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STATEMENT OF MAYOR TIMOTHY McDONOUGH, HOPE TOWNSHIP, CHAIRMAN, NJLM  
TRANSPORTATION TRUST FUND REVIEW TASK FORCE AND  
MAYOR ROBERT JACKSON, MONTCLAIR,  
PRESENTED TO THE ASSEMBLY TRANSPORTATION AND INDEPENDENT AUTHORITIES  
COMMITTEE  
THURSDAY, NOVEMBER 20, 2014  
ATLANTIC CITY CONVENTION CENTER  
ATLANTIC CITY, NEW JERSEY

When we appeared before you, on Wednesday, September 24, in Montclair, we thanked you for your efforts to prioritize New Jersey's transportation funding crisis, and to put our State's economic future on solid footing. We want to reiterate that today. The League of Municipalities, on behalf of all our members, appreciates your leadership and your willingness to involve local officials in the policy development process.

The League of Municipalities has lasted for 99 years because New Jersey municipal officials, whether they knew it or not, have always taken to heart that old Irish proverb, "Only the one who isn't rowing has time to rock the boat." At that September hearing, you gave us the opportunity to get an oar in the water, when you asked the League to survey its membership on transportation funding options and report back to you with the results. Here they are.

Over 150 officials from municipalities throughout New Jersey participated in our survey. We asked them about six possible options that could, if implemented, strengthen transportation capital finance. The survey gave respondents five choices to indicate their feeling about those options. They could "Strongly support," "Somewhat support," indicate "Neutral" feelings, "Somewhat Oppose," or "Strongly Oppose" each option.

The survey showed overwhelming support for consolidating NJDOT, NJ Transit, the NJ Turnpike Authority, the South Jersey Transportation Authority, the Transportation Trust Fund Authority and the Motor Vehicles Commission. Almost 49% indicated "Strong" support for this option, and another 37.5% were "Somewhat" supportive.

When asked about enabling legislation to facilitate public-private partnerships for large scale projects, we found that these were "Strongly" opposed by about 10%. They were "Somewhat" opposed by another 10%. About 20% were 'Neutral' on P-3 legislation. This option was "Strongly" supported by 20.5% and "Somewhat" supported by just over 41%.

We next asked about a possible increase to the State's gasoline tax, paid at the pump, to replenish the Transportation Trust Fund. 34% of our respondents would "Strongly" support this option. 19% were "Somewhat" supportive. At the opposite extreme, 23% were "Strongly" opposed and 11% opposed this option "Somewhat." 12% indicated neutrality.

The most popular revenue raising option in our survey was a proposed Petroleum Products Gross Receipts Tax on wholesale transactions. As posed to our respondents, there would be exemptions for sales of home heating oil and for products sold to state and local governments. Almost 29% were "Strongly" supportive; and another 40% were "Somewhat" so. 10% were neutral. 11% were "Somewhat" opposed. And 11% were "Strongly" opposed.

The least popular option in our survey would be the application of the 5 State Sales and Use Tax to motor fuels, at the pump, purchases, with the proceeds to be dedicated to the Transportation Trust Fund. 32% were "Strongly" opposed. 28% were "Somewhat" opposed. 5.5% were neutral. 21% were "Somewhat" supportive; and 14% were "Strongly" so.

Finally, we wanted to find out if our members thought it might be a good idea to amend the State Constitution to prevent, as much as possible, future Legislature and Administrations from using Transportation Trust Fund revenues for anything other than transportation capital project. The results indicate that they thought it would be a wonderful idea to Constitutionally dedicate TTF revenues for such work. Over 80% felt "Strongly" about this. Over 11% were "Somewhat" supportive. And the survey registered only trace opposition of any kind.

Local officials know that investments in our infrastructure must be made. Failure to do so can compromise the safety of the public, the economic vitality of our communities and the security of our neighborhoods.

State-provided assistance through NJ DOT's Local Aid program is vital for local governments to fund necessary improvements and to relieve the property tax burden for residents. Annually, \$190 million from the Transportation Trust Fund is allocated to municipalities and counties for local transportation improvements. The Local Aid program also provides state and federal funds for special local projects to improve safety, for safe pedestrian and bike routes, for town centers, transit villages and other non-traditional transportation enhancements. The local aid funding provided by the NJDOT and FHWA results in significant savings for counties and municipalities, and provides an alternative to the use of property taxes alone to improve local transportation. These projects, it must be noted, put people to work. This is always important to our State's economic health; but never more so than now, as we continue to rise from the recession.

As we see it, New Jersey faces three challenges, with regards to transportation capital funding. We must:

1. Reauthorize the Transportation Trust Fund to ensure adequate and reliable funding to meet State and local transportation infrastructure funding needs for the next 10 years.
2. Increase Local Aid funding to ensure adequate and reliable funding to meet all local transportation infrastructure needs.
3. Increase the municipal share of Local Aid funding and ensure fair funding for all municipalities.

The Transportation Trust Fund needs to be replenished, so that it can provide adequate and reliable capital to meet State and local needs, now and in the future. For that reason, the League of Municipalities has joined the "Forward New Jersey" coalition. We are eager to assist any and all efforts to revitalize the Transportation Trust Fund.