its corporate purposes and powers; and
16 in addition to its bonds, notes and other obligations, the authority
17 shall have the power to issue subordinated indebtedness, which shall
18 be subordinate in lien to the lien of any or all of its bonds or notes.
19 No resolution or other action of the authority providing for the

20 issuance of bonds, refunding bonds or other obligations shall be
21 adopted or otherwise made effective by the authority without the
22 prior approval in writing of the Governor and either the State
23 Treasurer or the Director of the Division of Budget and Accounting
24 in the Department of the Treasury.

25 b. Except as may be otherwise expressly provided in the act or
26 by the authority, every issue of bonds or notes shall be general
27 obligations payable out of any revenues or funds of the authority,
28 subject only to any agreements with the holders of particular bonds
29 or notes pledging any particular revenues or funds. The authority
30 may provide the security and payment provisions for its bonds or
31 notes as it may determine, including (without limiting the general-
32 ity of the foregoing) bonds or notes as to which the principal and
33 interest are payable from and secured by all or any portion of the
34 revenues of and payments to the authority, and other moneys or
35 funds as the authority shall determine. In addition, the authority
36 may, in anticipation of the issuance of the bonds or the receipt of
37 appropriations, grants, reimbursements or other funds, including
38 without limitation grants from the federal government for federal
39 aid highways or public transportation systems, issue notes, the
40 principal of or interest on which, or both, shall be payable out of
41 the proceeds of notes, bonds or other obligations of the authority
42 or appropriations, grants, reimbursements or other funds or
43 revenues of the authority. The authority may also enter into bank
44 loan agreements, lines of credit and other security agreements and
45 obtain for or on its behalf letters of credit in each case for the
46 purpose of securing its bonds, notes or other obligations or to pro-
47 vide direct payment of any costs which the authority is authorized
48 to pay by this act and to secure repayment of any borrowings under
49 the loan agreement, line of credit, letter of credit or other security
50 agreement by its bonds, notes or other obligations or the proceeds
51 thereof or by any or all of the revenues of and payments to the
52 authority or by any appropriation, grant or reimbursement to be
53 received by the authority and other moneys or funds as the au-
54 thority shall determine.

55 c. Whether or not the bonds and notes are of the form and
56 character as to be negotiable instruments under the terms of Title
57 12A. Commercial Transactions, New Jersey Statutes, the bonds and
58 notes are hereby made negotiable instruments within the meaning
59 of and for all the purposes of said Title 12A.

60 d. Bonds or notes of the authority shall be authorized by a
61 resolution or resolutions of the authority and may be issued in one

62 or more series and shall bear the date, or dates, mature at the
63 time or times, bear interest at the rate or rates of interest per
64 annum, be in the denomination or denominations, be in the form,
65 carry the conversion or registration privileges, have the rank or
66 priority, be executed in the manner, be payable from the sources,
67 in the medium of payment, at the place or places within or without
68 the State, and be subject to the terms of redemption (with or
69 without premium) as the resolution or resolutions may provide.
70 Bonds or notes may be further secured by a trust indenture
71 between the authority and a corporate trustee within or without the
72 State. All other obligations of the authority shall be authorized by
73 resolution containing terms and conditions as the authority shall
74 determine.

75 e. Bonds, notes or other obligations of the authority may be sold
76 at public or private sale at a price or prices and in a manner as the
77 authority shall determine. Every bond **issued on or before the*
78 *effective date of this 1987 amendatory and supplementary act** shall
79 mature and be paid not later than [17] ~~*[20]*~~ **17** years from the
80 date thereof, except that no bond, note or other obligation shall
81 mature and be paid later than [17] ~~*[20]*~~ **22** years from the
82 effective date of **[this act]* *P. L. 1984, c. 73 (C. 27:1B-1 et seq.)**,
82A nor shall any refunding of such obligations mature or be paid later
82B than that date. **Every bond issued after the effective date of this*
82C *1987 amendatory and supplementary act shall mature and be paid*
82D *not later than ~~**[10]**~~ ~~**11**~~ years from the date thereof, except*
82E *that no bond, note or other obligation shall mature and be paid*
82F *later than 22 years from the effective date of P. L. 1984, c. 73*
82G *(C. 27:1B-1 et seq.).**

83 Notes, the initial series of bonds and bonds issued for refunding
84 purposes of the authority may be sold at public or private sale at
85 a price or prices and in a manner as the authority shall determine.

86 Except as noted above, all bonds of the authority shall be sold
87 at such price or prices and in such manner as the authority shall
88 determine, after notice of sale, published at least three times in at
89 least three newspapers published in the State of New Jersey, and
90 at least once in a publication carrying municipal bond notices and
91 devoted primarily to financial news, published in New Jersey or the
92 City of New York, the first notice to be at least five days prior to
93 the day of bidding. The notice of sale may contain a provision to
94 the effect that any or all bids made in pursuance thereof may be
95 rejected. In the event of such rejection or of failure to receive any
96 acceptable bid, the authority, at any time within 60 days from the

97 date of such advertised sale, may sell such bonds at private sale
98 upon terms not less favorable to the State than the terms offered
99 by any rejected bid. The authority may sell all or part of the bonds
100 of any series as issued to any State fund or to the federal govern-
101 ment or any agency thereof, at private sale, without advertisement.

102 f. Bonds or notes may be issued and other obligations incurred
103 under the provisions of the act without obtaining the consent of
104 any department, division, commission, board, bureau or agency of
105 the State, other than the approval as required by subsection a. of
106 this section, and without any other proceedings or the happening
107 of any other conditions or other things than those proceedings,
108 conditions or things which are specifically required by the act.

109 g. Bonds, notes and other obligations of the authority issued or
110 incurred under the provisions of the act shall not be in any way a
111 debt or liability of the State or of any political subdivision thereof
112 other than the authority and shall not create or constitute any in-
113 debtedness, liability or obligation of the State or of any political
114 subdivision or be or constitute a pledge of the faith and credit of
115 the State or of any political subdivision but all bonds, notes and
116 obligations, unless funded or refunded by bonds, notes or other
117 obligations of the authority, shall be payable solely from revenues
118 or funds pledged or available for their payment as authorized in
119 the act. Each bond, note or other obligation shall contain on its face
120 a statement to the effect that the authority is obligated to pay the
121 principal thereof or the interest thereon only from revenues or
122 funds of the authority and that neither the State nor any political
123 subdivision thereof is obligated to pay the principal or interest and
124 that neither the faith and credit nor the taxing power of the State
125 or any political subdivision thereof is pledged to the payment of
126 the principal of or the interest on the bonds, notes or other obliga-
127 tions. For the purposes of this subsection, political subdivision does
128 not include the authority.

129 h. All expenses incurred in carrying out the provisions of the
130 act shall be payable solely from the revenues or funds provided or
131 to be provided under or pursuant to the provisions of the act and
132 nothing in the act shall be construed to authorize the authority to
133 incur any indebtedness or liability on behalf of or payable by the
134 State or any political subdivision thereof.

135 i. The aggregate principal amount of bonds, notes or other
136 obligations, including subordinated indebtedness of the author-
137 ity, may not exceed ~~[\$875,000,000.00]~~ ****[\$1,900,000,000.00]****
138 ****\$1,700,000,000.00****. **Any principal amount retired in any man-*
139 *ner before and after the effective date of this 1987 amendatory*

140 and supplementary act shall not be applied to any unissued aggre-
141 gate principal amount remaining under the limitation and reductions
142 provided for in this subsection.* If in any fiscal year appropriations
143 by the Legislature to the authority, and amounts received in accor-
144 dance with contracts entered into with the toll road authorities, if
145 those amounts are not included in legislative appropriations, shall
146 be in excess of \$143,000,000.00 in any fiscal year through ***[and**
147 **including]*** *the fiscal year beginning on July 1, 1986 or
148 \$201,000,000.00 for* the fiscal year beginning on July 1, 1987 or
149 ****[\$351,000,000.00]**** ****\$331,000,000.00**** in any fiscal year there-
150 after, the aggregate principal amount of **[\$875,000,000.00]**
150A ****[\$1,900,000,000.00]**** ****\$1,700,000,000.00**** shall be reduced by
150B an amount equal to the excess. In computing the foregoing limi-
150C tations there shall be excluded all the bonds, notes or other
150D obligations, including subordinated indebtedness of the authority,
150E which shall be issued for refunding purposes, provided that the
150F refunding shall be determined by the authority to result in a debt
150G service savings.

151 The authority shall minimize debt incurrence by first relying on
152 appropriations and other revenues available to the authority
153 before incurring debt to meet its statutory purposes.

154 The authority shall not incur debt at any time in any fiscal year
155 in excess of the difference between the amount of appropriations
156 and other revenues to the authority theretofore made in that
157 fiscal year and the amount which the Department of Transportation
158 is permitted to commit for transportation projects under the act
159 in that fiscal year as indicated in the budget, plus reasonably
160 necessary expenses, required debt reserve funds, debt service and
161 outstanding financial obligations from prior fiscal years of the au-
162 thority.

163 Debt which would have been incurred pursuant to this section,
164 which is not incurred in any fiscal year, may be issued in subse-
165 quent years.

1 3. Section 20 of P. L. 1984, c. 73 (C. 27:1B-20) is amended to
2 read as follows:

3 20. There is hereby established in the General Fund an account
4 entitled "Transportation Trust Fund Account." During the fiscal
5 year beginning July 1, 1984 and during each succeeding fiscal year
6 in which the authority has bonds, notes or other obligations out-
7 standing, the treasurer shall credit to this account**[.]**:

8 a. ***[For any fiscal year through and including the fiscal year**
9 **beginning July 1, 1987, commencing]** ***Commencing*** with the last
10 business day of August 1984 and on the last business day of each

11 succeeding calendar month, an amount not less than \$7,333,333.00,
 12 provided that if the effective date of the act shall be later than July
 13 1984, the initial credit shall be an amount equal to that which would
 14 have been credited to the account had the act become effective
 15 on July 1, 1984, and further provided that the amount credited
 16 shall be an amount equivalent to the revenue derived from \$0.025
 17 per gallon from the tax imposed on the sale of motor fuels pursuant
 18 to chapter 39 of Title 54 of the Revised Statutes, as provided in
 19 Article VIII, Section II, paragraph 4 of the State Constitution.
 20 provided, however, such amount during any fiscal year shall not be
 21 less than \$88,000,000.00;

22 *b. [For] In addition to the amount credited in subsection a.*
 23 *of this section, for the fiscal year beginning July 1, 1988 and for*
 24 *each fiscal year thereafter, commencing with the last business day of*
 25 *August 1988 and on the last business day of each succeeding calen-*
 26 *dar month, an amount equivalent to the revenue derived from*
 27 *[\$0.075] [\$0.05] \$0.045 per gallon from the tax im-*
 28 *posed on the sale of motor fuels pursuant to chapter 39 of Title 54*
 29 *of the Revised Statutes, [as provided in Article VIII, Section II,*
 30 *paragraph 4 of the State Constitution,] provided, however, such*
 31 *amount during any month shall not be less than [\$24,687,500.00]*
 31A *[\$16,458,333.00] \$14,812,500.00, nor less than*
 31B *[\$296,250,000.00] [\$197,500,000.00] \$177,750,000.00*
 31C *during any fiscal year; and [an]*

32 *c. An amount equivalent to moneys received by the State in*
 33 *accordance with contracts entered into with toll road authorities or*
 34 *other State agencies, provided that effective with the fiscal year*
 35 *beginning July 1, 1988, the amount so credited shall not be less than*
 36 *\$24,500,000.00 in any fiscal year.*

37 The treasurer shall also credit to this account, in accordance
 38 with a contract between the treasurer and the authority, an amount
 39 equivalent to the sum of the revenues due from the increase of
 40 fees for motor vehicle registrations collected pursuant to the
 41 amendment to R. S. 39:3-20 made by this act and from the increase
 42 of fees for motor fuels user identification markers collected pur-
 43 suant to the amendment to section 10 of P. L. 1963, c. 44 (C.
 44 54:39A-10) made by this act and from the increase in the tax on
 45 diesel fuels imposed pursuant to the amendment to R. S. 54:39-27
 46 made by this act *and by P. L. . c. (C.) (now*
 47 *pending before the Legislature as this bill)*, provided that the total*
 48 *amount credited during the fiscal year beginning July 1, 1984 shall*
 49 *not be less than \$20,000,000.00 and that the total amount credited*
 50 *during the fiscal year beginning July 1, 1985 and during every fiscal*

51 year thereafter shall not be less than \$30,000,000.00. No later than
52 the fifth business day of the month following the month in which a
53 credit has been made, the treasurer shall pay to the authority, for its
54 purposes as provided herein, the amounts then credited to the
55 Transportation Trust Fund Account, provided that the payments to
56 the authority shall be subject to and dependent upon appropriations
57 being made from time to time by the Legislature of the amounts
58 thereof for the purposes of the act.

1 *4. Section 21 of P. L. 1984, c. 73 (C. 27:1B-21) is amended to
2 read as follows:

3 21. a. There is hereby established a separate fund entitled
4 "Special Transportation Fund." This fund shall be maintained
5 by the State Treasurer and may be held in depositories as may be
6 selected by the treasurer and invested and reinvested as other
7 funds in the custody of the treasurer, in the manner provided by
8 law. The commissioner may from time to time (but not more
9 frequently than monthly) certify to the authority an amount
10 necessary to fund payments made, or anticipated to be made by or
11 on behalf of the department, from appropriations established for
12 or made to the department from revenues or other funds of the au-
13 thority. The commissioner's certification shall be deemed con-
14 clusive for purposes of the act. The authority shall, within 15 days
15 of receipt of the certificate, transfer from available funds of the
16 authority to the treasurer for deposit in the Special Transportation
17 Fund the amount certified by the commissioner, provided that all
18 funds transferred shall only be expended by the department *by*
19 *project* pursuant to appropriations [or authorizations] made from
20 time to time by the Legislature for the purposes of the act.

21 b. The department shall not expend any money except as appro-
22 priated by law. Commencing with appropriations for the fiscal
23 years beginning on July 1, [1985 or for any subsequent fiscal years,
24 the Legislature shall make a categorical or specific appropriation
25 by project or authorization of funds to be expended by the depart-
26 ment in the annual appropriations act or in a supplemental appro-
27 priations act, which shall be passed by June 30 preceding the fiscal
28 year to which it pertains] *1988, the department shall not expend*
29 *any funds except as are appropriated by specific projects identified*
30 *by a description of the projects, the county or counties within which*
31 *they are located, and amounts to be expended on each project, in*
32 *the annual appropriations act. [This section shall apply to appro-*
33 *priations for the fiscal years beginning July 1, 1985.]*

34 c. No funds appropriated, authorized or expended pursuant to
35 this act shall be used to finance the resurfacing of highways by

36 department personnel, where that resurfacing would require the
37 use of more than 150,000 tons of bituminous concrete for that pur-
38 pose in any calendar year, except that the commissioner may waive
39 this position when he determines the existence of emergency con-
40 ditions requiring the use of department personnel for the resurfac-
41 ing of highways, after the department has effectively reached the
42 150,000 ton limit.

43 *d. In order to provide the department with flexibility in admin-*
44 *istering the specific appropriation by project identified in the*
45 *annual appropriations act, the commissioner may transfer a part*
46 *of any item to any other item subject to the approval of the Director*
47 *of the Division of Budget and Accounting and of the Joint Budget*
48 *Oversight Committee or its successor. Upon approval of the*
49 *director and the committee, the transfer shall take effect.*

1 5. Section 22 of P. L. 1984, c. 73 (C. 27:1B-22) is amended to
2 read as follows:

3 22. To the end that the transportation system of the State shall
3A be planned in an orderly and efficient manner and that the Legisla-
4 ture shall be advised of the nature and extent of public highways,
5 public transportation projects and other transportation projects
6 contemplated to be financed under this act, the department shall
7 submit a master plan, as provided in subsection (a) of section 5 of
8 P. L. 1966, c. 301 (C. 27:1A-5). Notwithstanding the provisions
9 of that act, the plan shall be for a period of five years and shall be
10 submitted to the Commission on Capital Budgeting and Planning,
11 the Chairman of the Senate Transportation and Communications
12 Committee and the Chairman of the Assembly Transportation
13 [and], Communications and High Technology Committee, or their
14 successors, and the Legislative Budget and Finance Officer, on or
15 before December 15, 1984, and at five year intervals thereafter.

16 On or before [April] March 1 of each year, the commissioner
17 shall submit a report of proposed projects, including but not
18 limited to public highways, to be financed in an ensuing fiscal year,
19 including therewith a description of the projects, the county or
20 counties within which they are to be located, a distinction between
21 State and local projects, and the amount estimated to be expended
22 on each project *and also including a financial plan designed to*
23 *implement the financing of the proposed projects. The financial*
24 *plan shall contain an enumeration of the bonds, notes or other*
25 *obligations of the authority which the authority intends to issue,*
26 *including the amounts thereof and the conditions therefor. The*
27 *financial plan shall set forth a complete operating and financial*

28 *statement covering the authority's proposed operations during the*
29 *ensuing fiscal year, including amounts of income from all sources,*
30 *including but not limited to the proceeds of bonds, notes or other*
31 *obligations to be issued, as well as interest earned. In addition,*
32 *the plan shall contain proposed amounts to be appropriated and*
33 *expended, as well as amounts for which the department anticipates*
34 *to obligate during the ensuing fiscal year for any future expendi-*
35 *tures. The report shall be submitted to the Senate and General*
36 *Assembly. Within [21] 30 days of the receipt thereof, the Senate*
37 *or the General Assembly may object in writing to the commissioner*
38 *in regard to any project or projects it disapproves or which it is of*
39 *the opinion should be modified or added to or any additional or*
40 *alternative projects considered or in regard to any element of the*
41 *financial plan. The commissioner shall consider the objections and*
42 *recommendations and resubmit the report within 10 days, contain-*
43 *ing therein any modifications based upon [his] the commissioner's*
44 *consideration of the objections or recommendations. [The Senate*
45 *or General Assembly may, at its discretion, or at the request of the*
46 *Joint Appropriations Committee, report to the Joint Appropria-*
47 *tions Committee its findings and recommendations concerning*
48 *appropriations to the department for the ensuing fiscal year, for*
49 *consideration by the Joint Appropriations Committee in reviewing*
50 *the Governor's recommended appropriations for the ensuing fiscal*
51 *year.]*

1 6. Section 25 of P. L. 1984, c. 73 (C. 27:1B-25) is amended to
2 read as follows:

3 25. a. Notwithstanding the provisions of subtitle 4 of Title 27
4 of the Revised Statutes and P. L. 1946, c. 301 (C. 27:15A-1 et seq.),
5 the commissioner may, pursuant to appropriations or authoriza-
6 tions being made from time to time by the Legislature according
7 to law, allocate to counties and municipalities funds for the plan-
8 ning, acquisition, engineering, construction, reconstruction, repair,
9 resurfacing and rehabilitation of public highways and the planning,
10 acquisition, engineering, construction, reconstruction, repair and
11 rehabilitation of public transportation projects and of other trans-
12 portation projects which a county or municipality may be au-
13 thorized by law to undertake. In the case of a county or munici-
14 pality for which an allocation has been made for the federal fiscal
15 year beginning October 1, 1983, of an amount of federal aid for the
16 federal aid urban system, as defined in 23 U. S. C. § 103, the amount
17 of State aid allocated under this section in any fiscal year shall not
18 be less than the amount of federal aid so allocated, together with

19 the amount of matching funds required under federal law. No
 20 allocation shall be made to a county or municipality without
 21 certification by the commissioner: (1) that there exists with respect
 22 to that county or municipality a comprehensive plan, or plans,
 23 which he has approved, for the effective allocation, utilization, and
 24 coordination of available federal and State transportation aid, and
 25 (2) that the county or municipality has agreed that State aid pro-
 26 vided under this section is provided in lieu of federal aid for the
 27 federal aid urban system program and that any federal aid for the
 28 federal aid urban system program attributable to the area will be
 29 programmed by the Department of Transportation for projects of
 30 regional significance. In any year in which insufficient funds have
 31 been appropriated to meet the minimum county allocations
 32 established in this section, or if no appropriation is provided, the
 33 commissioner shall determine on a prorated basis the amount of
 34 the deficiency for each county having a minimum allocation and
 35 allocate from funds available under the federal aid urban system
 36 program sufficient funds to meet the minimum allocations.

37 b. The commissioner shall, pursuant to appropriations or au-
 38 thorizations being made from time to time by the Legislature
 39 according to law *and pursuant to the provisions of subsection d. of*
 40 *this section*, allocate at his discretion State aid to municipalities
 41 for public highways under their jurisdiction and for emergency
 42 transportation projects, except that the amount to be appropriated
 43 for this program shall be **[4/19] 15%** of the **[aggregate]** amount
 44 appropriated pursuant to **[subsections b. and c.] the provisions of**
 45 *paragraph (2) of subsection d.* of this section.

46 c. The commissioner shall, pursuant to appropriations or au-
 47 thorizations being made from time to time by the Legislature
 48 according to law *and pursuant to the provisions of subsection d.*
 49 *of this section*, allocate State aid to municipalities for public high-
 50 ways under their jurisdiction, except that the amount to be appro-
 51 priated for this purpose shall be **[15/19] 85%** of the **[aggregate]**
 52 amount appropriated pursuant to **[subsections b. and c.] the pro-**
 53 *visions of paragraph (2) of subsection d.* of this section. The amount
 54 to be appropriated shall be allocated on the basis of the following
 55 distribution factor:

$$56 \quad DF = \frac{P_c}{P_s} + \frac{C_m}{S_m}$$

57 where, DF equals the distribution factor

58 P_c equals county population

59 P_s equals State population

60 Cm equals municipal road mileage within the county

61 Sm equals municipal road mileage within the State.

62 After the amount of aid has been allocated based on the above
63 formula, the commissioner shall determine priority for the funding
64 of municipal projects within each county, based upon criteria relat-
65 ing to volume of traffic, safety considerations, growth potential,
66 readiness to obligate funds and local taxing capacity.

67 For the purposes of this subsection, (1) "population" means the
68 official population count as reported by the New Jersey Department
69 of Labor: and (2) "municipal road mileage" means that road
70 mileage under the jurisdiction of municipalities, as determined by
71 the department.

72 *d. There shall be appropriated at least \$30,000,000.00 in each*
73 *fiscal year for the purposes provided herein and in subsection b.*
74 *and c. of this section. (1) Of that appropriation, the commissioner*
75 *shall allocate \$5,000,000.00 as State aid to any municipality qualify-*
76 *ing for aid pursuant to the provisions of P. L. 1978, c. 14 (C.*
77 *52:27D-178 et seq.). The commissioner shall allocate the aid to*
78 *each municipality in the same proportion that the municipality*
79 *receives aid under P. L. 1978, c. 14. (2) The remaining amount of*
80 *the appropriation shall be allocated pursuant to the provisions of*
81 *subsections b. and c. of this section.**

1 ***[4.]*** *7.* R. S. 54:39-27 is amended to read as follows:

2 54:39-27. a. Every distributor and gasoline jobber shall, on or
3 before the 22nd day of each month, render a report to the Director
4 of the Division of Taxation, stating the number of gallons of fuel
5 sold or used in this State by him during the preceding calendar
6 month. A tax of **[\$0.08]** \$0.105 per gallon on each gallon so
7 reported, except diesel fuel and alcohol-blend motor fuel, and a tax
8 of **[\$0.11]** \$0.135 per gallon on each gallon of diesel fuel so
9 reported, used, offered for sale, or sold for use to propel motor
10 vehicles with diesel type engines on the public highways shall be
11 paid by each distributor and gasoline jobber, such payment to
12 accompany the filing of the report. The tax on each gallon of
13 alcohol-blend motor fuel shall be paid as provided in subsection b.
14 of this section. Such report shall contain such further information
15 as the director may require. Under such regulations as the director
16 may prescribe, sales of fuel and diesel fuel may be made by one
17 licensed distributor or gasoline jobber to another licensed distrib-
18 utor or gasoline jobber free of such tax. If any distributor or
19 gasoline jobber shall fail, neglect or refuse to file the report within

20 the time prescribed by this section, the director shall note such
21 failure, neglect or refusal upon his records, and shall estimate the
22 sales, distribution and use of said distributor or gasoline jobber,
23 assessing the tax thereon, adding to said tax a penalty of 20%
24 thereof for failure, neglect or refusal to report, and such estimate
25 shall be prima facie evidence of the true amount of tax due to the
26 director from such distributor or gasoline jobber: provided that if
27 a good and sufficient cause or reason is shown for such delinquency,
28 the director may remit or waive the payment of the whole or any
29 part of the penalty, as provided in the State Tax Uniform Pro-
30 cedure Law, subtitle 9 of Title 54 of the Revised Statutes. Reports
31 required by this section, exclusive of schedules, itemized state-
32 ments and other supporting evidence annexed thereto, shall at all
33 reasonable times be open to the public, anything contained in R. S.
34 54:50-8 to the contrary notwithstanding.

35 b. The tax per gallon on each gallon of alcohol-blend motor fuel,
36 as defined in subsection (d) of R. S. 54:39-2, shall be imposed as
37 follows:

38 (1) On and after October 1, 1985, but before January 1, 1988, the
39 tax on alcohol-blend motor fuel shall be \$0.08 less than the rate
40 applicable and paid on the sale or use of other fuels taxed under
41 this section which do not contain such a blend.

42 (2) On and after January 1, 1988, but before January 1, 1990, the
43 tax on alcohol-blend motor fuel shall be \$0.06 less than the rate
44 applicable and paid on the sale or use of other fuels taxed under
45 this section which do not contain such a blend.

46 (3) On and after January 1, 1990, but prior to January 1, 1992,
47 the tax on alcohol-blend motor fuel shall be \$0.04 less than the rate
48 applicable and paid on the sale or use of other fuels taxed under
49 this section which do not contain such a blend.

50 (4) On and after January 1, 1992, the tax on alcohol-blend motor
51 fuel shall be at the same rate applicable and paid on the sale or
52 use of other fuels taxed under this section which do not contain
53 such a blend.

54 Any tax on alcohol-blend motor fuel imposed pursuant to this
55 subsection shall be paid at the same time and in the same manner
56 as the payment for the tax imposed on other fuels pursuant to sub-
57 section a. of this section.

1 *8. (New section) a. Commencing with the report of the commis-
2 sioner required to be submitted pursuant to section 22 of P. L.
3 1984, c. 73 (C. 27:1B-22) on or before March 1, 1988 for the fiscal
4 year commencing July 1, 1988 and for the reports of the commis-

5 sioner required to be submitted pursuant thereto for each of the
 6 next six fiscal years, the amount reported by the commissioner
 7 for proposed projects to be financed shall not exceed
 8 ****[\$385,000,000.00]**** ****\$365,000,000.00**** exclusive of federal funds
 9 for each of those fiscal years except as provided herein. If, in the
 10 discretion of the commissioner, a greater amount is determined to
 11 be necessary to meet the financing requirements for the ensuing
 12 fiscal year, the commissioner may include in a report an amount
 13 in excess of ****[\$385,000,000.00]**** ****\$365,000,000.00**** exclusive of
 14 federal funds provided that in no ****[case]**** ****event**** shall that
 15 amount be an amount greater than 105% of that
 16 ****[\$385,000,000.00]**** ****\$365,000,000.00****.

17 In any fiscal year for which an amount exceeding
 18 ****[\$385,000,000.00]**** ****\$365,000,000.00**** exclusive of federal
 19 funds was appropriated pursuant to subsection b. of this section,
 20 the commissioner shall report on or before March 1 of that fiscal
 21 year for the ensuing fiscal year an amount for proposed projects
 22 to be financed not greater than ****[\$385,000,000.00]****
 23 ****\$365,000,000.00**** reduced by the amount in excess of
 24 ****[\$385,000,000.00]**** ****\$365,000,000.00**** that was appropriated in
 25 that fiscal year.

26 b. Commencing with the fiscal year beginning on July 1, 1988 and
 27 for each of the next six fiscal years, the total amount authorized
 28 to be appropriated from the revenues and other nonfederal funds
 29 of the New Jersey Transportation Trust Fund Authority for the
 30 projects listed in the appropriations act pursuant to section 21 of
 31 P. L. 1984, c. 73 (C. 27:1B-21), shall not exceed
 32 ****[\$385,000,000.00]**** ****\$365,000,000.00**** exclusive of federal
 33 funds in any fiscal year except as provided herein. If, in any fiscal
 34 year, a greater amount is determined to be necessary to meet the
 35 financing requirements, the amount appropriated may be in excess
 36 of ****[\$385,000,000.00]**** ****\$365,000,000.00**** exclusive of federal
 37 funds provided that: (1) in no ****[case]**** ****event**** shall there
 38 be appropriated an amount greater than 105% of that
 39 ****[\$385,000,000.00]**** ****\$365,000,000.00****, and provided further,
 40 that (2) the appropriation for the ensuing fiscal year shall not be
 41 greater than that ****[\$385,000,000.00]**** ****\$365,000,000.00**** re-
 42 duced by the amount in excess of ****[\$385,000,000.00]****
 43 ****\$365,000,000.00**** that was appropriated in the ****[then]**** cur-
 44 rent fiscal year.*

45 ****c.** The limit on the amount reported in any fiscal year set forth
 46 in subsection a. of this section and the limit on the amount appro-

C 460-17

47 *provided in any fiscal year set forth in subsection b. of this section*
48 *shall not include any amount for salaries and other administrative*
49 *expenses of the department and the authority.***

1 ***[5.]*** *9.* This act shall take effect immediately except that
2 section ***[4]*** *7* shall take effect July 1, 1988.

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SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4649

with Senate committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 17, 1987

The Senate Revenue, Finance and Appropriations Committee reported Assembly Bill No. 4649 Sca favorably, with committee amendments.

Assembly Bill No. 4649 Sca. as amended, increases the capacity of the New Jersey Transportation Trust Fund Authority to finance an expanded "second phase" program of transportation improvements throughout the State.

The bill includes the following financing mechanisms:

(1) It provides for an increase of \$0.025 per gallon in the motor fuels tax, raising approximately \$100 million per year in new revenues; and

(2) It raises the authority's debt issuance ceiling to \$1.7 billion from its current level of \$875 million.

Beginning in fiscal year 1989, the bill would require a minimum annual State appropriation to the Transportation Trust Fund of \$331 million. The higher level incorporates the commitment of an additional \$0.045 of the motor fuels tax to the Trust Fund Authority, financed by the \$0.025 tax increase noted above and \$0.02 from the existing motor fuels tax, coupled with the existing Constitutional dedication of \$0.025, for a new total of \$0.07. Other moneys dedicated by law to the Trust Fund (i.e., contributions made by the three toll road authorities and increased truck fees and diesel fuel taxes) would continue to be so dedicated.

The bill extends the life of the authority from 17 to 22 years, and provides that every bond issued after the effective date of this act shall mature and be paid no later than 11 years from the issuance thereof, except that no bond, note or other obligation shall mature and be paid later than 22 years from the effective date of the original Trust Fund Act. The bill clarifies that retired debt shall not be applied to the unissued portion of the aggregate principal amount of \$1.7 billion.

The bill also distinguishes between the \$0.025 which is Constitutionally dedicated to the Trust Fund and the \$0.045 which is dedicated by

statute. In addition, provision is made for increased legislative oversight by requiring the submission of a detailed financial plan as well as requiring the appropriation of funds by project only, rather than permitting appropriation by category, and providing language permitting transfers among the projects for which funds are appropriated. The bill further alters the local aid portion of the law to change the discretionary and formula allocations from 4/19 to 15/19 to 15% and 85% respectively, and provides for a minimum appropriation of \$30 million for local aid, of which \$5 million annually shall be allocated to urban aid municipalities and the remainder allocated to the discretionary and formula allocations.

As amended, an annual appropriation ceiling is established of \$365 million exclusive of federal funds for each of the seven years of the program except that this level may be exceeded by 5% in any fiscal year in which a greater amount is determined to be necessary to meet the financing requirements. In that event, however, the appropriation for the ensuing fiscal year shall be not greater than that \$365 million reduced by the amount of the excess over the \$365 million appropriated in that fiscal year. In this manner, then, an increase in the funding amount in excess of \$365 million in a fiscal year shall be compensated for by a decline in funding in the subsequent year. The reporting requirements of the commissioner, now to take place on March 1, are altered to take into account these new ceilings.

COMMITTEE AMENDMENTS:

The committee amendments modify the provisions of Assembly Bill No. 4649 Sca by making the following changes:

- a. The authority's debt issuance ceiling is set at \$1.7 billion;
- b. The minimum annual State appropriation to the Transportation Trust Fund is set at \$331 million;
- c. The additional dedication of motor fuels tax is set at \$0.02 instead of \$0.025;
- d. The annual transportation project appropriation is \$365 million;
- e. No salary and administrative expense costs shall be included in the \$365 million appropriation.

FISCAL IMPACT:

This bill, as amended, will reduce General Fund revenues by approximately \$79 million, and increase dedicated motor fuels tax revenues to the Transportation Trust Fund by \$177,750,000.00. The bill also increases the authority's debt issuance ceiling from \$875 million to \$1.7 billion.

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SENATE TRANSPORTATION AND COMMUNICATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4649

with Senate committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 16, 1987

The Senate Transportation and Communications Committee reports favorably Assembly Bill No. 4649 with Senate committee amendments.

The purpose of the amended bill is to increase the capacity of the New Jersey Transportation Trust Fund Authority to finance an expanded "second phase" program of Transportation improvements throughout the State.

The amended bill includes the following financing mechanisms:

(1) It provides for an increase of \$0.025 per gallon in the motor fuels tax, raising approximately \$100 million per year in new revenues;

(2) It raises the authority's debt issuance ceiling to \$1.9 billion from its current level of \$875 million.

Beginning in fiscal year 1988-89, the bill would require a minimum annual State appropriation to the Transportation Trust Fund of \$351 million. The higher level incorporates the commitment of an additional \$0.05 of the motor fuels tax to the Trust Fund Authority, financed by the \$0.025 tax increase noted above and \$0.025 from the existing motor fuels tax, coupled with the existing Constitutional dedication of \$0.025, for a new total of \$0.075. Other moneys dedicated by law to the trust fund (i.e., contributions made by the three toll road authorities and increased truck fees and diesel fuel taxes) would continue to be so dedicated.

The committee amended the bill to extend the life of the authority from 17 to 22 years, and to provide that every bond issued after the effective date of this act shall mature and be paid no later than 10 years from the issuance thereof, except that no bond, note or other obligation shall mature and be paid later than 22 years from the effective date of the original Trust Fund Act. Language was added to section 9 of the law to the effect that issued debt (past or future) shall not be counted towards the aggregate principal amount of \$1.9 billion, thus making clear that the term "aggregate" is not total outstanding debt but outstanding debt plus already issued debt.

50 4. On and after January 1, 1992, the tax on alcohol-blend motor
 51 fuel shall be at the same rate applicable and paid on the sale or
 52 use of other fuels taxed under this section which do not contain
 53 such a blend.

54 Any tax on alcohol-blend motor fuel imposed pursuant to this
 55 subsection shall be paid at the same time and in the same manner
 56 as the payment for the tax imposed on other fuels pursuant to sub-
 57 section a. of this section.

1 5. This act shall take effect immediately except that section 4
 2 shall take effect July 1, 1988.

STATEMENT

The purpose of this bill is to increase the capacity of the New Jersey Transportation Trust Fund Authority to finance an expanded "second phase" program of transportation improvements throughout the State.

The bill includes the following financing mechanisms:

(1) It provides for an increase of \$0.025 per gallon in the motor fuels tax, raising approximately \$100 million per year in new revenues;

(2) It provides for the annual deposit, subject to legislative appropriation, of the above amount, plus an amount equal to an additional \$0.025 per gallon (\$100 million) of the existing motor fuels tax to the Transportation Trust Fund; and

(3) It raises the authority's debt issuance ceiling to \$1.9 billion from its current level of \$875 million.

Beginning in fiscal year 1988-89, the bill would require a minimum annual State appropriation to the Transportation Trust Fund of \$351 million, compared to the present minimum of \$143 million. The higher level incorporates the commitment of an additional \$0.05 of the motor fuels tax to the trust fund, as outlined above, coupled with the existing dedication of \$0.025, for a new total of \$0.075. Other moneys dedicated by law to the trust fund (i.e., contributions made by the three toll road authorities and increased truck fees and diesel fuel taxes) would continue to be so dedicated.

This bill, while standing on its own, is companion legislation to Assembly Concurrent Resolution No. 157 of 1987. If enacted by the Legislature and approved by the voters in a public referendum to be held in November 1988, the concurrent resolution would amend the State Constitution to dedicate \$0.075 per gallon of the motor fuels tax for transportation capital purposes on a permanent basis.



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001

Contact: CARL GOLDEN
609-292-8956 OR 292-6000 EXT. 207

TRENTON, N.J. 08625

Release: TUES., JAN. 19, 1988

Governor Thomas H. Kean today signed legislation for the second phase of the State's Transportation Trust Fund to be financed by dedicating an additional 4.5 cents from the State's motor fuels tax to the fund.

The bill, A-4649, was sponsored by Assemblyman Robert Franks, R-Union, and was signed by the Governor at a public ceremony in his office.

The bill provides for a seven-year, \$5.7 billion construction program. Under the program, approximately \$815 million --- \$365 million in State funds and \$450 in Federal funds --- will be allocated to transportation projects.

The additional 4.5 cents to be dedicated to the Trust Fund will come from a 2.5 cent increase in the State's motor fuels tax and the dedication of two cents from the existing tax to the fund.

New Jersey's motor fuels tax currently stands at eight cents per gallon for regular gasoline and 11 cents per gallon for diesel fuel. Even with the increase, New Jersey will have the third lowest motor fuels tax in the Nation.

A COPY OF THE GOVERNOR'S REMARKS IS ATTACHED.

#

REMARKS OF GOVERNOR THOMAS H. KEAN
TRANSPORTATION TRUST FUND BILL SIGNING
TRENTON, NEW JERSEY
TUESDAY, JANUARY 19, 1988

THANK YOU, EVERYONE, AND WELCOME TO THE STATE HOUSE.

IN A MOMENT I AM GOING TO SIGN LEGISLATION WHICH WILL
EXTEND THE TRUST FUND AND MAKE SURE NEW JERSEY CONTINUES TO HAVE
THE NATION'S BEST ROADS.

BUT BEFORE I DO I WANT TO SINGLE OUT SOME PEOPLE WHO
DESERVE CREDIT.

FIRST OF ALL, I WANT TO THANK SOMEONE WHO SPENT A YEAR ON THE STUMP ALL ACROSS THIS STATE SPEAKING OUT FOR TRUST FUND RENEWAL. SHE WAS VERY CONVINCING AND A GOOD REASON WE ARE ALL HERE TODAY. MY TRANSPORTATION COMMISSIONER, HAZEL GLUCK.

NEXT, I WANT TO THANK THE SPONSOR OF THIS LEGISLATION WHO REALIZED THE IMPORTANCE OF REBUILDING OUR ROADS AND MASS TRANSIT AND NEVER FALTERED IN HIS SUPPORT, ASSEMBLYMAN BOB FRANKS.

I ALSO WANT TO THANK THE CHAIRMAN OF THE SENATE TRANSPORTATION COMMITTEE FOR PLAYING A MAJOR LEADERSHIP ROLE IN SEEING THE TRUST FUND RENEWED, SENATOR WALTER RAND.

LAST WEEK I COMPARED THE HISTORY OF THE SCHOOL INTERVENTION LEGISLATION TO "THE PERILS OF PAULINE." I COULD SAY THE SAME ABOUT TRUST FUND RENEWAL. I WANT TO THANK A FEW PEOPLE FOR RESCUING THE STAR.

FOR HIS MASTERY OF THE DELICATE ART OF COMPROMISE I WANT TO
THANK THE CHAIRMAN OF THE SENATE BUDGET COMMITTEE LARRY WEISS.

FOR DELIVERING KEY VOTES AT THE SHORTEST OF NOTICE I THANK
SPEAKER OF THE ASSEMBLY CHUCK HARDWICK,

FOR RALLYING SUPPORT IN THE SENATE I WANT TO THANK SENATE
PRESIDENT JOHN RUSSO AND SENATE MINORITY LEADER JIM HURLEY.

I ALSO WANT TO THANK THE MEMBERS OF PROJECT BUILD WHO
FOUGHT SO LONG AND SO HARD FOR PASSAGE. PAT CAMPBELL, GEORGE
LAUFENBERG, JIM BOYLE, RAY PACINO, RICHIE TISSIERE
FROM LABOR, GEORGE CLAFLEN, FLETCHER CREAMER (KRAMER),
AND TOM KNOWLES FROM THE CONTRACTORS. WE SHOWED THAT IN NEW
JERSEY, CONTRACTORS AND LABOR UNIONS CAN WORK TOGETHER TO BUILD
A BETTER STATE.

I ALSO WANT TO THANK THE MEMBERS OF THE ALLIANCE FOR ACTION WHO REALIZED THAT WITHOUT GOOD ROADS, WITHOUT GOOD MASS TRANSIT, THE NEW JERSEY ECONOMIC JUGGERNAUT COULD COME TO A SCREECHING HALT.

FINALLY, I MUST THANK MY CHIEF COUNSEL MIKE COLE WHO ENGINEERED THE WHOLE PROJECT AND MY ASSISTANT COUNSEL JEAN BOGLE WHO OVER THE COURSE OF FIVE YEARS WORKING ON TRANSPORTATION TRUST HAS TRULY EARNED THE TITLE, "ROADS SCHOLAR."

(PAUSE)

TRAFFIC IS LIKE CHOLESTEROL IN THE ARTERIES OF COMMERCE. IT THREATENS JOBS AND ECONOMIC GROWTH. THE TRANSPORTATION TRUST FUND IS GOING TO KEEP OUR ARTERIES FLOWING FREELY AND KEEP OUR ECONOMY HEALTHY.

THE TRANSPORTATION TRUST HAS DONE SO MUCH ALREADY. IN THE LAST FOUR YEARS WE'VE POURED MORE THAN \$3 BILLION INTO PAVING OUR ROADS, REPAIRING OUR BRIDGES AND REBUILDING OUR MASS TRANSIT.

I DATE THE BEGINNING OF NEW JERSEY'S RENAISSANCE TO THE NIGHT THE LEGISLATURE FIRST PASSED TRANSPORTATION TRUST.

BUT AS CICERO ONCE SAID, "LET US NOT GO OVER THE OLD GROUND, LET US RATHER PREPARE FOR WHAT IS TO COME."

THIS EXTENSION WHICH I AM ABOUT TO SIGN WILL EXPAND THE TRUST FUND FOR SEVEN YEARS. IT WILL KEEP NEW JERSEY'S ECONOMY ON THE MOVE.

NOW WE CAN FINISH ROADS LIKE ROUTE 24 IN MORRIS COUNTY AND ROUTE 38 IN BURLINGTON COUNTY THAT HAVE BEEN IN THE PLANNING STAGES FOR DECADES.

NOW WE CAN CONTINUE TO IMPROVE OUR BUS AND RAIL LINES TO GIVE NEW JERSEY THE BEST MASS TRANSIT SYSTEM IN THE NATION.

AND NOW WE CAN, WITH CONFIDENCE, TELL MORE THAN 20,000 CONSTRUCTION WORKERS AND THEIR FAMILIES THAT, YES, YOU WILL HAVE A JOB AND A PAYCHECK FOR YEARS TO COME.

OF COURSE, THERE'S A PRICE TO PAY FOR THE GREAT IMPROVEMENTS TO OUR ROADS AND RAILWAY. THIS BILL WILL RAISE THE STATE MOTOR FUELS TAX TWO AND A HALF CENTS.

BUT EVEN WITH THIS INCREASE NEW JERSEY WILL STILL HAVE THE FOURTH LOWEST MOTOR FUEL TAX IN THE NATION.

NOW, MAKE NO MISTAKE ABOUT IT. TO ME, RAISING TAXES IS LIKE TAKING CASTOR OIL. I HATE IT. BUT AT LEAST WITH A TAX ON FUEL MOTORISTS CAN SEE THEIR TAX DOLLARS GO TO WORK RIGHT BEFORE THEIR EYES.

THE AVERAGE NEW JERSEY DRIVER WILL PAY ONLY FIVE CENTS MORE A DAY. AND THIRTY PERCENT OF THE MONEY WE RAISE WILL BE PAID BY OUT OF STATE DRIVERS.

I THINK IT IS ONLY FAIR THAT THOSE WHO USE OUR ROADS AND BRIDGES PAY FOR THEIR UPKEEP.

AND THE PENNIES WE CONTRIBUTE WILL ADD UP TO MILLIONS IN IMPROVEMENTS THAT WILL LAST FOR A GENERATION. WITH THIS INVESTMENT WE CAN INSURE THE GROWTH OF NEW JERSEY'S ECONOMY FOR OUR CHILDREN AND THEIR CHILDREN.

(PAUSE)

I AM NOT NAIVE. I KNOW THE TROUBLE MANY OF YOU WENT THROUGH TO PUT THIS PAPER ON MY DESK TODAY.

FOR YOUR BENEFIT I RECALL THE WORDS OF TEDDY ROOSEVELT WHO SAID THAT "THE REAL SERVICE IS RENDERED BY THE MAN ACTUALLY IN THE ARENA WHOSE FACE IS MARRED BY DUST AND SWEAT AND BLOOD AND SERVES VALIANTLY,"

ALL OF YOU, BOTH MEN AND WOMEN, HAVE BEEN IN THE ARENA. ALL OF YOU HAVE SERVED VALIANTLY. FOR THE PEOPLE OF NEW JERSEY, WHOSE ROADS WILL RIDE BETTER AND WHOSE TRAINS AND BUSES WILL RUN BETTER, I SAY THANK YOU, THANK YOU VERY MUCH.