

March 29, 2008

Gov will schedule more town hall meetings on revenue-raisers

By LARRY HIGGS
STAFF WRITER

NEW BRUNSWICK — More town hall meetings about Gov. Corzine's toll increase and debt-reduction proposal will be scheduled, and the original plan could be changed to include an increase in the gas tax and other revenue-raisers, the governor's policy chief said.

Speaking at an Urban Land Institute forum about transportation infrastructure at Rutgers Friday, Adam Zellner said Corzine's original monetization plan is likely to change and other ideas are being looked at, including increasing the state's gas tax and franchise fees for toll-road rest-stop businesses.

Corzine's original monetization plan relied on a borrowing against revenues from a systematic schedule of toll increases to

finance an \$8 billion transportation infrastructure program and to pay off half of the state's \$32 billion debt. The plan has run into strong opposition at town hall forums the governor has held so far.

"We're working on scheduling more town hall meetings as soon as possible," Zellner said.

While the presentation will remain the same as past forums, Zellner said Corzine will probably address a gas-tax increase because the Legislature raised that issue and added Corzine is open to looking at other revenue sources.

"The Legislature will come back probably with a combination (plan), which will include a toll increase," Zellner said.

"The governor believes it's regressive, but recognized we have the third-least gas tax. There is a need to look at the

gas tax."

The forum at the Voorhees Transportation Institute included panelists such as Tom Roy, director of transportation for the Wakefern Food Corp., who said the toll increase plan is a concern and that a gas tax would be preferable.

"The gas tax is equitable to spread it (the burden) out (rather) than just on people who go up and down the Turnpike," Roy said. "We are heavy users of fuel, so we're not dodging our fair share."

Mary E. Forsberg, research director for New Jersey Policy Perspectives, a think tank, suggested that increasing the current 14.5 cent per gallon state motor fuels tax and other driver related fees could raise \$2.6 billion a year for transportation infrastructure and mass transit, without borrowing.

"A better idea is to charge a sales tax on motor fuels. Seven states do this," she said. "New Jersey could raise \$900 million to \$1 billion based on current (fuel) consumption levels."

She also proposed that higher fees for drivers' licenses and vehicle registrations could raise money for transportation without borrowing. Forsberg suggested that registration fees should be based on vehicle weight and value.

"The gas tax made sense to people in the 1920s. It was used to build roads, and people saw the value," she said. "People have no problem buying a \$40,000 car, but complain if it costs more than \$81 to register it. A couple of collapsed bridges will change it."

Forsberg said the toll plan lets some regions of the state get away with not paying their

fair share.

"It's not fair to make toll road users pay when some of the wealthiest people in Somerset, Hunterdon and Morris counties don't pay," she said.

Another suggestion was changing the state tax laws to capture revenue from people who live in Pennsylvania and commute to jobs in New Jersey, such as those workers who use the Interstate 80, 78 and 195 corridors, said Rutgers Professor Joseph Seneca. Now they only pay Pennsylvania income tax, and nothing to New Jersey, he said.

All the panelists agreed that a funding source for mass transit and the state's aging transportation infrastructure is needed. James Hughes, dean of the Bloustein School of Public Policy at Rutgers, said traditionally, money invested in trans-

portation infrastructure has resulted in more jobs and helped the state's economy to grow.

"The (11-county) northern New Jersey office building market is the fifth-largest in the country," Hughes said. "This economic advantage didn't just happen, but was due to earlier investment in transportation infrastructure."

The state has to move quickly to finance transportation infrastructure in order to remain competitive in the global marketplace, he said.

"If New Jersey fails to invest, it will cease to be a key player," Hughes said.

ON THE WEB: Visit our Web site, www.app.com, and click on this story for links to Urban Land Institute and NJ Policy Perspectives.