



Opposition stalls gas tax vote until Friday; supporters confident setback won't derail plan

October 5, 2016

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Governor Christie's plan to raise the gas tax by 23 cents hit a roadblock on Wednesday after the state Senate failed to muster the 30 votes needed to pass it as an emergency measure. But senators did approve key amendments that advanced Christie's plan, voting 23-10. Both houses of the Legislature are now scheduled to meet Friday for a final vote.

Christie and the state's top Democratic lawmakers struck a deal last week to raise New Jersey's gas tax from 14.5 cents to 37.5 cents a gallon. The 23-cent increase would pay for statewide upgrades to roads, bridges and railways over the next eight years.

The plan – an intricate mix of tax hikes and cuts – would also reduce the state's 7 percent sales tax by three-eighths of a cent, to 6.625 percent. And it would increase tax exemptions on retirement income, provide some tax relief for veterans and the working poor, and eliminate New Jersey's estate tax, which applies to anyone leaving behind assets of more than \$675,000.

Supporters described Wednesday's events in the Senate as a minor setback and predicted that the transportation plan would pass easily on Friday. Opponents called the delay a victory and said they would continue to rally New Jersey residents against the plan this week.

"We live to fight another day," state Sen. Raymond Lesniak, D-Union, said after the votes. "If we get enough people calling their legislators, emailing their legislators, going on Twitter and social media to rally their friends, we will kill it and then we'll start all over and we'll do it the right way."

State Sen. Jennifer Beck, R-Monmouth, said the transportation bills were delayed because residents "added their voice to this conversation."

"They were vocally opposed. They let their local elected officials know," Beck said. "We're coming back Friday. They're going to try to pass it on Friday. I suggest people keep up the pressure. It is working."

State Sen. Paul Sarlo, D-Wood-Ridge, who helped design the plan and is a key supporter, said New Jersey needs to invest in its economy and modernize its infrastructure to stay competitive with neighboring states.

"Every day we wait is another day that our infrastructure crumbles," Sarlo said.

The Democrats who control the Assembly and Senate had planned to pass the two-bill package on Wednesday without holding a committee hearing, where members of the public would be able to provide input.

The first step was an emergency vote in the Senate. But Senate President Stephen Sweeney, D-Gloucester, was unable to round up the 30 votes needed in the 40-member chamber to amend and pass the measures in the space of one day.

“It’s good for transparency,” said Senate Minority Leader Tom Kean Jr., R-Union, who voted no. “The voters get concerned in this state, and across the country, that things happen so quickly and they don’t have a chance to have input.”

However, under the terms of the state constitution, now that the Senate has amended the bills successfully, only a simple majority is needed to pass them after waiting one calendar day. The same 23 senators who approved the amendments Wednesday could pass the bill on Friday. And in the Assembly, only a simple majority would be required for final passage.

“We’re confident on Friday there will be 21 votes here in the Senate and 41 plus in the Assembly,” Sarlo said.

Assembly Speaker Vincent Prieto and Christie had struck a deal in June that would have cut the sales tax from 7 percent to 6 percent in exchange for the 23-cent increase in the gas tax. The Senate on Wednesday amended that bill to scale back the reduction in the sales tax and to the other tax cuts, said Assembly Majority Leader Lou Greenwald, D-Camden.

“The Assembly is rock-solid,” Greenwald said. “We will certainly have the 41 votes.”

A coalition of business lobbyists, road contractors, Democrats and Republicans support the plan. Christie and state lawmakers have been at loggerheads for years on how to replenish the state’s depleted Transportation Trust Fund, and this summer, after the account ran out of money, Christie shut down dozens of transit projects across the state.

“Each day that passes without a solution is another day of crumbling infrastructure, worsening road conditions, and tremendous losses for New Jersey’s economy,” said Greg Lavee, chairman of the Engineers Labor-Employer Cooperative, which represents thousands of road contractors, engineers, cement factory workers and others. “I urge the Senate to get New Jersey moving forward by passing this bill on Friday.”

An unlikely mix of public-worker unions and conservative anti-tax groups opposes the transportation deal. Conservatives argue that the 23-cent hike is too steep and that New Jerseyans already face some of the highest tax rates in the country. Liberals say the price of all the tax cuts included in the package, an estimated \$1.4 billion after they are fully phased in by 2021, would strain the state’s \$34.5 billion budget. As it is, the budget cannot finance all the school and pension costs mandated by law.

“They’re going back on Friday with a vote so we need to keep fighting to block this deal that’s bad for the people of New Jersey,” said Jeff Tittel, state director of the Sierra Club. “Billionaires get tax breaks and everyone else sold out.”

Christie’s plan would devote an annual \$2 billion to the Transportation Trust Fund – the gas tax would produce around \$1.2 billion of that yearly revenue, and the state would borrow the remaining \$800 million.

The federal government would match those funds dollar-for-dollar, for a total investment of \$32 billion over eight years.

The legislation stipulates that any increase on motor fuel taxes would be delayed 14 days after Christie signs it, or until Nov. 1, whichever comes later, according to Sal Risalvato, executive director of the New Jersey Gasoline C-Store Automotive Association, which pushed for that language.

That would give motorists time to get ready and allow gas station owners to change their signs and accounting systems, he said.

Beck, Kean and Lesniak voted no on the amendments Wednesday, along with Republican state Sens. Diane Allen, Christopher “Kip” Bateman, Gerald Cardinale, Michael Doherty and Samuel Thompson, and Democratic Sens. Nia Gill and Shirley Turner.

Republican Sens. Anthony Bucco, Chris Connors James Holzapfel and Joe Pennacchio did not vote. Neither did Sens. Teresa Ruiz, Nicholas Scutari and Jeff Van Drew, who are Democrats.