New Jersey's 2016 State Motor Fuel Tax Increase Legislation

Title of Legislation: New Jersey Assembly Bill 10 and Assembly Bill 12

Result: Signed into law by Governor Chris Christie (R) on Oct. 14, 2016.

Purpose: New Jersey lawmakers approved legislation to increase the state gas tax by 23 cents-per-gallon and the diesel tax by 27 cents-per-gallon (effective Nov. 1, 2016) in order to generate $2 billion annually in new revenue for transportation infrastructure. Combined with matching federal funds and bonds, the legislation is expected to enable $32 billion in transportation investment over the next eight years. As a compromise to balance the tax increase, the measures also include several tax cuts.

NJ Assembly Bill 12 (2016)			
	Date Approved	**Yes Votes**	**No Votes**
Senate	10/7/2016	23	14
House	10/7/2016	44	27

NJ Assembly Bill 10 (2016)			
	Date Approved	**Yes Votes**	**No Votes**
Senate	10/7/2016	23	14
House	10/7/2016	45	27

A case study by the American Road and Transportation Builder's "Transportation Investment Advocacy Center"™.

TIAC staff researches and prepares detailed case studies of recent successful—and unsuccessful—state and local legislative and ballot initiative campaigns aimed at increasing transportation infrastructure investment. For each case, the studies dig into the politics, issues, media and major players involved in the effort.

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I. History of New Jersey Transportation Legislation

The Transportation Trust Fund

The main source of funding for many of New Jersey's infrastructure projects has been the Transportation Trust Fund (TTF). Since its inception in 1984 under Gov. Thomas Kean (R), it has been a significant source of dedicated funds. The original plan included $365 million in funds through tolling, trucking fees, general fund appropriation, and a voter-approved dedication of 2.5 cents from the state gas tax[i]. New Jersey lawmakers then increased the gas tax from 8 cents per gallon to 10.5 cents per gallon in 1988, and raised the dedicated TTF gas tax funding to 4.5 cents[ii].

However, these early successes were mired by the emergence of an economic recession in the early 1990s that impacted many states' ability to collect revenue. New Jersey responded by raising the borrowing limit to fill the gap[iii]. Four years later, the state increased the ceiling again to $700 million, and increased the bond payment window from 10 to 20 years, further putting the state into debt by borrowing a significant amount of money without finding a new dedicated revenue stream or increasing the gas tax[iv]. The window was raised again to $900 million, but this increase was paired with $200 million in revenue from the addition of a wholesale gas tax (the Petroleum Products Gross Receipts tax) and an additional $200 million from a vehicle sales tax[v]. During his tenure from 2006-2010, Gov. John Corzine (D) further stressed the bonding issue by restructuring the bonds to have 30 year payment windows. While this bonding plan was accompanied by a measure dedicating all of the 10.5 cent per gallon gas tax to the TTF, it still played a major role in pushing the state further into debt[vi]. Beginning in mid-2011, all $895 million contributed to the TTF by New Jersey taxpayers was allocated to debt service management, rather than the direct transportation investment that the fund had initially emphasized[vii]. According to the New Jersey TTF Authority, the state has current outstanding bonds valued at $16.4 billion, and a current outstanding debt service of $30 billion. These bonds have a maturity of 31 years. The debt service for only this fiscal year is approximately $1.176 billion in appropriated funds[viii].

Coupled with this ever-increasing use of bonds and borrowed funds pushing the TTF into debt, high ranking state lawmakers refused to increase the gas tax as part of a long-term reform package. The state gas tax has remained flat at 10.5 cents per gallon since 1988. The highest revenue increases have come through DMV fee increases[ix]. The CPI Inflation Calculator created by the Bureau of Labor Statistics states that a 10.5 cent tax in 1988 has a current purchasing power of approximately 5 cents[x].

This downturn in purchasing power has been matched with anti-tax rhetoric that has paralleled TTF funding discussions throughout much of its historical bonding measures. When the fund's insolvency became a high profile issue in the early 2000s, state lawmakers began to analyze any programs that could alleviate the TTF's debt, and increasing the gas tax ranked highly amongst several potential solutions. However, a string of New Jersey governors has repeatedly refused to increase the gas tax, claiming that New Jerseyans already have a high tax burden. Gov. Jim McGreevey (D) spoke out against a gas tax increase as far back as 2003, opposing his transportation committee that had called for a 27 cent per gallon gas tax[xi]. Current governor Chris Christie (R) has acknowledged that New Jerseyans have a large tax burden, as well as the need for an increase in the state's gas tax. However, he believes in reducing other taxes in conjunction with a gas tax increase. He had repeatedly stated that broad tax reforms, such as cutting the state sales tax or increasing tax breaks for low income retirees, would be necessary for him to increase the gas tax[xii].

Information on the transportation budget, including revenue sources and expenditures, can be found in Appendix II.

Need for Transportation Reform

Keeping New Jersey's transportation infrastructure in good condition is critical for the state's economic growth. According to a report released by Forward NJ in Oct. 2014[xiii],

- Investment in the transportation industry generates nearly $9.5 billion in total annual economic activity for the state when it moves through employment and capital outlay purchases. That contributes about $5 billion to New Jersey's Gross State Product (GSP), or 1 percent of the total.
- In 2014, transportation construction spending supported the equivalent of 104,913 jobs, including 52,264 direct jobs in transportation construction and related activities and 52,649 jobs induced or sustained by transportation construction industry employees, firms, and agencies spending.

In the future,

- Freight shipments for both domestic and export markets will double from $755 billion in 2011 to over $1.5 trillion in 2040, while imports will increase from $204 billion to $510.7 billion over the same time period. Seventy percent of these goods will be shipped via truck through the state's highway and bridge system.
- The number of New Jersey residents is expected to grow from 8.8 million in 2010 to 9.6 million in 2030. Labor force is expected to increase from 4.8 million in 2020 to nearly 5 million in 2030.

The report detailed the number challenges facing the state's transportation infrastructure.

- Of the state's 10,308 miles of roadway eligible for federal aid, 46 percent were rated "not acceptable" and need major repairs or replacement. This is the highest percentage in all 50 states.
- Of the state's 6,566 bridges, the Federal Highway Administration rated 35.5 percent as "structurally deficient" (624 bridges) or "functionally obsolete" (1,710 bridges), with bridge owners estimating it will cost at least $6 billion to make the needed repairs.
- According to the U.S. Census Bureau the average New Jersey commute is 37 percent longer than the national average.

- Poor roadway conditions contribute to 52.7 percent of roadway fatalities, with 627 people losing their lives on New Jersey roads in 2011. The Pacific Institute for Research and Evaluation estimated that road crashes cost New Jersey $4.6 billion annually.
- The rising cost of inflation, which increased the cost of construction materials.

Additional State Analysis

New Jersey Research Report from the Road Information Program (TRIP)

A June 2016 TRIP report highlighted the current condition of each state's infrastructure system coinciding with the 60th anniversary of the Interstate System's creation by President Eisenhower. Overall, the report found that several states were dealing with increases in "poor" condition pavement, vehicle miles traveled, and high rates of congestion. However, New Jersey ranked very high in several of TRIP's categories, with their most notable rankings listed below[xiv]:

- New Jersey ranks 9th nationwide in urban interstate daily travel per lane mile, with 14,498.
- New Jersey ranks 10th in overall increases in total vehicle miles traveled from 2000 to 2014, as the state netted a 21 percent increase.
- New Jersey ranks 8th in percentage of interstate highways classified in poor and mediocre condition, with 19 percent of their highways receiving this classification.
- New Jersey ranks 3rd in percentage of peak-hour urban interstate congestion, as 73 percent of the state's urban highways are congested during this peak time.

American Society of Civil Engineers (ASCE) Report Card

The American Society of Civil Engineers publishes annual report cards that create an overall consensus on the condition of individual states' road conditions. Overall, New Jersey's infrastructure received a D+. Outlined below are several of the categories where New Jersey requires significant improvement, according to ASCE[xv]:

- The state's roads received a D+, as 42 percent of them were classified as "deficient". Per year, these roads cost an average driver $1,951 per year through lost time and residual damage to vehicles.
- Further building upon the TRIP report, New Jersey's bridges received a D+. The average age of a state bridge is 51, and 40 percent are expected to need improvements or complete replacement.
- New Jersey's levees received a D-. These levees are instrumental in protecting roads and bridges from storms such as Hurricane Sandy. Ten levees make up the 126 miles of levee in the state. Four are classified as "unacceptable", and five are classified as "minimally acceptable". Also, 25

percent of levee footage showed signs of cracking, 29 percent had significant depressions, and 35 percent showed significant settling.

- New Jersey's rail system received a C. This is mostly due to the lack of a guaranteed tax revenue stream for freight travel. With freight volumes expected to double by 2035 and the Transportation Trust Fund, which provides the only direct state funding to freight, facing insolvency, freight commercial activity could face significant future challenges.

II. Lead-Up to Legislation

In February 2016, a report released by the Office of Public Finance of the State of New Jersey[xvi] confirmed that the TTF had reached its debt ceiling in December 2015, and as of July 1 would not have enough revenue to pay bond debt. Without raising the debt ceiling and increasing revenue in order to fund the borrowing, NJDOT would not be able to pay for transportation construction projects.

While most lawmakers agreed that the gas tax must be increased to fund the TTF, Republicans and Democrats differed on the necessity of "tax fairness"—tax cuts meant to offset the cost of a tax increase to residents—and what tax cuts the state general fund would be able to absorb without jeopardizing other services. Additional conflicts arose over which tax cuts would be most equitable to all New Jersey residents.

With strong divide between the governor and legislature over the amount of tax cuts to balance the gas tax increase, lawmakers considered a veto override in order to pass a gas tax increase. According to Sen. Paul Sarlo (D-Bergen), Senate Democrats "need to send a strong message that we're serious on a 27-vote override", referring to the 27 votes needed to override the anticipated gubernatorial veto.[xvii] Senate Democrats had a 24-16 majority. Gov. Chris Christie (R) called the Senate's plan to increase funding for the Transportation Trust Fund (TTF) through a 23 cents-per-gallon gas tax increase "dead on arrival", with insufficient tax cuts to offset the increase in motor fuel taxes.[xviii]

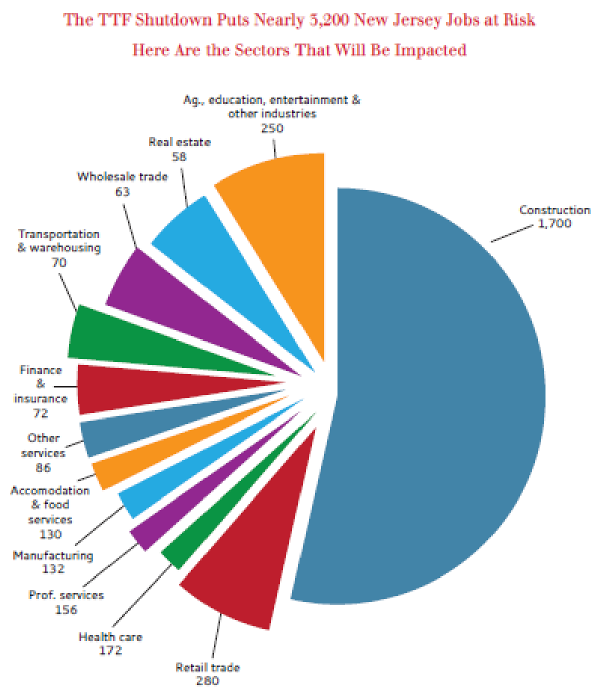
As July 1 approached, Gov. Chris Christie (R) proposed lowering the state sales tax form seven to six percent only days before this deadline was scheduled to occur. Senate Democrats refused to hear this proposal, claiming that this tax cut would cause revenue shortages that did more harm than good[xix]. That plan was preceded by another failed proposal that coupled a similar 23 cents-per-gallon gas tax increase with a phasing out of the estate tax, increasing the retirement income tax exclusion threshold, an increase of the earned income tax credit from 30 to 35 percent, and creating new tax deductibles for charitable donations.

As no agreement was reached by July 1, Gov. Christie issued an executive order that shut down "non-critical, state-funded" projects on July 8[xx].

This shutdown resulted in a variety of costs to the state and many construction contractors who carry out state projects. An ARTBA analysis reflected the damaging costs of this shutdown[xxi]:

- Demobilizing construction sites for the shutdown, as well as reestablishing them when the shutdown ends will cost state contractors a total of $39 million.

Figure 1 ARTBA Economic Analysis of New Jersey Transportation Trust Fund Shutdown: Will Cost $41 Million Next Week and Displace 1,700 Construction Workers



- $1.7 million per week will be spent to maintain public safety at the worksites, including field office rent, traffic control, and maintenance. The government has not yet said if contractors will be reimbursed for this payment, which can harm certain contractors with small cash reserves.
- Between 1,300 and 1,700 workers will be displaced, totaling 9 percent of all the state's construction workers.
- These workers will lose a combined $1.4-$1.9 million per week if they do not work, as most are paid hourly and will lose their wages without working on site.

In total, these costs could reach a total of $9 million per week, or $1.3 million per day. In the first week of the shutdown, $3.1 million in construction work was left unfinished. This amount of work supported $4.2 million in additional purchases, including materials and equipment. These lost purchases generate $2.4 million of New Jersey's state GDP[xxii]. The TTF itself also supports 1,500 jobs indirectly, in fields like healthcare and material retail, meaning the loss of TTF funding could put many of these jobs at risk[xxiii].

To read the ARTBA report in its entirety, visit this page.

III. Summary of Legislation

June Vote

The New Jersey General Assembly approved an early version of Assembly Bill 12 (A12) on June 28, 2016 to increase the state motor fuel tax by 23 cents-per-gallon. The legislation was estimated to provide $2 billion per year over eight years. The bill would have also decreased the state sales tax gradually by 1 percent and provided a retirement income tax break in order to achieve the "tax fairness" equalization sought after by Gov. Chris Christie (R).

The bill passed 53-23, largely along party lines, with 10 Republicans (Assemb. Jon. Bramnick, Chris Brown, Robert Clifton, BettyLou DeCroce, Joe Howarth, Sean Kean, Nancy Munoz, David Rible, Maria Rodriguez-Gregg, and Scott Rumana) voting in favor of the gas tax increase. Later, only six of those lawmakers would in favor of the final version of A12. Republican Assemb. Declan O'Scanlon also voted in favor of the final version of A12, but did not vote on the earlier version, bringing total Assembly Republican votes to seven.

The Senate on June 30 refused to approve the plan to replenish the transportation fund. Several Senators claimed that the included tax cuts could cost the state over $2 billion in revenue over the next three years. The Senate had initially considered measures that would have cut the state's estate tax, which levies taxes on inheritances that totaled more than $675,000.

Passage

After several months of negotiation, Gov. Christie announced on Sept. 30 that a compromise had been reached and New Jersey's Transportation Trust Fund (TTF) will be reauthorized for $2 billion per year for the next eight years, the largest and longest reauthorization in the state's history.

The approved gas tax increase was comprised of two separate legislative measures, Assembly Bill 10 (A10) and Assembly Bill 12 (A12). These tax increases settled on a 12.5 percent increase to the petroleum products gross receipts tax (PPGRT), charged as a 23 cent-per-gallon increase on gasoline, along with a 27 cent-per-gallon increase on diesel fuel[xxiv]. This tax, administered to petroleum products sellers, would be passed on to the consumer. These tax increases will generate $16 billion in new revenue for a reauthorization of New Jersey's Transportation Trust Fund over the next eight years[xxv].

Additionally, A10 also included the authorization of $12 billion in transportation bonds, contingent upon voter approval of an upcoming ballot measure— 2016 Question 2, a transportation fund 'lockbox' to ensure that all revenue derived from taxes and fees on motor fuel were used solely for transportation purposes. Question 2 was approved by the legislature Dec. 17, 2015, nearly ten months before A10 and A12 would be signed into law by Gov. Christie. The measure appeared on the Nov. 8, 2016 General Election ballot.

For a full analysis of Question 2, read the ARTBA-TIAC case study.

With the new revenue from the motor fuel tax increase, bonding, and federal matching funds, New Jersey is expected to spend $32 billion over the next eight years on roads, bridges, and transit.

Accompanying this gas tax increase are the "tax fairness" provisions that Gov. Christie required for him to approve increasing the tax. These provisions made up the text of A12, which was summarized as "[A10] adjusts certain state taxes to support strengthened investments in public and private assets in this state"[xxvi]. The bill itself provided approximately $1.4 billion in tax cuts to New Jersey residents[xxvii]. Listed below are the numerous tax cuts that accompanied the 23 cent-per-gallon gasoline tax increase:

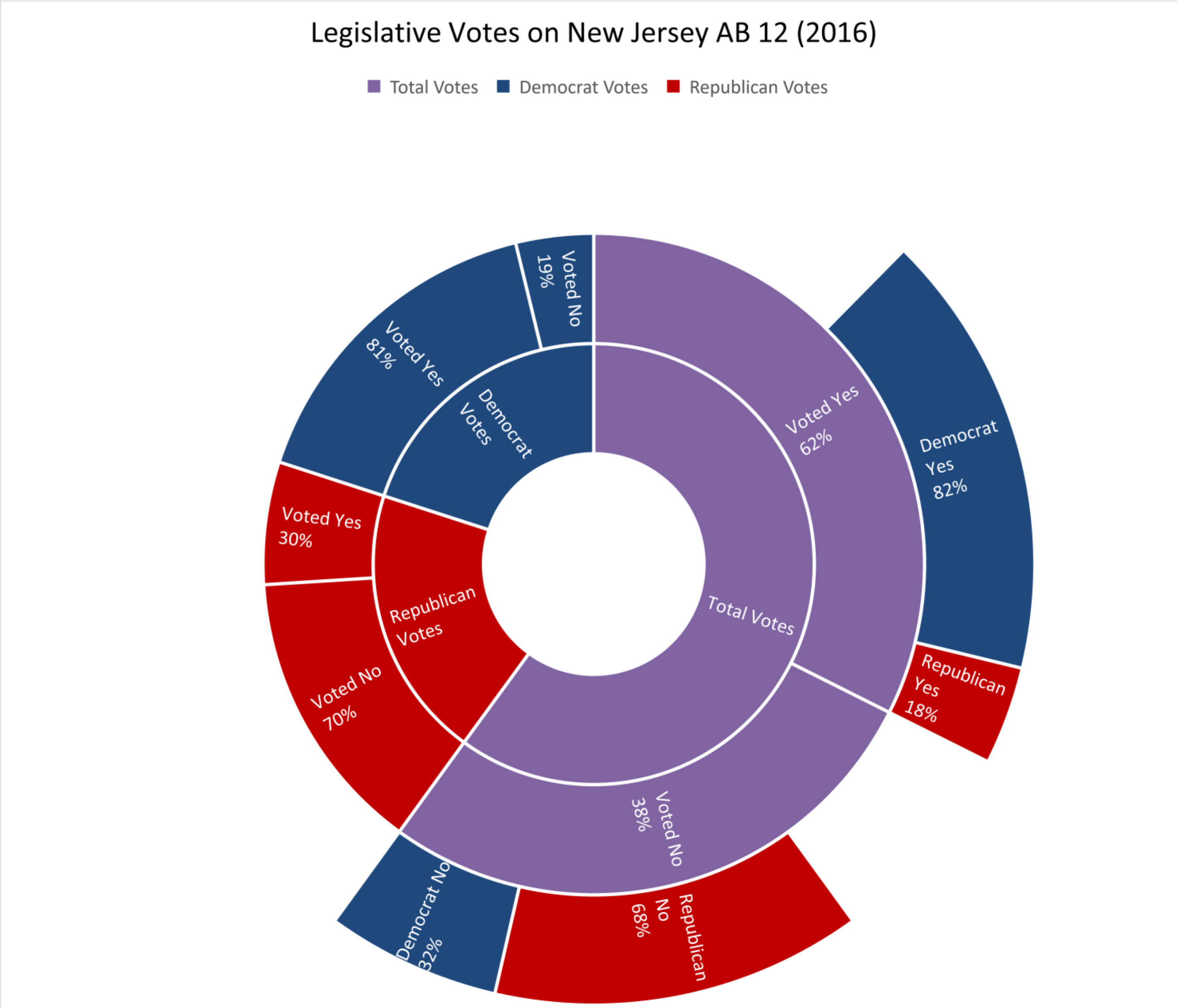
- Increase in estate tax threshold from $675,000 to $2 million on January 1, 2017, followed by a full elimination of the estate tax after January 1, 2018
- Reduction in the state sales tax from 7 percent to 6.875 percent effective January 1, 2017, and then 6.625 percent effective January 1, 2018 (added in when the charitable deduction included in earlier proposals was dropped)
- Increasing the Earned Income Tax Credit for low income workers to 35 percent from 30 percent
- Larger exclusions for retirement income: $100,000 excluded from joint filers, $75,000 excluded from individual filers, and $50,000 excluded from married couples filing their taxable income separately
- $3,000 income tax exception for active service veterans who were honorably discharged

Legislative Makeup

At the time of the package's passage, New Jersey's governor (Chris Christie) was Republican, and the legislature was majority Democrat. Of the 120 members, 57 percent voted to pass the bill, while 34 percent voted against it (11 legislators did not vote).

- There were 76 Democrats in the New Jersey State Legislature, with 56 voting in favor of AB 12 and 13 opposed. (Seven Democrats were absent, or did not vote.)

- There were 44 Republicans in New Jersey State Legislature, with 12 voting in favor of AB 12 and 28 opposed. (Four Republicans were absent, or did not vote.)



IV. Key Players

- Utility & Transportation Contractors Association (UTCA)
- AAA
- American Council of Engineering Companies (ACEC)
- New Jersey Chamber of Commerce
- Laborer's International Union
- Meadowlands Regional Chamber of Commerce
- New York Shipping Association

- New Jersey Business & Industry Association
- New Jersey Bankers Association
- New Jersey Association of Counties
- Operating Engineers Local 825
- New Jersey League of Municipalities
- New Jersey Food Council
- Greater Atlantic City Chamber of Commerce
- League of Women Voters of New Jersey

To learn more about Forward NJ's campaign, read more of their advocacy, or learn about more of their sponsors, visit their website here.

Opponents

Arguments:

- The tax cuts to offset the gas tax increase were too large, benefited the wealthy, and would place the General Fund in a precarious financial situation that would result in cuts to other programs.
- The gas tax increase is insufficient, and in eight years the TTF will be in the same position it was before the legislation was passed.
- NJDOT mismanaged funds and needed to undergo extensive reforms before entrusted with additional revenue.
- New Jersey taxes are already too high, and increasing the gas tax will cause drivers to avoid fill up their tank in other states rather than paying New Jersey's gas tax.

Key Players:

- Lt. Gov. Kim Guadagno (R)

In a statement during a radio show[xxxi], Lt. Gov. Guadagno stated that she was against a tax hike for any reason and did not support the gas tax increase. Guadagno later came out in strong opposition to Question 2 prior to the Nov. 8 General Election.

- Sen. Jen Beck (R- District 11)

Sen. Beck was a vocal opponent of increasing the state gas tax to fund transportation investment. Instead, she proposed policy reforms including consolidating all transportation agencies, reducing employee health benefits, and raising motor vehicle fines and penalties on unsafe driving practices. Additionally, Sen. Beck pushed to allocate a portion of the state's general fund revenue ($6.8 billion) for transportation projects.[xxxii] Sen. Beck actively campaigned against the gas tax increase through op-eds, rallies[xxxiii], and media appearances. She also began an online petition urging residents to oppose the gas tax increase.

- Americans for Prosperity

According to their website[xxxiv], in 2016 Americans for Prosperity made over 215,000 calls and knocked on 7,000 doors to mobilize grassroot support against a state gas tax increase. In addition, the organization lead anti-gas tax rallies throughout the state and created ads arguing that New Jersey already has too many taxes and that lane-cost was too high. Sample ads include:

  - https://www.youtube.com/watch?v=YGWr9tPaLzk&feature=youtu.be
  - https://www.youtube.com/watch?v=250ULq36R-c&feature=youtu.be

In response to an earlier transportation investment deal, AFP State Director Erica Jedynak stated:

"With the state having brought in more than $1.9 billion in combined motor fuel taxes and tolls last year, it is clear that New Jersey has a transportation spending problem, not a revenue problem. Structural reforms are necessary to fix this problem, including a thorough audit of the DOT. AFP calls on the Legislature to stand up for those struggling most in this economic recovery and make the hard decision to enact structural reform rather increase taxes, to rein in out-of-control costs."[xxxv]

- Reason Foundation

For several years, the Reason Foundation ranked NJDOT as 48th out of 50th in the nation in terms of cost-effectiveness and performance in their *Annual Highway Report*[xxxvi]. In testimony before the New Jersey Senate Budget & Appropriations Committee delivered July 29, 2016 by Baruch Feigenbaum, the organization gave five recommendations on improving the performance and accountability of NJDOT, including[xxxvii]:

- Enter into Design-Build and Public-Private Partnerships;
- Prioritize State of Good Repair: New Jersey's roadways are in poor condition;
- Right-size Staffing;
- Employ a Merit-Based Project Selection Process; and
- Reduce Diversions.

NJDOT officials repeatedly refuted the Reason Foundation's findings. After the most recent report, NJDOT spokesman Stephen Schapiro stated:

"The Reason Foundation continues to use the same flawed methodology as it has in the past to massively oversimplify and grossly distort the facts. The Foundation's work has been refuted by a

University of Utah study, authored by a Stanford-educated economist, a Rutgers University study, the NJDOT, and the Federal Highway Administration."[xxxviii]

Additionally, NJDOT also disagreed with how the Reason Foundation collected their numbers and compared them across the states. While David Hartgen, the author of the most recent study, argued that the numbers were submitted by the state themselves to the Federal Highway Administration and had not been misconstrued, officials disputed that claim in a Sept. 23 article[xxxix].

- Doug Hecox, a spokesman for the FHA, stated that states had developed their own methods for accounting long before they needed to report them to their numbers to the Federal Highway Administration, and had different methods for categorizing their spending.
- The report included spending on transit, miscalculated debt payments, and counted local and county highway spending but did not include their lane miles in the total lane-mile cost.
- Due to a variety of factors (road width, the cost of doing road work at night when traffic was at its lightest, high property values which increase the cost of land) New Jersey roads are some of the most expensive to build.

After the legislation was passed, the Reason Foundation argued that it should have included reforms to address NJDOT mismanagement, high employee costs, design-build and public-private-partnerships, and should have protected the TTF from choosing projects based on political influence. The organization also suggested that the state should have considered a mileage based user fee for long-term transportation funding reliability, or a variable-rate motor fuel tax that would have kept up with inflation or other factors.[xl]

V. Why did the measure succeed?

National Momentum

New Jersey is the 17th state since 2013 to increase motor fuel taxes for transportation investment. Nationwide recognition of the deteriorating condition of this country's transportation infrastructure has spurred states to take action on their own roads, bridges, ports and transit.

Particularly, witnessing other states successfully increase transportation funding and reap the associated benefits (increased state revenue, attraction of outside business and new residents, etc.) has been a driving factor in encouraging additional states to follow suit.

In the same vein, seeing state lawmakers retain their political position after increasing taxes on motor fuel for needed transportation investment encourages other states to fund their own transportation infrastructure needs.

Additionally, recent transportation funding increases in neighboring states such as Delaware and Pennsylvania necessitated New Jersey's need to make its own transportation improvements in order to stay attractive to businesses, freight, and residents.

Finally, some state transportation investment action has been spurred by lack of progress by the federal government in this arena. However, it is important to note that federal funds, on average, support 52 percent of annual state department of transportation capital outlays for highway and bridge projects. Increased funding on the state level has not replaced this need, and in many cases is passed in order to meet the state's federal funds match requirements. In New Jersey, federal funds support 31 percent of state DOT capital outlays for bridge and road construction, planning and design work and right-of-way acquisitions.[xli]

Proven Need for New Revenue and Transportation Investment

New Jersey had reached a critical point with the TTF in which new revenue was absolutely necessary in order to fund any further construction work. The prolonged time period when Gov. Christie shut down nonessential transportation projects further illustrated the damaging effects that lack of revenue was having on the state's infrastructure as well as its economy.

Two additional events also showed the dire need for increased transportation revenue.

In Oct. 2012 Superstorm Sandy caused major damage throughout New Jersey. In addition to road and bridge destruction along the shore, train tunnels between New Jersey and New York were badly harmed. The state received $10 million in emergency transportation funding to help repair roads and bridges but needed additional revenue in order to meet federal matching funds requirements for tunnel repairs.

On Sept. 29, 2016, an NJ Transit commuter train crashed inside the Hoboken Terminal train station, resulting in one death and 114 people injured. The station experienced major damage, resulting in temporary suspended service and then major delays throughout the next week.

Bipartisan Compromise

The main component of this compromise came through the various tax cuts proposed by bipartisan legislators throughout the bill's debates. These cuts were summarized by Gov. Christie as "tax fairness", and their inclusion was essential for his signage of the bill. The initial shutdown of public funding for transportation projects was motivated by a lack of compromise between the Governor and legislature over the proposed one percent sales tax cut that was proposed by Gov. Christie. However, the final passage of the bill included a two-year stepped reduction in the state sales tax, which will ultimately be reduced to 6.375%. In addition to this sales tax reduction, numerous tax breaks accompanied the gas tax reduction, including increases in pension funds for retired veterans and property tax reductions for low-income individuals.

Effective Messaging on Economic Benefits and Job Creation

Forward NJ spent a significant amount of time and effort researching and expounding on the economic benefits of increased transportation investment on the entire state economy. New Jersey in particular has had a slow recovery from the 2008-2009 Great Recession, especially when compared to neighboring states. Through multiple reports Forward NJ was effectively able to demonstrate the value of transportation investment on the job market, and the related ripple effect that money would have in other industries.

APPENDINX

I. Lawmaker Votes

Senate

Yes Votes

- Sen. Jim Wheelan (Democrat- District 2)
- Sen. Stephen M. Sweeney (Democrat- District 3)
- Sen. Fred H. Madden (Democrat- District 4)
- Sen. Nilsa Cruz-Perez (Democrat- District 5)
- Sen. James Beach (Democrat- District 6)
- Sen. Dawn Addiegio (Republican- District 8)
- Sen. Joseph Kyrillos (Republican- District 13)
- Sen. Linda Greenstien (Democrat- District 14)
- Sen. Bob Smith (Democrat- District 17)
- Sen. Patrick J. Diegnan (Democrat- District 18)
- Sen. Joseph F. Vitale (Democrat- District 19)
- Sen. Nicholas P. Scutari (Democrat- District 22)
- Sen. Steven V. Oroho (Republican- District 24)
- Sen. Richard Codey (Democrat- District 27)
- Sen. Ronald L. Rice (Democrat- District 28)
- Sen. Robert W. Singer (Republican- District 30)
- Sen. Sandra Cunningham (Democrat- District 31)
- Sen. Nicholas Sacco (Democrat- District 32)
- Sen. Brian Stack (Democrat- District 33)
- Sen. Nellie Pou (Democrat- District 35)
- Sen. Paul A. Sarlo (Democrat- District 36)
- Sen. Loretta Weinberg (Democrat- District 37)
- Sen. Robert M. Gordon (Democrat- District 38)
- Sen. Kevin J. O'Toole (Republican- District 40)

No Votes

- Sen. Jeff Van Drew (Democrat- District 1)
- Sen. Diane B. Allen (Republican- District 7)
- Sen. Christopher J. Connors (Republican- District 9)
- Sen. James Holzapfel (Republican- District 10)
- Sen. Jennifer Beck (Republican- District 11)
- Sen. Shirley K. Turner (Democrat- District 15)
- Sen. Christopher Bateman (Republican- District 16)
- Sen. Raymond J. Lesniak (Democrat- District 20)
- Sen. Thomas H. Kean (Republican- District 21)
- Sen. Michael Doherty (Republican- District 23)
- Sen. Anthony R. Bucco (Republican- District 25)
- Sen. Joseph Pennacchio (Republican- District 26)
- Sen. Nia Gill (Democrat- District 34)
- Sen. Gerald Cardinale (Republican- District 39)

Other (Non-Voting)

- Sen. Samuel Thompson (Republican- District 12)
- Sen. Teresa Ruiz (Democrat- District 29)

Assembly

Yes Votes

- Assemblyman John Burzichielli (Democrat- District 3)
- Assemblyman Gabriela Mosquera (Democrat- District 4)
- Assemblyman Arthur Barclay (Democrat- District 5)
- Assemblyman Patricia Jones (Democrat- District 5)
- Assemblyman Louis Greenwald (Democrat- District 6)
- Assemblyman Herb Conway (Democrat- District 7)
- Assemblyman Troy Singleton (Democrat- District 7)
- Assemblyman Joe Howarth (Republican- District 8)

- Assemblyman Maria Rodriguez-Gregg (Republican- District 8)
- Assemblyman Declan O'Scanlan (Republican- District 13)
- Assemblyman Daniel Benson (Democrat- District 14)
- Assemblyman Wayne DeAngelo (Democrat- District 14)
- Assemblyman Reed Gusciora (Democrat- District 15)
- Assemblyman Elizabeth Maher Muoio (Democrat- District 15)
- Assemblyman Joe Danielson (Democrat- District 17)
- Assemblyman Joseph Egan (Democrat- District 17)
- Assemblyman Robert Karabinchak (Democrat- District 18)
- Assemblyman Nancy Pinkin (Democrat- District 18)
- Assemblyman Craig Coughlin (Democrat- District 19)
- Assemblyman Jon Bramnick (Republican- District 21)
- Assemblyman James Kennedy (Democrat- District 22)
- Assemblyman Betty Lou DeCroce (Republican- District 26)
- Assemblyman Mila Jasey (Democrat- District 27)
- Assemblyman John McKeon (Democrat- District 27)
- Assemblyman Ralph Caputo (Democrat- District 28)
- Assemblyman Eliana Pintor Marin (Democrat- District 29)
- Assemblyman Blonnie Watson (Democrat- District 29)
- Assemblyman Sean Kean (Republican- District 30)
- Assemblyman David Rible (Republican- District 30)
- Assemblyman Nicholas Chiaravallotti (Democrat- District 31)
- Assemblyman Angela McKnight (Democrat- District 31)
- Assemblyman Angelica Jimenez (Democrat- District 32)
- Assemblyman Vincent Prieto (Democrat- District 32)
- Assemblyman Annette Chaparro (Democrat- District 33)
- Assemblyman Raj Mukherji (Democrat- District 33)
- Assemblyman Thomas Giblin (Democrat- District 34)
- Assemblyman Shavonda Sumter (Democrat- District 35)
- Assemblyman Benjie Wimberly (Democrat- District 35)
- Assemblyman Marline Caride (Democrat- District 36)
- Assemblyman Gary Schaer (Democrat- District 36)
- Assemblyman Gordon Johnson (Democrat- District 37)
- Assemblyman Valerie Vainieri Huttle (Democrat- District 37)
- Assemblyman Timothy Eustace (Democrat- District 38)
- Assemblyman Joseph Lagana (Democrat- District 38)

No Votes

- Assemblyman Bob Andrzejczak (Democrat- District 1)
- Assemblyman R. Bruce Land (Democrat- District 1)
- Assemblyman Vincent Mazzeo (Democrat- District 2)
- Assemblyman Christopher A. Brown (Republican- District 2)
- Assemblyman DiAnne Gove (Republican- District 9)
- Assemblyman Brian Rumpf (Republican- District 9)
- Assemblyman Gregory McGuckin (Republican- District 10)
- Assemblyman David Wolfe (Republican- District 10)
- Assemblyman Joann Downey (Democrat- District 11)
- Assemblyman Eric Houghtaling (Democrat- District 11)
- Assemblyman Rob Clifton (Republican- District 12)
- Assemblyman Ronald Dancer (Republican- District 12)
- Assemblyman Amy Handlin (Republican- District 13)
- Assemblyman Andrew Zwicker (Democrat- District 16)
- Assemblyman Jack Ciattarelli (Republican- District 16)
- Assemblyman John Wisnewski (Democrat- District 19)
- Assemblyman Jerry Green (Democrat- District 22)
- Assemblyman John DiMaio (Republican- District 23)
- Assemblyman Erik Peterson (Republican- District 23)
- Assemblyman Gail Phoebus (Republican- District 24)
- Assemblyman Parker Space (Republican- District 24)
- Assemblyman Anthony M. Bucco (Republican- District 25)
- Assemblyman Michael Patrick Carroll (Republican- District 25)
- Assemblyman Jay Webber (Republican- District 26)
- Assemblyman Sheila Oliver (Democrat- District 34)
- Assemblyman Robert Auth (Republican- District 39)
- Assemblyman Holly Schepisi (Republican- District 39)

Other (Non-Voting)

- Assemblyman Adam Taliaferro (Democrat- District 3)
- Assemblyman Paul Moriarty (Democrat- District 4)
- Assemblyman Pamela Lampitt (Democrat- District 6)
- Assemblyman Jamel Holley (Democrat- District 20)
- Assemblyman Annette Quijano (Democrat- District 20)
- Assemblyman Cleopatra Tucker (Democrat- District 28)
- Assemblyman Nancy Munoz (Republican- District 21)
- Assemblyman Scott Rumana (Republican- District 40)
- Assemblyman David Russo (Republican- District 40)

II. New Jersey Transportation Budget: Revenue and Expenditures

Transportation Budget

New Jersey's transportation system is funded annually through its Transportation Capital Program. This program is the main funding component within New Jersey's Statewide Transportation Improvement Program (STIP), a 10-year investment cycle funded by both state and federal revenues. The Fiscal Year (FY) 2016 Program totals $4.984 billion, with $4.043 billion allocated to both the New Jersey Department of Transportation and the New Jersey Transit Program. The remaining $950 million was allocated towards New Jersey Port Authority Projects[xlii], which includes tunnel and runway maintenance, port development, and improving the quality of the PA's terminals[xliii].

Revenue Sources for STIP

STIP's revenue comes from federal, state, and third party sources. The main state contribution to transportation funding is the Transportation Trust Fund (TTF), which allocated $1.247 billion to New Jersey's infrastructure. TTF revenue came from five major sources:

- Motor fuel taxes, which were 10.5 cents per gallon. The tax, which was set in place in 1988, was the second lowest state gas tax in the nation. This tax generated $516 million annually.
- Petroleum Products Gross Receipts tax, which is taxation of a company's first sale and distribution of refined gasoline. The tax was set at 2.75 percent on petroleum and charged as four cents per gallon on fuel oil and aviation fuel[xliv]. This tax generated $215 million annually.
- The state's Sales and Use tax, of which a Use tax only applies if products brought into the state have already been taxed at a lower rate than the state's seven percent sales tax[xlv], generated $452.9 million annually.
- Bond revenue, including both Debt Service Savings and subsidies generated an approximate total of $83.7 million annually.
- Contributions from New Jersey's Toll Road Authorities total $12 million annually.

The other major source for STIP's revenue comes from federal transportation funds. Federal funds for New Jersey are approximately $2.357 billion annually. Of this allocation, NJDOT receives $799.2 million, and NJ Transit receives $1.558 billion. The last funding source for New Jersey's STIP is the Port Authority of New York and New Jersey. The Port Authority had a total operating revenue of $4.7 billion at the close of the last Fiscal Year. Several different streams contributed to this revenue, and they are listed below by their percentage revenue contribution[xlvi]:

- Fixed, variable, and percentage rentals generated $1.8 billion, or about 38 percent of the Port Authority's revenue.
- Tolls and fares generated $1.7 billion, or about 36 percent of the Port Authority's revenue.
- Aviation fees generated $758 million, or about 16 percent of the Port Authority's revenue.
- Public parking generated $254 million, or about six percent of the Port Authority's revenue.
- The remaining four percent, constituting about $176 million, was comprised of miscellaneous revenues including net leases and cargo facility fees.

As the Port Authority is responsible for generating much of its operating revenue[xlvii], only parts of this revenue were allocated to New Jersey's transportation. In total, the Port Authority contributed $353 million to NJDOT, which is approximately 6.55 percent of STIP's total revenue[xlviii].

Revenue Expenditures for STIP

STIP's revenue allocations are based on annual capital investments through funding the New Jersey Department of Transportation (NJDOT), NJ Transit, and the Port Authority. NJDOT's $2.884 billion Capital Program is broken down into five major allocation categories[xlix]:

- $651 million is allocated to the state and local bridges, including reconstruction of high-cost projects and local bridge rehabilitations.
- $323 million is allocated to roads, including resurfacing and pavement replacement.
- $105 million is allocated to various safety programs and initiatives, including rail crossing maintenance, the state's Intersection Improvement Plan, pedestrian safety measures, and the Safe Routes to School Program.
- $167 million is allocated to alleviating congestion on state highways through road improvements and improved accident response strategies.
- $79 million is invested in multimodal transportation solutions, such as rail and freight initiatives, maritime improvements, as well as increased access for bike and pedestrian travel.

NJ Transit's $2.0995 billion Capital Program has two main allocations:

- $1.228 billion is allocated to the general needs of the transit system. These needs include consistent repair, debt service obligations, preventative maintenance and local development programs. Over 1400 busses are currently being replaced, and many bus terminals are also undergoing renovation with this revenue. Electrical and line substations are mended, and various security programs and initiatives also received funding from these allocations.
- The remaining revenue, totaling approximately $871.4 million, is allocated for recovery and resiliency projects resulting from Hurricane Sandy's damage.

As mentioned earlier, the Port Authority of New York and New Jersey (PANYNJ) is responsible for generating much of its own revenue and operating budget. However, the PANYNJ still receives funding under New Jersey's STIP. Two major projects spearheaded by the PANYNJ are receiving $950 million in STIP funding. $720 million is allocated to replacing the Goethals Bridge, and $230 million is allocated to raising the Bayonne Bridge[l].

The last component of the Capital Program involves supporting local infrastructure. In total, local infrastructure projects and initiatives receive $423 million. The New Jersey Department of Transportation provides a total of $371.1 million in federal and state funds to local transportation. This allocation helps to fund the $165 million State Aid Program, which is a formulaic-based program that helps to fund local transportation projects including resurfacing and reconstruction[li]. $25 million is also allocated to the Local Bridge Initiative Program. NJ Transit's local support funding totals around $51.9 million. The remaining funds are allocated to a variety of programs, including repairing high risk rural roads, safety measures, child pedestrian protective programs, and inspection costs[lii].

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