

27:1A-5

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2011 **CHAPTER:** 133

NJSA: 27:1A-5 (Authorizes Commissioner of NJDOT to procure revenue-generating sponsors for, and permit sponsorship acknowledgement and advertising on, safety and emergency service patrol vehicles and equipment)

BILL NO: A3944 (Substituted for S2787)

SPONSOR(S) Wisniewski and others

DATE INTRODUCED: May 5, 2011

COMMITTEE: **ASSEMBLY:** Transportation, Public Works and Independent Authorities

SENATE: Transportation

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** May 9, 2011

SENATE: June 29, 2011

DATE OF APPROVAL: September 16, 2011

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (First reprint enacted)

A3944

SPONSOR'S STATEMENT: (Begins on page 3 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes Transportation Budget

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, **may possibly** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL NOTE: Yes

S2787

SPONSOR'S STATEMENT: (Begins on page 3 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes Transportation Budget

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL NOTE: Yes

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

LAW/KR

P.L.2011, CHAPTER 133, *approved September 16, 2011*
Assembly, No. 3944 (*First Reprint*)

1 AN ACT providing for sponsorship by private entities of NJDOT
2 safety or emergency service patrol vehicles and equipment,
3 amending P.L.1966, c.301.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 5 of P.L.1966, c.301 (C.27:1A-5) is amended to read
9 as follows:

10 5. The commissioner, as head of the department, shall have all
11 of the functions, powers and duties heretofore vested in the State
12 Highway Commissioner and shall, in addition to the functions,
13 powers and duties vested in him by this act or by any other law:

14 (a) Develop and maintain a comprehensive master plan for all
15 modes of transportation development, with special emphasis on
16 public transportation. Such plan shall be revised and updated at
17 least every five years;

18 (b) Develop and promote programs to foster efficient and
19 economical transportation services in the State;

20 (c) Prepare plans for the preservation, improvement and
21 expansion of the public transportation system, with special
22 emphasis on the coordination of transit modes and the use of rail
23 rights of way, highways and public streets for public transportation
24 purposes;

25 (d) Enter into contracts with the New Jersey Transit Corporation
26 for the provision and improvement of public transportation services;

27 (e) Coordinate the transportation activities of the department
28 with those of other public agencies and authorities;

29 (f) Cooperate with interstate commissions and authorities, State
30 departments, councils, commissions and other State agencies, with
31 appropriate federal agencies, and with interested private individuals
32 and organizations in the coordination of plans and policies for the
33 development of air commerce and air facilities;

34 (g) Make an annual report to the Governor and the Legislature
35 on the department's operations, and render such other reports as the
36 Governor shall from time to time request or as may be required by
37 law;

38 (h) Promulgate regulations providing for the charging of and
39 setting the amount of fees for certain services performed by and
40 permits issued by the department, including but not limited to the
41 following:

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ATR committee amendments adopted May 5, 2011.

- 1 (1) Providing copies of documents prepared by or in the custody
2 of the department;
- 3 (2) Aeronautics permits;
- 4 (3) Right-of-way permits;
- 5 (4) Traffic signal control systems;
- 6 (i) Develop and promote programs for the preservation,
7 improvement and expansion of freight railroads, with special
8 emphasis on the use of rail rights of way for the purpose of
9 providing rail freight service;
- 10 (j) Develop and promote a program to ensure the safety and
11 continued operation of aviation facilities in New Jersey;
- 12 (k) ~~'[(1)]'~~ Enter into agreements with a public or private entity
13 or consortia thereof to provide for the development of
14 demonstration projects through the use of public-private
15 partnerships pursuant to sections 1 through 9 of P.L.1997, c.136
16 (C.27:1D-1 through C.27:1D-9); ~~'[and~~
17 (2) Enter into agreements or contracts with a private entity and
18 charge and collect fees or other payments for the placement of
19 sponsorship acknowledgment and advertising on signs, equipment,
20 materials, and vehicles used for a safety service patrol or emergency
21 service patrol program operated by the department, or operated by a
22 private entity under contract with the department or through the use
23 of a public-private partnership or demonstration project; and']'
24 (l) Do any and all things necessary, convenient or desirable to
25 effectuate the purposes of P.L.1966, c.301 (C.27:1A-1 et seq.) and
26 to exercise the powers given and granted in that act ¹; and
27 (m) Enter into agreements or contracts with a private entity and
28 charge and collect fees or other payments for the placement of
29 sponsorship acknowledgment and advertising on signs, equipment,
30 materials, and vehicles used for a safety service patrol or emergency
31 service patrol program operated by the department, or operated by a
32 private entity under contract with the department or through the use
33 of a public-private partnership or demonstration project¹.
34 (cf: P.L.1997, c.136, s.10)

35
36 2. This act shall take effect immediately.
37
38
39

40
41 _____
42 Authorizes Commissioner of NJDOT to procure revenue-
43 generating sponsors for, and permit sponsorship acknowledgment
44 and advertising on, safety and emergency service patrol vehicles
and equipment.

ASSEMBLY, No. 3944

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED MAY 5, 2011

Sponsored by:

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

Assemblyman BRIAN E. RUMPF

District 9 (Atlantic, Burlington and Ocean)

Co-Sponsored by:

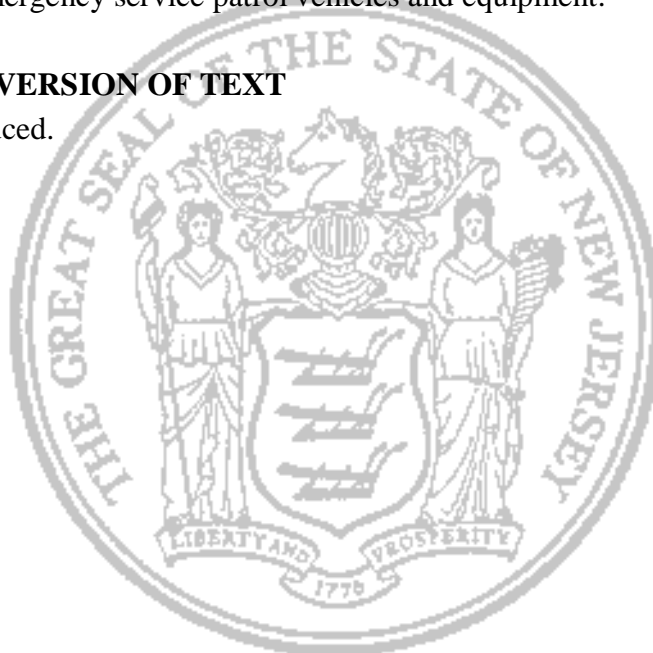
Assemblymen O'Donnell, Coughlin, Benson, P. Barnes, III, Egan, Prieto, Assemblywomen Wagner, Voss, Stender, Rodriguez, Assemblymen Milam, Albano, Assemblywoman Riley, Assemblymen Burzichelli, Giblin, Assemblywoman Pou, Assemblyman Rudder, Senators Norcross and Beach

SYNOPSIS

Authorizes Commissioner of NJDOT to procure revenue-generating sponsors for, and permit sponsorship acknowledgment and advertising on, safety and emergency service patrol vehicles and equipment.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/30/2011)

1 AN ACT providing for sponsorship by private entities of NJDOT
2 safety or emergency service patrol vehicles and equipment,
3 amending P.L.1966, c.301.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 5 of P.L.1966, c.301 (C.27:1A-5) is amended to read
9 as follows:

10 5. The commissioner, as head of the department, shall have all
11 of the functions, powers and duties heretofore vested in the State
12 Highway Commissioner and shall, in addition to the functions,
13 powers and duties vested in him by this act or by any other law:

14 (a) Develop and maintain a comprehensive master plan for all
15 modes of transportation development, with special emphasis on
16 public transportation. Such plan shall be revised and updated at
17 least every five years;

18 (b) Develop and promote programs to foster efficient and
19 economical transportation services in the State;

20 (c) Prepare plans for the preservation, improvement and
21 expansion of the public transportation system, with special
22 emphasis on the coordination of transit modes and the use of rail
23 rights of way, highways and public streets for public transportation
24 purposes;

25 (d) Enter into contracts with the New Jersey Transit Corporation
26 for the provision and improvement of public transportation services;

27 (e) Coordinate the transportation activities of the department
28 with those of other public agencies and authorities;

29 (f) Cooperate with interstate commissions and authorities, State
30 departments, councils, commissions and other State agencies, with
31 appropriate federal agencies, and with interested private individuals
32 and organizations in the coordination of plans and policies for the
33 development of air commerce and air facilities;

34 (g) Make an annual report to the Governor and the Legislature
35 on the department's operations, and render such other reports as the
36 Governor shall from time to time request or as may be required by
37 law;

38 (h) Promulgate regulations providing for the charging of and
39 setting the amount of fees for certain services performed by and
40 permits issued by the department, including but not limited to the
41 following:

42 (1) Providing copies of documents prepared by or in the custody
43 of the department;

44 (2) Aeronautics permits;

45 (3) Right-of-way permits;

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 (4) Traffic signal control systems;
- 2 (i) Develop and promote programs for the preservation,
3 improvement and expansion of freight railroads, with special
4 emphasis on the use of rail rights of way for the purpose of
5 providing rail freight service;
- 6 (j) Develop and promote a program to ensure the safety and
7 continued operation of aviation facilities in New Jersey;
- 8 (k) (1) Enter into agreements with a public or private entity or
9 consortia thereof to provide for the development of demonstration
10 projects through the use of public-private partnerships pursuant to
11 sections 1 through 9 of P.L.1997, c.136 (C.27:1D-1 through
12 C.27:1D-9); and
- 13 (2) Enter into agreements or contracts with a private entity and
14 charge and collect fees or other payments for the placement of
15 sponsorship acknowledgment and advertising on signs, equipment,
16 materials, and vehicles used for a safety service patrol or emergency
17 service patrol program operated by the department, or operated by a
18 private entity under contract with the department or through the use
19 of a public-private partnership or demonstration project; and
- 20 (l) Do any and all things necessary, convenient or desirable to
21 effectuate the purposes of P.L.1966, c.301 (C.27:1A-1 et seq.) and
22 to exercise the powers given and granted in that act.
23 (cf: P.L.1997, c.136, s.10)

24

25 2. This act shall take effect immediately.

26

27

28 STATEMENT

29

30 This bill would expressly clarify that the broad discretionary
31 powers afforded the Commissioner of the New Jersey Department
32 of Transportation to carry out the commissioner's duties include
33 authorization for the department to procure revenue-generating
34 sponsors for, and permit sponsorship acknowledgment and
35 advertising on, safety service patrol or emergency service patrol
36 vehicles and equipment.

37 If enacted, this bill would allow the New Jersey Department of
38 Transportation to partner with private entities and realize
39 sponsorship revenues to offset the costs of safety or emergency
40 service patrols (considered by the Federal Highway Administration,
41 or FHWA, to be among the most cost-effective highway safety and
42 congestion mitigation programs) as recommended by the FHWA
43 and practiced in numerous other states including, without limitation,
44 New York, Pennsylvania, Massachusetts, Florida, and Georgia.

ASSEMBLY TRANSPORTATION, PUBLIC WORKS AND
INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3944

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 5, 2011

The Assembly Transportation, Public Works and Independent Authorities Committee reports favorably and with amendments Assembly Bill No. 3944.

As reported, this amended bill would expressly clarify that the broad discretionary powers afforded the Commissioner of the New Jersey Department of Transportation to carry out the commissioner's duties include authorization for the department to procure revenue-generating sponsors for, and permit sponsorship acknowledgment and advertising on, safety service patrol or emergency service patrol vehicles and equipment.

If enacted, this bill would allow the New Jersey Department of Transportation to partner with private entities and realize sponsorship revenues to offset the costs of safety or emergency service patrols (considered by the Federal Highway Administration, or FHWA, to be among the most cost-effective highway safety and congestion mitigation programs) as recommended by the FHWA and practiced in numerous other states including, without limitation, New York, Pennsylvania, Massachusetts, Florida, and Georgia.

COMMITTEE AMENDMENTS

The committee made amended the bill to set apart the paragraph granting the commissioner the power to procure revenue-generating sponsors for, and permit sponsorship acknowledgment and advertising on, safety service patrol or emergency service patrol vehicles and equipment from an existing subsection of law and instead created a new subsection of the bill for that provision.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3944

STATE OF NEW JERSEY

DATED: MAY 26, 2011

The Senate Transportation Committee reports favorably Assembly Bill No. 3944 (1R).

As reported, this bill would expressly clarify that the broad discretionary powers afforded the Commissioner of Transportation to carry out the commissioner's duties include authorization for the department to procure revenue-generating sponsors for, and permit sponsorship acknowledgment and advertising on, safety service patrol or emergency service patrol vehicles and equipment.

If enacted, this bill would allow the department to partner with private entities and realize sponsorship revenues to offset the costs of safety or emergency service patrols (considered by the Federal Highway Administration, or FHWA, to be among the most cost-effective highway safety and congestion mitigation programs) as recommended by the FHWA and practiced in numerous other states including, without limitation, New York, Pennsylvania, Massachusetts, Florida, and Georgia.

As reported, Assembly Bill No. 3944(1R) is identical to Senate Bill No. 2787, which was amended and reported by the committee on this date.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3944

STATE OF NEW JERSEY

DATED: JUNE 27, 2011

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 3944 (1R).

This bill would expressly clarify that the broad discretionary powers afforded the Commissioner of Transportation to carry out the commissioner's duties include authorization for the department to procure revenue-generating sponsors for, and permit sponsorship acknowledgment and advertising on, safety service patrol (SSP) or emergency service patrol vehicles and equipment.

If enacted, this bill would allow the department to partner with private entities and realize sponsorship revenues to offset the costs of safety or emergency service patrols (considered by the Federal Highway Administration, or FHWA, to be among the most cost-effective highway safety and congestion mitigation programs) as recommended by the FHWA and practiced in numerous other states including, without limitation, New York, Pennsylvania, Massachusetts, Florida, and Georgia.

Assembly Bill No. 3944 (1R) is identical to Senate Bill No. 2787 (1R), which was also reported by the committee on this date.

FISCAL IMPACT:

The Department of Transportation (DOT) has indicated that it anticipates that \$2 million in revenue would be received in each of the next three fiscal years if it entered into an agreement with a private entity for the placement of sponsorship acknowledgment on signs, equipment, materials, and vehicles used for the SSP. There would be no reduction in the federal funding received by the DOT if it received funding from a sponsorship. The revenue estimate is based on details from a meeting between Travelers Marketing and the DOT to discuss a partnership with State Farm Insurance that indicated an estimated value of \$10 million over five years for the sponsorship. There would be no additional expense to the DOT to administer this program and services provided by the SSP would remain the same.

The sponsorship would include: co-branding/naming of the patrol; redesigning the SSP roadway signs; redesigning the exterior paint and

logos of the SSP trucks; redesigning customer comment cards; program brochures; web page; adding vendor's patch to the DOT's SSP driver's uniform; and public relations and promotional opportunities. The DOT may incur minimal costs for these items depending on the contract details.

The Office of Legislative Services (OLS) concurs with the findings of the DOT. The best estimate of the amount of revenue that can be realized through this program is the amount estimated by State Farm through Travelers Marketing, since they are the only company currently sponsoring State emergency service patrols. There are currently seven states that have corporate sponsorship of their emergency service patrols. All seven states have partnered with State Farm, and the most lucrative of these partnerships is the one between New York State and State Farm for \$10.8 million over five years, or approximately \$2.16 million per year. It is likely that any sponsorship agreement made by New Jersey would also be with State Farm and the estimate by Travelers Marketing of \$2 million per year would be the starting point for any formal discussions of an agreement.

Private sponsorship of State emergency service patrols is relatively new. The first private sponsorship was between State Farm and Massachusetts in 2003. Georgia, New York, Kansas, and Maryland all signed their agreements with State Farm since 2009, and New Jersey would be just the eighth State to make a private sponsorship agreement. It is likely that more states will consider signing private sponsorship agreements in future years in light of the fiscal distress faced by many States in recent years. If companies other than State Farm become involved in this type of sponsorship, competition among potential sponsors will increase and the revenue generated by these agreements will also likely increase. This potential for future growth leads the OLS to find that it is possible that potential revenue could grow beyond \$2 million per year.

FISCAL NOTE
[First Reprint]
ASSEMBLY, No. 3944
STATE OF NEW JERSEY
214th LEGISLATURE

DATED: JULY 15, 2011

SUMMARY

- Synopsis:** Authorizes Commissioner of NJDOT to procure revenue-generating sponsors for, and permit sponsorship acknowledgment and advertising on, safety and emergency service patrol vehicles and equipment.
- Type of Impact:** Third party revenue source for Department of Transportation.
- Agencies Affected:** Department of the Treasury, Department of Transportation.

Executive Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Other Revenue	\$2 million	\$2 million	\$2 million

- Revenue from sponsorships will supplement federal funding that currently funds the Safety Service Patrol (SSP) program. Sponsorship money could be used to expand services or reprogram federal funds to elsewhere in the Department of Transportation (DOT) budget.
- Private sponsorship of State highway crews is a relatively new development and as this form of sponsorship matures, future sponsorship may generate additional revenue.

BILL DESCRIPTION

Assembly Bill No. 3944 (1R) of 2011 would expressly clarify that the broad discretionary powers afforded the Commissioner of the DOT to carry out the commissioner's duties include authorization for the department to procure revenue-generating sponsors for, and permit sponsorship acknowledgment and advertising on, safety service patrol or emergency service patrol vehicles and equipment.

If enacted this bill would allow the DOT to partner with private entities and realize sponsorship revenues to offset the costs of safety or emergency service patrols as recommended by the Federal Highway Administration (FHWA) and practiced in numerous other states including New York, Pennsylvania, Massachusetts, Florida, and Georgia.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The DOT anticipates that \$2 million in revenue would be received in each of the next three fiscal years if it entered into an agreement with a private entity for the placement of sponsorship acknowledgment on signs, equipment, materials, and vehicles used for the SSP. There would be no reduction in the federal funding received by the DOT if it received funding from a sponsorship. The revenue estimate is based on details from a meeting between Travelers Marketing and the DOT to discuss a partnership with State Farm Insurance that indicated an estimated value of \$10 million over five years for the sponsorship. There would be no additional expense to the DOT to administer this program and services provided by the SSP would remain the same.

The sponsorship would include: co-branding/naming of the patrol; redesigning the SSP roadway signs; redesigning the exterior paint and logos of the SSP trucks; redesigning customer comment cards; program brochures; web page; adding vendor's patch to the DOT's SSP driver's uniform; and public relations and promotional opportunities. The Department may incur minimal costs for these items depending on the contract details.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) concurs with the findings of the DOT. The best estimate of the amount of revenue that can be realized through this program is the amount estimated by State Farm through Travelers Marketing, since they are the only company currently sponsoring State emergency service patrols. There are currently seven states that have corporate sponsorship of their emergency service patrols. All seven states have partnered with State Farm, and the most lucrative of these partnerships is the one between New York State and State Farm for \$10.8 million over five years, or approximately \$2.16 million per year. It is likely that any sponsorship agreement made by New Jersey would also be with State Farm and the estimate by Travelers Marketing of \$2 million per year would be the starting point for any formal discussions of an agreement.

Private sponsorship of State emergency service patrols is relatively new. The first private sponsorship was between State Farm and Massachusetts in 2003. Georgia, New York, Kansas, and Maryland all signed their agreements with State Farm since 2009, and New Jersey would be just the eighth State to make a private sponsorship agreement. It is likely that more states will consider signing private sponsorship agreements in future years in light of the fiscal distress faced by many States in recent years. If companies other than State Farm become involved in this type of sponsorship, competition among potential sponsors will increase and the revenue generated by these agreements will also likely increase. This potential for future growth leads the OLS to find that it is possible that potential revenue could grow beyond \$2 million per year.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Patrick Brennan
Assistant Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 2787

STATE OF NEW JERSEY
214th LEGISLATURE

INTRODUCED MARCH 21, 2011

Sponsored by:

Senator DONALD NORCROSS
District 5 (Camden and Gloucester)
Senator JAMES BEACH
District 6 (Camden)

SYNOPSIS

Authorizes Commissioner of NJDOT to procure revenue-generating sponsors for, and permit sponsorship acknowledgment and advertising on, safety and emergency service patrol vehicles and equipment.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/3/2011)

S2787 NORCROSS, BEACH

2

1 AN ACT providing for sponsorship by private entities of NJDOT
2 safety or emergency service patrol vehicles and equipment,
3 amending P.L.1966, c.301.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. Section 5 of P.L.1966, c.301 (C.27:1A-5) is amended to read
9 as follows:

10 5. The commissioner, as head of the department, shall have all
11 of the functions, powers and duties heretofore vested in the State
12 Highway Commissioner and shall, in addition to the functions,
13 powers and duties vested in him by this act or by any other law:

14 (a) Develop and maintain a comprehensive master plan for all
15 modes of transportation development, with special emphasis on
16 public transportation. Such plan shall be revised and updated at
17 least every five years;

18 (b) Develop and promote programs to foster efficient and
19 economical transportation services in the State;

20 (c) Prepare plans for the preservation, improvement and
21 expansion of the public transportation system, with special
22 emphasis on the coordination of transit modes and the use of rail
23 rights of way, highways and public streets for public transportation
24 purposes;

25 (d) Enter into contracts with the New Jersey Transit Corporation
26 for the provision and improvement of public transportation services;

27 (e) Coordinate the transportation activities of the department
28 with those of other public agencies and authorities;

29 (f) Cooperate with interstate commissions and authorities, State
30 departments, councils, commissions and other State agencies, with
31 appropriate federal agencies, and with interested private individuals
32 and organizations in the coordination of plans and policies for the
33 development of air commerce and air facilities;

34 (g) Make an annual report to the Governor and the Legislature
35 on the department's operations, and render such other reports as the
36 Governor shall from time to time request or as may be required by
37 law;

38 (h) Promulgate regulations providing for the charging of and
39 setting the amount of fees for certain services performed by and
40 permits issued by the department, including but not limited to the
41 following:

42 (1) Providing copies of documents prepared by or in the custody
43 of the department;

44 (2) Aeronautics permits;

45 (3) Right-of-way permits;

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 (4) Traffic signal control systems;

2 (i) Develop and promote programs for the preservation,
3 improvement and expansion of freight railroads, with special
4 emphasis on the use of rail rights of way for the purpose of
5 providing rail freight service;

6 (j) Develop and promote a program to ensure the safety and
7 continued operation of aviation facilities in New Jersey;

8 (k) (1) Enter into agreements with a public or private entity or
9 consortia thereof to provide for the development of demonstration
10 projects through the use of public-private partnerships pursuant to
11 sections 1 through 9 of P.L.1997, c.136 (C.27:1D-1 through
12 C.27:1D-9); and

13 (2) Enter into agreements or contracts with a private entity and
14 charge and collect fees or other payments for the placement of
15 sponsorship acknowledgment and advertising on signs, equipment,
16 materials, and vehicles used for a safety service patrol or emergency
17 service patrol program operated by the department, or operated by a
18 private entity under contract with the department or through the use
19 of a public-private partnership or demonstration project; and

20 (l) Do any and all things necessary, convenient or desirable to
21 effectuate the purposes of P.L.1966, c.301 (C.27:1A-1 et seq.) and
22 to exercise the powers given and granted in that act.

23 (cf: P.L.1997, c.136, s.10)

24

25 2. This act shall take effect immediately.

26

27

28

STATEMENT

29

30 This bill would expressly clarify that the broad discretionary
31 powers afforded the Commissioner of the New Jersey Department
32 of Transportation to carry out the commissioner's duties include
33 authorization for the department to procure revenue-generating
34 sponsors for, and permit sponsorship acknowledgment and
35 advertising on, safety service patrol or emergency service patrol
36 vehicles and equipment.

37 If enacted, this bill would allow the New Jersey Department of
38 Transportation to partner with private entities and realize
39 sponsorship revenues to offset the costs of safety or emergency
40 service patrols (considered by the Federal Highway Administration,
41 or FHWA, to be among the most cost-effective highway safety and
42 congestion mitigation programs) as recommended by the FHWA
43 and practiced in numerous other states including, without limitation,
44 New York, Pennsylvania, Massachusetts, Florida, and Georgia.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 2787

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 26, 2011

The Senate Transportation Committee reports favorably Senate Bill No. 2787 with committee amendments.

As reported, this amended bill would expressly clarify that the broad discretionary powers afforded the Commissioner of Transportation to carry out the commissioner's duties include authorization for the department to procure revenue-generating sponsors for, and permit sponsorship acknowledgment and advertising on, safety service patrol or emergency service patrol vehicles and equipment.

If enacted, this bill would allow the department to partner with private entities and realize sponsorship revenues to offset the costs of safety or emergency service patrols (considered by the Federal Highway Administration, or FHWA, to be among the most cost-effective highway safety and congestion mitigation programs) as recommended by the FHWA and practiced in numerous other states including, without limitation, New York, Pennsylvania, Massachusetts, Florida, and Georgia.

The committee amended the bill to set apart the paragraph granting the commissioner the power to procure revenue-generating sponsors for, and permit sponsorship acknowledgment and advertising on, safety service patrol or emergency service patrol vehicles and equipment from an existing subsection of law and instead created a new subsection of the bill for that provision.

As amended and reported, Senate Bill No. 2787 is identical to Assembly Bill No. 3944(1R), which was reported by the committee on this date.

LEGISLATIVE FISCAL NOTE

[First Reprint]

SENATE, No. 2787

STATE OF NEW JERSEY 214th LEGISLATURE

DATED: JUNE 23, 2011

SUMMARY

- Synopsis:** Authorizes Commissioner of NJDOT to procure revenue-generating sponsors for, and permit sponsorship acknowledgment and advertising on, safety and emergency service patrol vehicles and equipment.
- Type of Impact:** Third party revenue source for Department of Transportation.
- Agencies Affected:** Department of the Treasury, Department of Transportation.

Executive Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Other Revenue	\$2 million	\$2 million	\$2 million

- Revenue from sponsorships will supplement federal funding that currently funds the Safety Service Patrol (SSP) program. Sponsorship money could be used to expand services or reprogram federal funds to elsewhere in the Department of Transportation (DOT) budget.
- Private sponsorship of State highway crews is a relatively new development and as this form of sponsorship matures, future sponsorship may generate additional revenue.

BILL DESCRIPTION

Senate Bill 2787 (1R) of 2011 would expressly clarify that the broad discretionary powers afforded the Commissioner of the DOT to carry out the commissioner's duties include authorization for the department to procure revenue-generating sponsors for, and permit sponsorship acknowledgment and advertising on, safety service patrol or emergency service patrol vehicles and equipment.

If enacted this bill would allow the DOT to partner with private entities and realize sponsorship revenues to offset the costs of safety or emergency service patrols as recommended by the Federal Highway Administration (FHWA) and practiced in numerous other states including New York, Pennsylvania, Massachusetts, Florida, and Georgia.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The DOT anticipates that \$2 million in revenue would be received in each of the next three fiscal years if it entered into an agreement with a private entity for the placement of sponsorship acknowledgment on signs, equipment, materials, and vehicles used for the SSP. There would be no reduction in the federal funding received by the DOT if it received funding from a sponsorship. The revenue estimate is based on details from a meeting between Travelers Marketing and the DOT to discuss a partnership with State Farm Insurance that indicated an estimated value of \$10 million over five years for the sponsorship. There would be no additional expense to the DOT to administer this program and services provided by the SSP would remain the same.

The sponsorship would include: co-branding/naming of the patrol; redesigning the SSP roadway signs; redesigning the exterior paint and logos of the SSP trucks; redesigning customer comment cards; program brochures; web page; adding vendor's patch to the DOT's SSP driver's uniform; and public relations and promotional opportunities. The Department may incur minimal costs for these items depending on the contract details.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) concurs with the findings of the DOT. The best estimate of the amount of revenue that can be realized through this program is the amount estimated by State Farm through Travelers Marketing, since they are the only company currently sponsoring State emergency service patrols. There are currently seven states that have corporate sponsorship of their emergency service patrols. All seven states have partnered with State Farm, and the most lucrative of these partnerships is the one between New York State and State Farm for \$10.8 million over five years, or approximately \$2.16 million per year. It is likely that any sponsorship agreement made by New Jersey would also be with State Farm and the estimate by Travelers Marketing of \$2 million per year would be the starting point for any formal discussions of an agreement.

Private sponsorship of State emergency service patrols is relatively new. The first private sponsorship was between State Farm and Massachusetts in 2003. Georgia, New York, Kansas, and Maryland all signed their agreements with State Farm since 2009, and New Jersey would be just the eighth State to make a private sponsorship agreement. It is likely that more states will consider signing private sponsorship agreements in future years in light of the fiscal distress faced by many States in recent years. If companies other than State Farm become involved in this type of sponsorship, competition among potential sponsors will increase and the revenue generated by these agreements will also likely increase. This potential for future growth leads the OLS to find that it is possible that potential revenue could grow beyond \$2 million per year.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Patrick Brennan
Assistant Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2787

STATE OF NEW JERSEY

DATED: JUNE 27, 2011

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2787 (1R).

This bill would expressly clarify that the broad discretionary powers afforded the Commissioner of Transportation to carry out the commissioner's duties include authorization for the department to procure revenue-generating sponsors for, and permit sponsorship acknowledgment and advertising on, safety service patrol (SSP) or emergency service patrol vehicles and equipment.

If enacted, this bill would allow the department to partner with private entities and realize sponsorship revenues to offset the costs of safety or emergency service patrols (considered by the Federal Highway Administration, or FHWA, to be among the most cost-effective highway safety and congestion mitigation programs) as recommended by the FHWA and practiced in numerous other states including, without limitation, New York, Pennsylvania, Massachusetts, Florida, and Georgia.

Senate Bill No. 2787 (1R) is identical to Assembly Bill No. 3944(1R), which was also reported by the committee on this date.

FISCAL IMPACT:

The Department of Transportation (DOT) has indicated that it anticipates that \$2 million in revenue would be received in each of the next three fiscal years if it entered into an agreement with a private entity for the placement of sponsorship acknowledgment on signs, equipment, materials, and vehicles used for the SSP. There would be no reduction in the federal funding received by the DOT if it received funding from a sponsorship. The revenue estimate is based on details from a meeting between Travelers Marketing and the DOT to discuss a partnership with State Farm Insurance that indicated an estimated value of \$10 million over five years for the sponsorship. There would be no additional expense to the DOT to administer this program and services provided by the SSP would remain the same.

The sponsorship would include: co-branding/naming of the patrol; redesigning the SSP roadway signs; redesigning the exterior paint and

logos of the SSP trucks; redesigning customer comment cards; program brochures; web page; adding vendor's patch to the DOT's SSP driver's uniform; and public relations and promotional opportunities. The DOT may incur minimal costs for these items depending on the contract details.

The Office of Legislative Services (OLS) concurs with the findings of the DOT. The best estimate of the amount of revenue that can be realized through this program is the amount estimated by State Farm through Travelers Marketing, since they are the only company currently sponsoring State emergency service patrols. There are currently seven states that have corporate sponsorship of their emergency service patrols. All seven states have partnered with State Farm, and the most lucrative of these partnerships is the one between New York State and State Farm for \$10.8 million over five years, or approximately \$2.16 million per year. It is likely that any sponsorship agreement made by New Jersey would also be with State Farm and the estimate by Travelers Marketing of \$2 million per year would be the starting point for any formal discussions of an agreement.

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