

LEGISLATIVE FACT SHEET

ON Bus registration fees -
Reduces

N.J.R.S. 39:3-19

(1972 Amendment)

LAWS OF 1972

CHAPTER 211 Dec. 29

SENATE 1151

ASSEMBLY

INTRODUCED Nov. 13

BY Hagedorn, Woodcock,
Azzolina, Wendel, Hollenbeck,

STATEMENT

YES

NO Lipman

AMENDED DURING PASSAGE

YES

NO

HEARING None discovered

VETO

Fiscal note

YES

See LFS on 48:4-14.1, 14.2
for statement

Governor's Message yes

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CHAPTER 211 LAWS OF 1972

APPROVED 12-29-72

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SENATE, No. 1151

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 13, 1972

By Senators HAGEDORN, WOODCOCK, AZZOLINA, WENDEL,
HOLLENBECK and CRABIEL

(Without Reference)

AN ACT concerning the registration and taxation of autobuses and omnibuses, revising and repealing portions of the statutory law ***[and]*** *,* supplementing Title 48 of the Revised Statutes.

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

1 1. R. S. 39:3-19 is amended to read as follows:

2 39:3-19. For each vehicle used as an omnibus for the transpor-
3 tation of passengers for hire the applicant for the registration
4 thereof shall pay an annual fee as follows:

5 **[\$24.00 for each vehicle having a carrying capacity of 12 passen-**
6 **gers or less;**

7 \$30.00 for each vehicle having a carrying capacity for passen-
8 gers of not less than 13 nor more than 17 passengers;

9 \$36.00 for each vehicle having a carrying capacity for passengers
10 of not less 18 nor more than 22 passengers;

11 \$42.00 for each vehicle having a carrying capacity for passengers
12 of not less than 23 nor more than 26 passengers;

13 \$48.00 for each vehicle having a carrying capacity of not less
14 than 27 nor more than 30 passengers;

15 \$48.00 for vehicles having a carrying capacity for passengers in
16 excess of 30 passengers, and an additional fee of \$3.00 for each
17 passenger, measured by carrying capacity in excess of 30
18 passengers.]

19 *\$30.00 for each vehicle having a seating capacity of 18 passengers*
20 *or less;*

21 *\$48.00 for each vehicle having a seating capacity of not less than*
22 *19 nor more than 30 passengers;*

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

23 \$48.00 for vehicles having a seating capacity of more than 30
24 passengers and an additional fee of \$3.00 for each passenger
25 measured by the seating capacity in excess of 30 passengers.

26 Whenever the number of regular route passengers carried by an
27 applicant in the previous calendar year represents 75% or more of
28 the combined number of passengers carried on regular route,
29 special and charter operations during that year, then such applicant
30 shall pay \$10.00 per annum for the registration of each vehicle used
31 as an omnibus for the transportation of passengers for hire in lieu
32 of the annual fees hereinbefore prescribed. In addition, any ap-
33 plicant who is operating regular route bus service under a contract
34 with the Commuter Operating Agency pursuant to P. L. 1966, c. 301,
35 shall pay \$10.00 per annum for the registration of each vehicle used
36 as an omnibus for the transportation of passengers for hire in lieu
37 of the annual fees hereinbefore prescribed and without regard to
38 the aforementioned 75% requirement.

39 Applicants seeking to register a vehicle for the reduced fee shall
40 first obtain a letter from the Board of Public Utility Commissioners
41 certifying that the number of regular route passengers carried by
42 the applicant in the previous calendar year represents 75% or more
43 of the combined number of passengers carried on regular route,
44 special and charter operations during that year, or in the case of
45 applicants operating under contract with the Commuter Operating
46 Agency pursuant to P. L. 1966, c. 301 shall obtain a letter certifying
47 that they are under such a contract from the Commuter Operating
48 Agency. Applicants shall present the appropriate letters of
49 certification with their applications for omnibus registration to the
50 Director of the Division of Motor Vehicles.

51 The director shall provide identification marks of the general
52 style and kind provided for motor vehicle registrations, assigning
53 a number to each identification mark, and before each number the
54 letter "O" shall be placed.

55 Every applicant for omnibus registration shall make application,
56 setting forth the fact that he is in the business of transporting pas-
57 sengers for hire; and the director, if satisfied of the correctness of
58 the statements made in such application, may issue a registration
59 certificate for omnibus license.

60 Nothing in this section shall prohibit the use by an omnibus
61 operator of any automobile duly licensed by him as owner.

1 2. R. S. 48:4-20 is amended to read as follows:

2 48:4-20. Every person owning or operating an autobus which is
3 operated over any highway in this State for the purpose of carrying
4 passengers from a point outside the State to another point outside

5 the State, or from a point outside the State to a point within the
 6 State, or from a point within the State to a point outside the State
 7 shall pay to the Director of the Division of Motor Vehicles, as an
 8 excise for the use of such highway, $\frac{1}{2}$ cent for each mile or fraction
 9 thereof such autobus shall have been operated over the highways
 10 of this State; except that no excise shall be payable for the mileage
 11 traversed *in regular route passenger service* [in any municipality
 12 to which such owner or operator has paid a monthly franchise tax
 13 for the use of its streets under the provisions of section 48:4-14 of
 14 this Title.] *provided under operating authority conferred pursuant*
 15 *to R. S. 48:4-3.*

1 3. R. S. 54:39-66 is amended to read as follows:

2 54:39-66. Any person:

3 (1) who shall use any fuels as herein defined for any of the
 4 following purposes:

5 (a) operating or propelling motor vehicles, motor boats or
 6 other implements owned or leased by the State and all the
 7 political subdivisions thereof,

8 (b) autobusses while being operated over the highways of
 9 this State in those municipalities to which the operator has
 10 paid a monthly franchise tax for the use of the streets therein
 11 under the provisions of [sections 48:4-14, 48:4-15 and 48:4-16
 12 or] section 48:16-25 of the Title Public Utilities, *and auto-*
 13 *busses while being operated over the highways of this State*
 14 *to provide regular route passenger service under operating*
 15 *authority conferred pursuant to R. S. 48:4-3.*

16 (c) agricultural tractors not operated on a public highway,

17 (d) farm machinery,

18 (e) aircraft,

19 (f) ambulances,

20 (g) rural free delivery carriers in the dispatch of their
 21 official business,

22 (h) such vehicles as run only on rails or tracks, and such
 23 vehicles as run in substitution thereof,

24 (i) such highway motor vehicles as are operated exclusively
 25 on private property,

26 (j) motor boats or motor vessels used exclusively for or in
 27 the propagation, planting, preservation and gathering of
 28 oysters and clams in the tidal waters of this State,

29 (k) motor boats or motor vessels used exclusively for com-
 30 mercial fishing,

31 (l) motor boats or motor vessels while being used for hire
 32 for fishing parties or being used for sightseeing or excursion
 33 parties,

34 (m) cleaning,

35 (n) fire engines and fire-fighting apparatus,

36 (o) stationary machinery and vehicles or implements not
 37 designed for the use of transporting persons or property on
 38 the public highway,

39 (p) heating and lighting devices,

40 (q) fuels previously taxed under this chapter and later ex-
 41 ported or sold for exportation from the State of New Jersey
 42 to any other State or country provided, proof satisfactory to
 43 the commissioner of such exportations is submitted,

44 (r) motor boats or motor vessels used exclusively for sea
 45 scout training by a duly chartered unit of the Boy Scouts of
 46 America,

47 (s) emergency vehicles used exclusively by volunteer first-
 48 aid or rescue squads, and

49 (2) who shall have paid the tax for such fuels hereby required
 50 to be paid, shall be reimbursed and repaid the amount of tax so
 51 paid upon presenting to the commissioner an application for such
 52 reimbursement or repayment, in form prescribed by the commis-
 53 sioner, which application shall be verified by a declaration of the
 54 applicant that the statements contained therein are true. Such
 55 application for reimbursement or repayment shall be supported
 56 by an invoice, or invoices, showing the name and address of the
 57 person from whom purchased, the name of the purchaser, the
 58 date of purchase, the number of gallons purchased, the price paid
 59 per gallon, and an acknowledgment by the seller that payment of
 60 the cost of the fuel, including the tax thereon, has been made. Such
 61 invoice, or invoices, shall be legibly written and shall be void if
 62 any corrections or erasures shall appear on the face thereof.

63 The commissioner may, in his discretion, permit a distributor
 64 entitled to a refund under the provisions of this section to take
 65 credit therefor, in lieu of such refund, in such manner as the com-
 66 missioner may require, on a report filed pursuant to R. S. 54:39-27.

1 4. Section 3 of P. L. 1945, c. 162 (C. 54:10A-3) is amended to
 2 read as follows:

3 3. The following corporations shall be exempt from the tax im-
 4 posed by this act:

5 (a) corporations subject to a tax under the provisions of article
 6 2 of chapter 13 of Title 54 of the Revised Statutes, or to a tax

7 assessed upon the basis of gross receipts other than the Retail
8 Gross Receipts Tax Act, or insurance premiums collected;

9 (b) corporations which operate regular route autobus service
10 within this State under operating authority conferred pursuant to
11 R. S. 48:4-3*, provided, however, that such corporations shall not
11A be exempt from the tax on net income imposed by section 5 (c)
11B of P. L. 1945, c. 162 (C. 54:10A-5 (c))*;

12 [(b)] (c) railroad, canal or banking corporations, savings banks,
13 production credit associations, organized under the Farm Credit
14 Act of 1933, agricultural cooperative associations incorporated or
15 domesticated under or subject to chapter 13 of Title 4 of the Revised
16 Statutes and exempt under Subtitle A, Chapter 1 F Part III Sec-
17 tion 521 of the Federal Internal Revenue Code, or building and
18 loan or savings and loan associations;

19 [(c)] (d) cemetery corporations not conducted for pecuniary
20 profit of any private shareholder or individual;

21 [(d)] (e) nonprofit corporations, associations or organizations
22 established, organized or chartered, without capital stock, under
23 the provisions of Titles 15, 16 or 17 of the Revised Statutes, or
24 under a special charter or under any similar general or special law
25 of this or any other State, and not conducted for pecuniary profit
26 of any private shareholder or individual;

27 [(e)] (f) corporations subject to a tax under the provisions of
28 P. L. 1940, c. 4, P. L. 1940, c. 5, or any statute or law imposing a
29 similar tax or taxes;

30 [(f)] (g) nonstock corporations organized under the laws of
31 this State or of any other State of the United States to provide
32 mutual ownership housing under Federal law by tenants, provided,
33 however, that the exemption hereunder shall continue only so long
34 as the corporations remain subject to rules and regulations of the
35 Federal Housing Authority and the Commissioner of the Federal
36 Housing Authority holds membership certificates in the corpora-
37 tions and the corporate property is encumbered by a mortgage
38 deed or deed of trust insured under the National Housing Act
39 (48 Stat. 1246) as amended by subsequent Acts of Congress. In
40 order to be exempted under this subsection, corporations shall
41 annually file a report on or before August 15 with the commissioner,
42 in the form required by the commissioner, to claim such exemption,
43 and shall pay a filing fee of \$25.00.

1 5. Except as provided in R. S. 48:16-25 no municipality shall
2 assess or impose any franchise tax or municipal license fee upon
3 any person owning or operating an autobus in such municipality.

1 6. R. S. 48:4-14, R. S. 48:4-15, R. S. 48:4-16 and R. S. 48:4-17
2 are repealed.

1 *7. In order that no municipality shall suffer a loss in revenue
2 due to the repeal of R. S. 48:4-14, the State shall annually remit to
3 each municipality which received franchise taxes pursuant to said
4 section an amount equal to that received by the municipality during
5 the calendar year 1972, upon certification of said amount to the
6 Director of the Division of Local Finance.

1 8. The sum of \$675,000.00 is hereby appropriated for the fiscal
2 year ending June 30, 1973 for the purposes specified in section 7
3 of this act.*

1 ***[7.]*** *9.* This act shall take effect at the end of the last day of
2 the month during which this bill is enacted except that repeal of
3 R. S. 48:4-14, shall not relieve a person owning or operating an
4 autobus in any municipality of this State from filing, on or before
5 the twenty-fifth day of the next succeeding month, the verified
6 statement, or from paying the monthly franchise tax for the month
7 during which the bill is signed as now required by R. S. 48:4-14.

SENATE, No. 1151

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 13, 1972

By Senators HAGEDORN, WOODCOCK, AZZOLINA, WENDEL,
HOLLENBECK and CRABIEL

(Without Reference)

AN ACT concerning the registration and taxation of autobuses and omnibuses, revising and repealing portions of the statutory law and supplementing Title 48 of the Revised Statutes.

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

1 1. R. S. 39:3-19 is amended to read as follows:

2 39:3-19. For each vehicle used as an omnibus for the transpor-
3 tation of passengers for hire the applicant for the registration
4 thereof shall pay an annual fee as follows:

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6 **gers or less;**

7 \$30.00 for each vehicle having a carrying capacity for passen-
8 gers of not less than 13 nor more than 17 passengers;

9 \$36.00 for each vehicle having a carrying capacity for passengers
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11 \$42.00 for each vehicle having a carrying capacity for passengers
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13 \$48.00 for each vehicle having a carrying capacity of not less
14 than 27 nor more than 30 passengers;

15 \$48.00 for vehicles having a carrying capacity for passengers in
16 excess of 30 passengers, and an additional fee of \$3.00 for each
17 passenger, measured by carrying capacity in excess of 30
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20 *or less;*

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24 passengers and an additional fee of \$3.00 for each passenger
25 measured by the seating capacity in excess of 30 passengers.

26 Whenever the number of regular route passengers carried by an
27 applicant in the previous calendar year represents 75% or more of
28 the combined number of passengers carried on regular route,
29 special and charter operations during that year, then such applicant
30 shall pay \$10.00 per annum for the registration of each vehicle used
31 as an omnibus for the transportation of passengers for hire in lieu
32 of the annual fees hereinbefore prescribed. In addition, any ap-
33 plicant who is operating regular route bus service under a contract
34 with the Commuter Operating Agency pursuant to P. L. 1966, c. 301,
35 shall pay \$10.00 per annum for the registration of each vehicle used
36 as an omnibus for the transportation of passengers for hire in lieu
37 of the annual fees hereinbefore prescribed and without regard to
38 the aforementioned 75% requirement.

39 Applicants seeking to register a vehicle for the reduced fee shall
40 first obtain a letter from the Board of Public Utility Commissioners
41 certifying that the number of regular route passengers carried by
42 the applicant in the previous calendar year represents 75% or more
43 of the combined number of passengers carried on regular route,
44 special and charter operations during that year, or in the case of
45 applicants operating under contract with the Commuter Operating
46 Agency pursuant to P. L. 1966, c. 301 shall obtain a letter certifying
47 that they are under such a contract from the Commuter Operating
48 Agency. Applicants shall present the appropriate letters of
49 certification with their applications for omnibus registration to the
50 Director of the Division of Motor Vehicles.

51 The director shall provide identification marks of the general
52 style and kind provided for motor vehicle registrations, assigning
53 a number to each identification mark, and before each number the
54 letter "O" shall be placed.

55 Every applicant for omnibus registration shall make application,
56 setting forth the fact that he is in the business of transporting pas-
57 sengers for hire; and the director, if satisfied of the correctness of
58 the statements made in such application, may issue a registration
59 certificate for omnibus license.

60 Nothing in this section shall prohibit the use by an omnibus
61 operator of any automobile duly licensed by him as owner.

1 2. R. S. 48:4-20 is amended to read as follows:

2 48:4-20. Every person owning or operating an autobus which is
3 operated over any highway in this State for the purpose of carrying
4 passengers from a point outside the State to another point outside

5 the State, or from a point outside the State to a point within the
6 State, or from a point within the State to a point outside the State
7 shall pay to the Director of the Division of Motor Vehicles, as an
8 excise for the use of such highway, $\frac{1}{2}$ cent for each mile or fraction
9 thereof such autobus shall have been operated over the highways
10 of this State, except that no excise shall be payable for the mileage
11 traversed *in regular route passenger service* [in any municipality
12 to which such owner or operator has paid a monthly franchise tax
13 for the use of its streets under the provisions of section 48:4-14 of
14 this Title.] *provided under operating authority conferred pursuant*
15 *to R. S. 48:4-3.*

1 3. R. S. 54:39-66 is amended to read as follows:

2 54:39-66. Any person:

3 (1) who shall use any fuels as herein defined for any of the
4 following purposes:

5 (a) operating or propelling motor vehicles, motor boats or
6 other implements owned or leased by the State and all the
7 political subdivisions thereof,

8 (b) autobusses while being operated over the highways of
9 this State in those municipalities to which the operator has
10 paid a monthly franchise tax for the use of the streets therein
11 under the provisions of [sections 48:4-14, 48:4-15 and 48:4-16
12 or] *section 48:16-25 of the Title Public Utilities, and auto-*
13 *busses while being operated over the highways of this State*
14 *to provide regular route passenger service under operating*
15 *authority conferred pursuant to R. S. 48:4-3.*

16 (c) agricultural tractors not operated on a public highway,

17 (d) farm machinery,

18 (e) aircraft,

19 (f) ambulances,

20 (g) rural free delivery carriers in the dispatch of their
21 official business,

22 (h) such vehicles as run only on rails or tracks, and such
23 vehicles as run in substitution thereof,

24 (i) such highway motor vehicles as are operated exclusively
25 on private property,

26 (j) motor boats or motor vessels used exclusively for or in
27 the propagation, planting, preservation and gathering of
28 oysters and clams in the tidal waters of this State,

29 (k) motor boats or motor vessels used exclusively for com-
30 mercial fishing,

31 (l) motor boats or motor vessels while being used for hire
 32 for fishing parties or being used for sightseeing or excursion
 33 parties,

34 (m) cleaning,

35 (n) fire engines and fire-fighting apparatus,

36 (o) stationary machinery and vehicles or implements not
 37 designed for the use of transporting persons or property on
 38 the public highway,

39 (p) heating and lighting devices,

40 (q) fuels previously taxed under this chapter and later ex-
 41 ported or sold for exportation from the State of New Jersey
 42 to any other State or country provided, proof satisfactory to
 43 the commissioner of such exportations is submitted,

44 (r) motor boats or motor vessels used exclusively for sea
 45 scout training by a duly chartered unit of the Boy Scouts of
 46 America,

47 (s) emergency vehicles used exclusively by volunteer first-
 48 aid or rescue squads, and

49 (2) who shall have paid the tax for such fuels hereby required
 50 to be paid, shall be reimbursed and repaid the amount of tax so
 51 paid upon presenting to the commissioner an application for such
 52 reimbursement or repayment, in form prescribed by the commis-
 53 sioner, which application shall be verified by a declaration of the
 54 applicant that the statements contained therein are true. Such
 55 application for reimbursement or repayment shall be supported
 56 by an invoice, or invoices, showing the name and address of the
 57 person from whom purchased, the name of the purchaser, the
 58 date of purchase, the number of gallons purchased, the price paid
 59 per gallon, and an acknowledgment by the seller that payment of
 60 the cost of the fuel, including the tax thereon, has been made. Such
 61 invoice, or invoices, shall be legibly written and shall be void if
 62 any corrections or erasures shall appear on the face thereof.

63 The commissioner may, in his discretion, permit a distributor
 64 entitled to a refund under the provisions of this section to take
 65 credit therefor, in lieu of such refund, in such manner as the com-
 66 missioner may require, on a report filed pursuant to R. S. 54:39-27.

1 4. Section 3 of P. L. 1945, c. 162 (C. 54:10A-3) is amended to
 2 read as follows:

3 3. The following corporations shall be exempt from the tax im-
 4 posed by this act:

5 (a) corporations subject to a tax under the provisions of article
 6 2 of chapter 13 of Title 54 of the Revised Statutes, or to a tax

7 assessed upon the basis of gross receipts other than the Retail
8 Gross Receipts Tax Act, or insurance premiums collected;

9 (b) corporations which operate regular route autobus service
10 within this State under operating authority conferred pursuant to
11 R. S. 48:4-3;

12 [(b)] (c) railroad, canal or banking corporations, savings banks,
13 production credit associations, organized under the Farm Credit
14 Act of 1933, agricultural cooperative associations incorporated or
15 domesticated under or subject to chapter 13 of Title 4 of the Revised
16 Statutes and exempt under Subtitle A, Chapter 1 F Part III Sec-
17 tion 521 of the Federal Internal Revenue Code, or building and
18 loan or savings and loan associations;

19 [(c)] (d) cemetery corporations not conducted for pecuniary
20 profit of any private shareholder or individual;

21 [(d)] (e) nonprofit corporations, associations or organizations
22 established, organized or chartered, without capital stock, under
23 the provisions of Titles 15, 16 or 17 of the Revised Statutes, or
24 under a special charter or under any similar general or special law
25 of this or any other State, and not conducted for pecuniary profit
26 of any private shareholder or individual;

27 [(e)] (f) corporations subject to a tax under the provisions of
28 P. L. 1940, c. 4, P. L. 1940, c. 5, or any statute or law imposing a
29 similar tax or taxes;

30 [(f)] (g) nonstock corporations organized under the laws of
31 this State or of any other State of the United States to provide
32 mutual ownership housing under Federal law by tenants, provided,
33 however, that the exemption hereunder shall continue only so long
34 as the corporations remain subject to rules and regulations of the
35 Federal Housing Authority and the Commissioner of the Federal
36 Housing Authority holds membership certificates in the corpora-
37 tions and the corporate property is encumbered by a mortgage
38 deed or deed of trust insured under the National Housing Act
39 (48 Stat. 1246) as amended by subsequent Acts of Congress. In
40 order to be exempted under this subsection, corporations shall
41 annually file a report on or before August 15 with the commissioner,
42 in the form required by the commissioner, to claim such exemption,
43 and shall pay a filing fee of \$25.00.

1 5. Except as provided in R. S. 48:16-25 no municipality shall
2 assess or impose any franchise tax or municipal license fee upon
3 any person owning or operating an autobus in such municipality.

1 6. R. S. 48:4-14, R. S. 48:4-15, R. S. 48:4-16 and R. S. 48:4-17
2 are repealed.

1 7. This act shall take effect at the end of the last day of the month
2 during which this bill is enacted except that repeal of R. S. 48:4-14,
3 shall not relieve a person owning or operating an autobus in any
4 municipality of this State from filing, on or before the twenty-fifth
5 day of the next succeeding month, the verified statement, or from
6 paying the monthly franchise tax for the month during which the
7 bill is signed as now required by R. S. 48:4-14.

STATEMENT

The purpose of this bill is to assist bus companies which provide regular route bus service to New Jersey residents. Many of these companies have suffered serious financial losses in the past few years. The potential for loss has forced these companies to apply for rate increases and curtailment of present services.

Mindful that increased rates and curtailment of service will only worsen the financial picture for regular route bus companies because it will force bus patrons to seek other transportation, this bill revises and repeals parts of the statutory law to reduce the taxes and other fees which these companies pay, thereby relieving part of financial burden of these public transportation oriented companies.

In particular this bill:

1. reduces the registration fees that companies pay if more than 75% of its passengers are on regular route service or if the company is presently being subsidized by the Commuter Operating Agency;
2. eliminates $\frac{1}{2}$ cent per mile excise tax on regular route mileage;
3. exempts bus companies from paying motor fuels tax with respect to bus used for regular route passenger service;
4. eliminates municipal franchise tax on bus companies; and
5. exempts bus companies from the Corporation Business Tax.

FISCAL NOTE TO
SENATE, No. 1151

STATE OF NEW JERSEY

DATED: NOVEMBER 16, 1972

Senate Bill No. 1151 changes certain registration fees and taxes of certain autobuses and omnibuses; effective the last day of the month during which enacted.

The Department of Law and Public Safety estimates that the overall effect of enactment of this legislation would require a State expenditure of \$443,076.00 in fiscal 1972-73 and a like amount in each of the next two succeeding years. The department further estimates that enactment would require an expenditure on the part of local governments in the amount of \$675,000.00 in fiscal 1972-73 and \$1,350,000.00 in each of the next 2 succeeding fiscal years.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.

SENATE ~~COMMITTEE~~ AMENDMENTS TO
SENATE, No. 1151

STATE OF NEW JERSEY

ADOPTED NOVEMBER 27, 1972

Amend page 1, title, line 3, delete "and", and insert ","; after "statutes", insert ", and making an appropriation".

Amend page 5, section 4, line 11, after "R. S. 48:4-3", insert ", provided, however, that such corporations shall not be exempt from the tax on net income imposed by section 5 (c) of P. L. 1945, c. 162 (C. 54:10A-5 (c))".

Amend page 5, after section 6, insert new sections 7 and 8 as follows:

"7. In order that no municipality shall suffer a loss in revenue due to the repeal of R. S. 48:4-14, the State shall annually remit to each municipality which received franchise taxes pursuant to said section an amount equal to that received by the municipality during the calendar year 1972, upon certification of said amount to the Director of the Division of Local Finance.

8. The sum of \$675,000.00 is hereby appropriated for the fiscal year ending June 30, 1973 for the purposes specified in section 7 of this act."

Amend page 6, section 7, line 1, delete "7", and insert "9".

FROM THE OFFICE OF THE GOVERNOR

DECEMBER 29, 1972

FOR RELEASE:
IMMEDIATE

Governor William T. Cahill signed into law today two bills to aid the state's faltering bus companies by subsidizing student fares, reducing registration fees and eliminating certain taxes.

Senate Bill 1150, sponsored by Senator Garrett W. Hagedorn, (R., Bergen) provides that the State will reimburse bus operators for reduced students' fares by paying the difference between the student fare and the adult fare. In most cases, the student fare is approximately two-thirds of the full fare.

The bill appropriates \$950,000 to fund the act, and stipulates that the bus operator must also establish a program by which purchasers of student fare tickets may redeem unused tickets.

Senate Bill 1151, also sponsored by Senator Hagedorn, establishes a flat \$10 registration fee for buses, provided that 75 per cent or more of the passengers carried in the previous year were regular route passengers. It replaces graduated fees that ranged up to \$48.

The bill also eliminates the excise tax, gross receipt tax and the franchise tax paid to municipalities. The bill appropriates \$675,000 to reimburse municipalities for losses in revenue resulting from elimination of the franchise tax.

In signing the bills, Governor Cahill called attention to the plight of the bus companies which have been caught in the squeeze of declining revenues and escalating costs. "The bus companies are a vital element in our mass transportation system; one that we must attempt to maintain. It is essential that we try to do all we can to ease the pressures on this ailing industry."