

CROSSROADS

Highway-Finance Subsidies in New Jersey

**A Report for the
Tri-State Transportation Campaign**

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Crossroads

Highway-Finance Subsidies in New Jersey

1. Summary of Findings

A. Government Subsidizes New Jersey Motorists

- **Highway spending exceeds highway revenues by more than \$700 million in New Jersey.** New Jersey motorists pay \$733 million a year less in user-fees (charges like gas taxes and highway tolls) than government spends building and maintaining roads in the state. This \$733 million taxpayer subsidy to New Jersey motorists is paid by the public through taxes not tied to motor vehicle use, largely property taxes.
- **Equivalently, of each dollar that government and public authorities expend on roads in New Jersey, motorists pay 77¢ directly in user fees; the remaining 23¢ is paid as a taxpayer subsidy.** The \$733 million subsidy, distributed over New Jersey's 2.8 million households, implies an average annual subsidy to drivers of \$262 from each household.
- **Government spends \$3.2 billion on roads in New Jersey.** Local, state and federal government and public authorities expend \$3.212 billion annually in New Jersey for construction, operation and maintenance of streets, highways, and bridges; vehicle and motor vehicle-user safety and enforcement; regulation; and associated administrative costs.
- **Drivers pay \$2.5 billion for roads in New Jersey.** New Jersey drivers pay \$2.479 billion annually in user fees to local, state, and federal governments and public authorities in tolls; highway use taxes; motor fuel taxes; registration and licensing fees; and fines, penalties and surcharges for motor vehicle-related violations. This figure covers all direct user-derived revenues from passenger and commercial vehicles.

- New Jersey municipalities and counties spend a billion dollars a year more each year providing roads and motorist services than they collect directly from drivers; this subsidy is paid through property taxes. Equivalently, New Jersey localities account for 39% of statewide spending on highways, but they take in only 9% of statewide driver user fees.
- In contrast to the billion-dollar highway deficit of municipalities and counties, New Jersey state-level government collects \$173 million a year more from drivers (in fuel taxes and license and registration fees) than it spends on highways and motorist services (see table below). Similarly, the Port Authority of New York and New Jersey collects \$124 million more from New Jersey motorists than it spends on New Jersey highways, helping to subsidize the Authority's PATH transit service.

New Jersey Motor Vehicle Revenues and Expenditures Annual basis, 1993, in millions (right column denotes extent of subsidization of drivers by taxpayers; parentheses denote "revenue generation," i.e., income from motorists exceeds expenditures on highways)			
	Revenue	Expenditures	Net Subsidy
State	\$964	\$791	(\$173)
Municipalities and Counties	\$218	\$1,245	\$1,028
Public Authorities	\$826	\$719	(\$107)
<i>Port Authority of NY & NJ</i>	\$244	\$120	(\$124)
<i>NJ Turnpike Authority</i>	\$341	\$349	\$9
<i>NJ Highway Auth. (Grdn State)</i>	\$194	\$200	\$7
<i>South Jersey Transp. Authority</i>	\$23	\$22	(\$1)
<i>Del. River Joint Toll Br. Comm.</i>	\$26	\$28	\$2
Federal	\$471	\$456	(\$15)
Total	\$2,479	\$3,212	\$733
Note: Totals may not equal sums due to rounding.			

- Taxpayer subsidies to motorists are smaller in New Jersey than in New York State. The Tri-State Transportation Campaign's study of highway revenues and expenditures in New York found that 65¢ of each dollar spent by government on highways is derived from user fees, with the remaining 35¢ coming from taxpayers as a subsidy to motorists.¹ For New Jersey, the motorist/taxpayer split is 77/23. Both studies found that the taxpayer subsidy to motorists occurs at the local level, in taxes raised by municipalities and counties.
- The cost and subsidy figures in this report *do not reflect* the enormous costs to New Jersey's people, communities and natural environment created by motor vehicles through air and noise pollution, accidents and traffic congestion. According to one detailed estimate, these costs exceed \$20 billion annually (see box). They exclude as well the cost (both direct cost and "opportunity cost") of legislative and other governmental attention to motor vehicle issues such as insurance rates and air pollution. The revenue figures include excise taxes on gasoline but exclude income from general sales taxes on purchases of autos, gasoline, parts and services.²
- Extrapolating from this report, one could calculate that for the entire United States, taxpayers subsidize

**New Jersey Motor Vehicle
"Externality Costs"**

(annual costs paid by society but
not included in the price to drive;
circa 1990, in billions)

Traffic Accidents	\$12.1 billion
Congestion Delays	7.3 billion
Air Pollution	2.8 billion
Traffic Noise	1.0 billion
Vibration Damage	0.3 billion
Total Damages	\$23.5 billion

Source: Brian Ketcham Engineering, P.C.,
Brooklyn, NY, spreadsheet analysis dated
Nov. 6, 1994. Figures exclude land and
other costs associated with enabling of
sprawl, and "oil fuel cycle" including ground-
water pollution, refinery emissions, foreign
oil dependence, climate change, etc.

¹ Cora Roelofs and Charles Komanoff, *Subsidies for Traffic: How Taxpayer Dollars Underwrite Driving in New York State*, Tri-State Transportation Campaign, March 1994, New York, NY.

² See Appendix 1 for our rationale for excluding sales taxes on cars and automotive products.

motorists at an annual rate of approximately \$25 billion.³

B. Government Highway Expenditures — Where the Dollars Go

(Note: The following allocation of highway expenditures into categories may not be completely precise, due to classification differences between different branches of government. See Table 1 directly following text for complete breakout.)

- Road-building absorbs 44 cents of every dollar spent on highways in New Jersey. \$1.181 billion (37%) of total highway spending in 1993 went for construction, \$218 million (7%) went for debt service on prior construction, and \$13 million was spent on other planning and engineering.
- Road maintenance, administration and operation account for 27 cents of the New Jersey highway dollar. \$608 million (19% of total highway spending in 1993) went for maintenance, of which \$461 million was spent by localities (counties and municipalities). Another \$189 million (6%) was spent for administration and \$57 million (2%) for operations.
- Police and Traffic Control absorbs 17 cents of each dollar of highway spending in New Jersey, or \$543 million. This single item is equivalent to almost three-fourths of the net statewide deficit between governmental highway revenues and expenditures. A large majority of spending for Police and Traffic Control is by municipalities — an estimated \$414 million a year.
- Courts and Toll Collection each consume approximately \$100 million a year, or 3% of New Jersey highway spending.

³ This rough estimate was obtained by calculating the annual subsidy to motorists in New Jersey on a per capita basis (spreading \$733 million over the 1992 population of 7.76 million, yielding \$94 per person per year), to the entire 1992 U.S. population of 252 million. While data in the Federal Highway Administration's annual *Highway Statistics* reports appear to support this figure, that is largely coincidental, in that the data therein omit key categories of both highway revenues and highway expenditures.

C. Government Highway Revenues — Where the Dollars Come From

(See Table 2 following text for complete breakout.)

- Taxes on gasoline and diesel fuel provide 42 cents of every dollar of New Jersey motorist user fees. State and federal fuel excise taxes raise \$471 million and \$412 million, respectively (\$883 million combined, or 36% of all highway revenues); New Jersey's wholesale tax on motor fuels, the Petroleum Products Tax, raises an additional \$149 million annually (6%).
- Tolls account for 32% of statewide highway revenues, or \$790 million annually. The vast majority of these revenues are collected by three public authorities: the Turnpike Authority (\$317 million), the Port Authority (\$244 million, based on a 50% allocation of authority toll revenues to New Jersey), and the NJ Highway (or Garden State Parkway) Authority (\$168 million).
- Licensing, Registration, and Fines account for 21% of New Jersey highway revenues. Motorists pay \$319 million annually (13%) in Licensing and Registration Fees, all to the Division of Motor Vehicles of the State Dept. of Law & Public Safety. Vehicle users pay an additional \$207 million (8%) in Fines and Violations, most of which (\$164 million) is collected by municipalities.
- Other categories — the Motor Fuels Use Tax (a special tax on heavy trucks), Insurance, Parking, Interest Income, and Highway Service Area concessions — account for only around \$8 to \$36 million each in annual revenue, or around 1% each of the statewide user fee total.

2. The Need for This Report

The purpose of this report is to present — apparently for the first time — a definitive accounting of motor-vehicle user revenues and expenditures in New Jersey.

New Jersey, like other states, collects large sums of money from users of motor vehicles and spends large amounts to build and maintain its roadway infrastructure. How do the amounts collected compare to the amounts spent? Are the state's motorists a net revenue source for government, or is there a governmental subsidy to motorists? This question is critical for transportation policy and, consequently, for New Jersey's social, economic and natural environment.

New Jersey is finding itself hard-pressed to finance operation, maintenance and expansion of its road infrastructure. Highways built during the post-World War II boom era (roughly 1950 into the mid-1970s) are wearing out from years of pounding by unexpectedly high traffic volumes, particularly heavy trucks. Newer highways, lane additions and local roads constructed to accommodate increasingly far-flung suburban and exurban development also necessitate maintenance and servicing.

In turn, higher traffic volumes, combined with increased awareness of the effects of road work activities on communities and the environment, have complicated maintenance logistics and added to costs. At the same time, ever-increasing numbers of drivers, traveling more miles each year, place demands on state and local police, the Division of Motor Vehicles, the courts, and fire and emergency medical services.

Throughout 1994, New Jerseyans debated alternate approaches for renewing the Transportation Trust Fund — the state's mechanism for funding transportation capital projects. Established in 1984 and renewed periodically, the Trust Fund had been sustained by revenues from tolls, license and registration fees, and the state gasoline and diesel fuel tax; it is now nearly empty. Moreover, the Fund is approaching its legal debt ceiling (\$1.7 billion), making further borrowing problematic.

In this debate, a broad coalition of businesses, labor unions, citizens groups and environmentalists, called the Alliance for Transportation Reform, advocated

renewing the Trust Fund through increased motor vehicle user fees. Motorist and trucking groups pointed to New Jersey's Petroleum Products Gross Receipts Tax (most of which is passed on to motorists in higher fuel prices) and the surcharge on vehicle registration fees as evidence that drivers already pay more than their fare share of road costs in user fees.

In January 1995, Gov. Christine Todd Whitman announced that the state would re-authorize the Transportation Trust Fund by a combination of four measures: (i) increased appropriations from general revenues; (ii) refinancing the existing Trust Fund debt; (iii) a constitutional dedication to the Fund of some gas tax monies that are now applied to the general fund; and (iv) continuation of the vehicle registration surcharge. In the weeks following this announcement, there was little mention that the first two measures will only deepen the current subsidization of driving from general revenues. Nor has it been noted that what the Governor is calling "\$50 million in property tax relief for counties and municipalities, by increasing local aid from \$100 million to \$150 million,"⁴ is relatively modest when measured against the billion-dollar shortfall between highway revenues and expenditures at the municipality and county level.

Now that the Trust Fund renewal legislation is about to be released and considered by the legislature, the debate is again intensifying. The authors and publishers hope that this report will help focus the debate on the appropriate split between user fees and taxpayer subsidies for highways, and to enlighten the legislature's scrutiny of capital plans of the state Department of Transportation.

Motor Vehicle Revenues and Expenditures

Subsidies for transit usage are noted regularly in the press and in public policy discussions. Many New Jerseyans accept subsidies for rail and bus service because of the benefits they confer on densely settled areas — relief from congestion and pollution, reduced pressure on roadway capacity, and a travel option other than a private car. At the same time, however, transit subsidies are often misunderstood as evidence of public sector inefficiency. For example, PATH (Port Authority Trans-Hudson) commuter trains have been character-

⁴ State of New Jersey, Office of the State Treasurer, Official News Release, "Trust Fund Renewed Without New Gas Tax," Jan. 10, 1995, p. 2.

ized repeatedly as “money-losing” in recent months.⁵

But the fact of transit subsidies has apparently spawned as a corollary the belief that motorists fully pay their own way. As this report documents, this is a misconception. Yet it has been held broadly and deeply enough to block gasoline tax hikes or other means to raise revenues collected from drivers. Still, until this report, no definitive accounting has been made of *motor vehicle-user* revenues and expenditures in New Jersey.

Transit Subsidies vs. Highway Subsidies

While the extent of transit subsidies is beyond the scope of this report, it appears certain that the share of transit expenses financed by subsidies exceeds that for highway travel. But transit subsidies have a more positive societal impact than highway subsidies. Transit subsidies help reduce highway traffic, reducing congestion (benefiting drivers) and pollution (benefiting everyone). Conversely, far more than transit, motor vehicle travel creates societal damage in the form of pollution, accidents and need for land (see box on p. 3).

Why hasn't this been done when highway policy — expansion, funding and user-fee structure — is central to issues of transportation, environment and state finance? The answer may lie partly in the power of the notion of the “beleaguered motorist” — the suffering everyman who “pays through the nose” (even subsidizing transit riders) but must still put up with roads that are chronically congested and inadequate.

But another factor may be involved: tracking motor vehicle-user revenues and expenditures requires painstaking detective work. A host of government jurisdictions and agencies collect revenues from motor vehicle-users and expend funds for motor vehicle projects. Not all of these agencies fully identify motor vehicle revenues or expenditures in their budgets. Some agencies employ a restrictive definition of user fees, excluding entire revenue categories such as parking tickets. Budget items may be named obliquely, making it difficult to pinpoint the precise function of agency expenditures. Finally, some revenue

⁵ The *New York Times* recently called PATH service a “money-loser” (editorial, Jan. 14, 1995), as did a letter-writer to the *Newark Star-Ledger* (Jan. 1); the *New York Post* branded PATH a “money pit” (Jan. 30), while a Dec. 2, 1994 *Star-Ledger* article labelled it “money-losing.”

streams pass between levels of government as block grants, trust allowances and reimbursements, adding another layer of complexity.

Motor vehicle user-derived revenues comprise fees from drivers of private cars, freight trucks and for-hire vehicles such as taxis. Vehicle users pay federal and state motor fuel taxes, tolls and a modest level of weight-distance taxes for freight transport. Drivers also pay vehicle registration and license fees, parking and traffic tickets and parking meter charges. Businesses pay taxes and fees, such as the Petroleum Products Gross Receipts Tax.

Motorist User-Fees	Spending for Motorists
Motor Fuel Excise Tax	Road & Bridge
Petroleum Products Gross Receipts Tax	Construction
Tolls	Maintenance
Parking Meters and Municipal Lots/Garages	Engineering
Vehicle Registration	Debt Service
Licenses	Toll Operation
Parking / Moving Violations	Police & Fire Services
Motor Fuel Use Tax	Traffic Patrol
(Motor Carriers Tax)	Trucking Regulation
Insurance Surcharges	Licensing
	Agency Administration
	Court Costs

Governmental agencies expend monies to construct, maintain and administer the motor vehicle infrastructure, which includes roads, toll crossings and bridges. The motor vehicle infrastructure also includes highway and traffic patrol, court administration related to moving and standing violations, and administration of driver and vehicle licensing, inspection, registration and fees.

Compounding the difficulty of tracking motor vehicle-user revenues and expenditures, New Jersey is a "General Fund" state; all revenues, from hunting and fishing permits, license fees and toll revenue, to state income taxes, flow into a single coffer which is then divvied up according to decisions of the Legislature and the Governor. This practice, while not objectionable as public policy, weakens the linkage between what is collected and what is spent, in effect masking the cost to the taxpayer of driving.

User Fees vs. General Taxes: Why It Matters

Our analysis indicates that the fees that motorists pay to government for fuel, tolls and tickets offset only around three-fourths of the cost to New Jersey governments to provide and operate roads and related motorist services. The other one-quarter of roadway costs is subsidized, through extra taxes on prop-

erty owners assessed at the local level — a subsidy that will grow if the Governor's proposals for renewing the Transportation Trust Fund are adopted.

But drivers constitute much of the public-at-large. Eighty-seven percent of New Jersey households own at least one car, and even the 13% of households without cars derive benefits from roads — through bus service, or freight delivery via truck, for example. Does it matter, then, if some motor vehicle expenditures are funded through general taxes? Yes, for several reasons.

Easing the Local Tax Burden

The \$733 million gap between statewide roadway revenues and expenditures places a heavy fiscal burden on local governments. As noted, New Jersey's local governments raise a mere \$218 million a year in motorist fees (largely through traffic fines), while spending \$1.245 billion on road maintenance, policing and related services — a deficit of over \$1 billion a year statewide at the local level. This deficit contributes to New Jersey's notoriously high property taxes. It also means that counties and municipalities have fewer resources for other functions such as schools, parks, recreation and social services.

Impact on Non-Drivers and Occasional Drivers

Subsidies to drivers are a public largesse to those who drive more than average. This is no mere academic concern to residents of New Jersey's urbanized areas, where many households do not own cars, such as Hudson County (34% are non-car-owners), Essex County (26%), Passaic County (16%), and Union County (12%).⁶ While it is true that non-drivers benefit from freight movement and municipal services that require roads, New Jersey's roadway infrastructure has grown far beyond the level of a "common carrier" offering a modicum of access to trucks, buses and public services. Although the analysis is beyond our scope, it appears likely that eliminating taxpayer subsidies for roads would particularly benefit low-income families, which comprise the lion's

⁶ Source: 1990 Census of Housing Population and Housing Summary, Tape File 3A (U.S. Census Bureau, 1992), compiled by John D. Dean, Regional Plan Association.

share of car-less households, and which drive considerably less on average than middle- and upper-income families.⁷

Moreover, while a very large majority (87%) of New Jersey households do own cars, household rates of vehicle ownership and usage vary considerably. Thirty-five percent of households own one car, 36% own two, and 16% own three or more, implying widely different amounts of driving and different calls on public expenditures for road construction, maintenance, policing, etc.⁸

Impact on Traffic

As noted, some of the governmental cost of car and truck travel in New Jersey is disguised in general taxes rather than paid through fees levied on driving. In a market-oriented economy, whenever prices diverge from costs, inefficiencies result. In particular, with driving priced below its true cost, New Jerseyans drive more than they would if the portion of road costs now bundled in general taxes were reflected in the price they pay to drive. *The taxpayer subsidization of drivers is not just a wealth transfer from those who drive less than average to those who drive more, but an inducement to everyone to drive more.*

Spread over the 60 billion miles driven annually in New Jersey, the \$733 million net taxpayer subsidy to drivers is equivalent to a roughly 25¢ discount on each gallon of gasoline.⁹ This is probably sufficient to swell total traffic in the state by several percent, contributing to increased pollution, congestion and other costly consequences of traffic noted on p. 3.

⁷ While many low-income households rent rather than own property, elimination of taxpayer subsidies for roads would benefit such households directly if the reductions in property taxes were passed through as lower rents.

⁸ Although household vehicle use and property taxes tend to vary together, the correlation isn't exact. Thus, bundling some governmental roadway costs in property taxes rather than collecting them through driving levies benefits some New Jerseyans at others' expense.

⁹ Arithmetically, the subsidy equates to 1.2¢/mile. Assuming cars averaging 20 mpg yields the 25¢ discount figure in text.

Motorists vs. Truckers

Heavy trucks — vehicles with gross weight of 13 tons or more — are of special concern from a fiscal standpoint. Heavy trucks exert tremendous stress on pavement, and account for virtually all wear-and-tear on the roadway surface other than weather-related.¹⁰ Thus, they bear a large responsibility for governmental outlays for road maintenance and resurfacing. Yet tolls and fuel taxes paid by heavy truck operators are under \$300 million a year,¹¹ suggesting that truckers may benefit disproportionately from motorist subsidies in New Jersey. The apparent imbalance for heavy trucks is indicative of the inefficiencies from using general taxes to finance roadway spending.

¹⁰ The landmark 1982 Federal Highway Administration *Cost Allocation Study*, among others, concluded that damage and stress to roadways rises in proportion to the 4th power of vehicle weight per axle. Thus, tripling axle weight increases stress on pavement 80-fold. Brian Ketcham estimates that heavy trucks create \$1.6 billion worth of pavement damage in New Jersey annually. (This estimate comprises not only repair and maintenance costs but damage to vehicles, accidents and attendant delays due to damaged road surfaces. The figure is apart from other externality costs estimated by Ketcham and summarized in the box on p. 3.)

¹¹ Heavy trucks paid \$154 million in tolls in New Jersey in 1993 — \$36 million for Port Authority crossings (prorating the total \$72 million at the state's 50% share); \$107 million to the Turnpike Authority; and \$11 million to Expressway Authority and Delaware River Bridge Commission, estimated at 25% of toll revenues. They also paid \$110 million in diesel fuel taxes (based on 2.58 billion miles traveled at an assumed average of 8 miles per gallon, and taxes of 13.5¢ [state] and 20.1¢ [federal]); and another \$10 million in Petroleum Products Taxes. Figures are approximate and do not include trucker registration and licensing fees or fines.

3. Recommendations

Responsible government agencies should evaluate these findings.

Our major finding, that each year in New Jersey almost three-quarters of a billion dollars in general taxpayer funds is allocated to support motor vehicle users, qualifies as an important finding for public policy in New Jersey. State agencies such as the Office of Management and Budget and the Departments of Treasury and Transportation should evaluate the data and analysis developed here. An assessment by local government associations, such as the New Jersey Conference of Mayors and the League of Municipalities, would be particularly valuable, given our finding that the real taxpayer subsidy to motor vehicle users occurs at the local level.

Government should establish a process for periodic updates.

Responsible agencies should institute a procedure to update this report's analysis at regular intervals, possibly biennially. These updates will be especially valuable to help state and local governments amend the present system of user fees and taxpayer subsidies and stem the rising burden to municipalities and counties. To support and simplify the analysis, the state legislature should enact legislation requiring agencies and authorities to record motor vehicle-related dollar flows in clear, well-defined categories. In this way, citizens and policy-makers can learn not only total roadway dollar flows but the shares of roadway revenues and expenditures derived from each source (e.g., tolls, fuel taxes, fees, fines) and expended on each service (construction, maintenance, policing, etc.).

The subsidies should be disaggregated to vehicle and driver classes.

Different drivers and different vehicles impose different burdens on government for road construction, maintenance and services. Accordingly, revenue generation should not be uniform from each. A *cost-allocation study* could help identify which classes of vehicles and drivers are most and least subsidized. In particular, the role of heavy trucks in causing roadway wear and tear and the associated maintenance costs, should be determined in relation to fuel, license and other fees paid by truck operators.

Taxpayers and municipalities should ask the Legislature to enact and dedicate more user fees to phase out New Jersey taxpayer subsidies of motor vehicle use.

Policies to eliminate taxpayer subsidies of motor vehicle use in New Jersey should be instituted after a full debate in which the public is informed of the costs of current taxpayer subsidies that promote traffic. (See box above for a mention of several possible revenue mechanisms.)

Motorist User Fees and the NJ Transportation Trust Fund

As this report details, New Jersey currently uses several mechanisms for charging roadway costs to motorists. These include gasoline taxes, the wholesale Petroleum Products Tax, tolls, and license and registration fees. Other mechanisms that could target the pollution and congestion created by vehicle use include *congestion pricing*, *weight-distance charges* and *smog fees*. (These concepts are discussed in the Tri-State Transportation Campaign's *Citizens Action Plan*, pp. 55-64 [see inside front cover here for ordering information] and in "Pollution Taxes for Roadway Transportation" by Charles Komanoff, *Pace Environmental Law Review*, Fall 1994.)

The Tri-State Transportation Campaign, publishers of this report, have discussed a straight per-mile charge, starting at 1¢/mile, as a revenue source for re-authorizing the Transportation Trust Fund. Regardless of the particular mechanism, the Campaign urges that inputs to the Fund be primarily fee-for-services, and that such fees be "unbundled" so that drivers understand what road facilities cost, what they are paying for, and what they are getting in return. (See "Re-Authorization of the NJ Transportation Trust Fund — An Historic Opportunity to Improve New Jersey's Economy and Environment," available from the Tri-State Transportation Campaign.)

4. Methodology and Data

Four levels of government conduct motor vehicle-user finance in New Jersey:

- **State** — departments and divisions
- **Units of Local Government** — municipalities and counties
- **Public Authorities** — governmental agencies established for a limited purpose, usually supported by dedicated revenues from operating facilities
- **Federal Highway Trust Fund** grants to New Jersey and receipts from New Jersey drivers' federal gas taxes.

Data Sources

Following are the primary data sources for the analysis in this report. For details, see Appendices 2 (highway expenditures) and 3 (highway revenues).

State level

- *State of New Jersey Budget FY 1994-1995*, 1993 expenditures.
- NJ Dept. of Treasury, *Division of Taxation, Annual Report, 1992-1993*.
- NJ Division of Motor Vehicles, *Revenue Report, 1993*.
- *NJ Comprehensive Annual Financial Report, June 30, 1993*.

Local government

- FHWA's *Highway Statistics, 1993*, Local Government Funding for Highways, Summary — 1992.
- Division of Local Government Services, NJ Dept. of Community Affairs, *54th Annual Report, 1991*.

Public Authorities

- 1993 Annual Reports for the Port Authority of New York & New Jersey, New Jersey Highway Authority, New Jersey Turnpike Authority.
- South Jersey Transportation Authority, *Report of Audit for the Period October 1, 1992, through December 31, 1993*.

Federal level

- FHWA's *Highway Statistics, 1993*, Table: Federal Highway Trust Fund Receipts Attributable to Highway Users in Each State, FY92; and Table: Comparison of Federal Highway Trust Fund Receipts Attributable to the States and Federal Aid Apportionment From the Fund.

Total New Jersey motor vehicle-user revenues and expenditures are a combination of all these jurisdictions' vehicle-user revenues and expenditures — adjusted to avoid double-counting. For instance, we exclude Federal Transportation Trust Funds expenditures from our (state) Department of Transportation expen-

Data Pitfalls for New Jersey Roadway Accounting

Data in FHWA *Highway Statistics, 1993* suggest that annual motor vehicle user fees in New Jersey total \$1.7 billion, while government highway expenditures are \$2.9 billion. These figures yield an apparent *net taxpayer subsidy to motorists of \$1.2 billion*. Our estimated taxpayer subsidy is more conservative, at somewhat over \$700 million, because we have included a number of user revenue categories excluded by FHWA. Following are the main reasons that the FHWA data alone do not give an accurate rendering of motor vehicle costs and revenues in New Jersey.

- New Jersey is a "general fund" state — it deposits most user fees in its general fund and appropriates road expenditures from this fund. FHWA forms do not provide detail to track all user-fees.
- FHWA forms account only for funds that pass through state coffers; they exclude funds that localities collect and spend locally; ditto for public authorities.
- FHWA forms are "accounting-style," requiring that expenditures and revenues balance out, even if they don't in reality. The balancing is done by adjusting general fund revenues to match expenditures.
- Not all state-level user revenue shows up in FHWA data. Fines for parking and moving violations are excluded, as are some major user categories of tax revenue such as the Petroleum Products Tax.

A further problem is that New Jersey DOT has not reported the requisite biennial "Local Highway Finance" data to FHWA since 1989. As a result, FHWA has had to extrapolate from earlier data (letter from FHWA Administrator Rodney E. Slater to Komanoff Energy Associates, Nov. 30, 1994). Although FHWA has gone to great lengths to perform a careful extrapolation, any approximation is subject to possible inaccuracies if underlying trends have changed.

These problems precluded our relying on FHWA data entries for all our figures. They also make it impossible to derive a nationwide estimate of taxpayer subsidies for motor vehicles simply by consulting FHWA reports. However, as noted, the FHWA's *Highway Statistics* is our source for some local finance data. The FHWA data also serve as background and clarification.

ditures, as they are included at the Federal Level. We have also excluded transfers and receipts between the State and the Authorities, such as payments by the Turnpike Authority to the Transportation Trust Fund Authority.

This report uses 1993 as its base year of analysis, although some data are drawn from slightly different fiscal years. For example, most of New Jersey's state departments employ a July 1 - June 30 fiscal year, while revenue data from the Division of Motor Vehicles are only available by calendar year.

A. State Level

NEW JERSEY COLLECTS \$964 MILLION ANNUALLY IN MOTOR VEHICLE-USER REVENUES AT THE STATE LEVEL.

The primary state agencies collecting and distributing motor vehicle-user funds are the Department of Transportation, the Department of Law and Public Safety (which includes the Division of Motor Vehicles as well as the Division of Law Enforcement), and the Department of Treasury. Three revenue categories comprise most of the revenue collected from motorists at the state level:

- The state Motor Fuels Tax is an excise tax applied to sales of petroleum products — gasoline and diesel fuel — used in motor vehicles. The gasoline tax, assessed at 10.5¢ per gallon, brought in \$386 million in 1993; the diesel fuel tax of 13.5¢ per gallon raised \$26 million, for a combined total of \$412 million.¹²

State Highway Revenues (Circa 1993, in millions)

Motor Fuels Tax	\$411.6
License, Registration, Fines, Insurance	394.9
Petroleum Products Tax	149.3
Motor Fuels Use Tax	7.7
Total	\$963.5

For details, see Table 3 and Appendix 3.

- The Division of Motor Vehicles collected \$395 million in 1993 from motorists for drivers' licenses, vehicle registrations, insurance surcharges and inspection fees.
- Motorists also pay fuel taxes through New Jersey's Petroleum Products Tax, a wholesale tax on companies that refine and/or distribute petroleum products in New Jersey. Enacted in 1990, the tax is imposed at a rate of 2.75% at the point of first sale of petroleum products in the state. The tax exempts petroleum for home heating, marine use, aviation, asphalt and state or federal government use, so that an estimated 85% of revenues are from motor fuels. Thus, of \$176 million in total revenue from the Petroleum Products Tax in 1993, an estimated \$149 million was collected from motorists.

¹² Source: Howard Williams, Auditor, Division of Tax Analysis, telecom, Jan. 31, 1995. According to Mr. Williams, a small amount (under \$100,000) of diesel fuel revenue was for sales of liquefied petroleum gas.

Insurance Surcharges and Subsidies

New Jersey state government employs two mechanisms to lower the cost of auto insurance to motorists with good driving records.

Under the Fair Auto Insurance Reform Act (FAIR), the Division of Motor Vehicles levies registration surcharges (cars: \$15 for new, \$30 for two years or older; commercial trucks: \$50 for new, \$70 for two years or older). DMV applies these funds to the Joint Underwriters Association, Market Transition Trust Fund, which writes down the cost of insurance for less-affluent drivers.

Because motorists finance as well as benefit from FAIR, its net cost to motorists overall is zero (aside from minor bookkeeping adjustments).

DMV also collects a "Bad Drivers" insurance surcharge: \$100 for the first six points accrued within a 3-year period, \$25 per additional point. DMV transfers 80% of these revenues to the Market Transition Fund but retains 20%, or \$27 million in 1993. With minor adjustments, net revenues collected from motorists for insurance totaled \$31 million (see Table 5).

The Division of Motor Vehicles also administers the Motor Fuels Use Tax on out-of-state licensed commercial vehicles, primarily heavy trucks. This tax, also known as the Motor Carriers Tax, raised \$7.7 million in 1993 (net of refunds to New Jersey licensed vehicles issued by the Division).¹³

NEW JERSEY STATE GOVERNMENT EXPENDS \$791 MILLION ANNUALLY ON MOTOR VEHICLE-USER SERVICES.

Following are the major agency outlays for highways during the 1993 fiscal year, according to the *State of New Jersey Budget FY 1994-1995*.

- **NJ Department of Transportation** — motor vehicle related expenditures include highway construction and engineering, road and bridge improvement bonds, state parkways, highway-railroad crossing alternations, administration, DOT property, traffic and safety, highway maintenance and equipment management: **\$579.2 million.**
- **NJ Division of Motor Vehicles** — expenditures include registration, licensing, inspection and administration: **\$116.4 million.**

¹³ DMV collected \$12.3 million from the Motor Carriers Use Tax in calendar year 1993, and issued \$2.5 million in refunds. Notwithstanding the implied net of \$9.8 million, we employed NJ Dept. of Treasury's estimate of \$7.7 million net collection for fiscal year 1993. (The discrepancy is due to differences between calendar and fiscal years.)

- **NJ Division of Law Enforcement** — expenditures include traffic law enforcement; vehicle dimension and weight enforcement: **\$90.7 million**.

B. Local Level

Municipalities and counties are the site of New Jersey taxpayers' subsidy to drivers. Indeed, mathematically the subsidy of drivers by local governments exceeds the overall subsidy for the state as a whole (recall that state government and the Port Authority each generate net revenues from drivers). At the local level, motor vehicle related expenditures (\$1,245 million) are almost six times as great as motor vehicle user revenues (\$218 million). The difference, \$1,028 million, is made up through municipal and county property taxes.

NEW JERSEY LOCAL GOVERNMENTS COLLECT \$218 MILLION IN MOTOR VEHICLE USER-DERIVED REVENUE.

The largest source of motor vehicle revenues at the local level is the municipal courts. Eighty-nine percent of the *cases* handled by municipal courts in New Jersey in 1993 were motor vehicle-related. Assuming that 75% of *revenues* were vehicle-related, municipal courts generated \$164 million in revenue from drivers.¹⁴ Parking revenues and local tolls account for another \$53 million in user fees at the local level.

State Highway Expenditures (Circa 1993, in millions)

NJDOT	\$579.2
Div. of Motor Vehicles	116.4
Law Enforcement	90.7
Courts	4.4
Total	\$790.8

For details, see Table 2 and Appendix 2.

Local Highway Revenues (Circa 1993, in millions)

Parking and Traffic Fines	\$164.3
Parking Authorities	34.6
Tolls	18.8
TOTAL	\$217.7

For details see Table 3 and Appendix 3. Toll revenues are from Cape May and Burlington County Bridge Commissions.

¹⁴ In fiscal year 1993, New Jersey municipal courts handled 5,237,433 traffic violations and 659,084 non-traffic violations (1995 New Jersey Budget Book, p. D-403). Because revenues from these violations were not similarly disaggregated, we applied 75% of revenues to traffic violations (rather than 89%) on the assumption that traffic fines are smaller than non-traffic fines. Our 75% figure was supported by Jeff Kanige, who has reported on the municipal courts for the *New Jersey Law Journal* (telecom, Dec. 28, 1994).

NEW JERSEY LOCAL GOVERNMENTS SPEND \$1,245 MILLION ANNUALLY ON MOTOR VEHICLE-RELATED PROJECTS.

Municipality and county expenditures are listed in the *Fifty Fourth Annual Report, Division of Local Government Services, 1991* (the most recent edition available). As the adjoining table indicates, the largest categories of local expenditures for drivers are Maintenance (pothole filling and other minor

repairs required for road and street preservation) and Police, followed by Construction (largely street and curb construction and reconstruction) and Courts.

Local Highway Expenditures
(Circa 1993, in millions)

Maintenance	\$461.1
Police & Traffic Control	428.9
Construction	195.7
Courts	104.1
Parking Authorities	29.1
Fire	26.4
TOTAL	\$1,245.4

For details, see Table 2 and Appendix 2.

Some approximation was required to derive the motor vehicle shares of some expenditure categories.¹⁵ We believe our estimates are reasonable and probably conservative, insofar as we chose *not* to apply expenditures from other categories that may pertain in part, to roads and drivers. (These include: on the municipal level, General Administration, \$502 million; Human Resources, \$115 million; Environmental Inspection & Control, \$72 million; Pensions & F.I.C.A., \$309 million; and Employee Fringe Benefits, \$336 million; on the county level, General Administration, \$204 million; Human Resources, \$61 million; Sheriff's Office, \$73 million; Pensions & F.I.C.A., \$196 million; and Employee Fringe Benefits, \$190 million. Merely allocating 10% of these costs would add \$206 million to highway expenditures by New Jersey localities.)

¹⁵ Percentages used to determine expenditures: for Municipal Court Services, 75%, to correspond with motor vehicle-derived revenue; for Police Protection, 40%, based on Stanley Hart, *An Assessment of the Municipal Costs of Automobile Use*, 1985, and confirmed by Dennis Crowley, Executive Assistant to NJ Attorney General, telecom, Jan. 5, 1995 (note that none of the budget analysts we contacted at the Department of Law and Public Safety or the Division of Local Government Services would estimate the motor vehicle share of law enforcement expenditures); for Fire Protection, 7%, based on motor vehicles accounting for 23% of 1993 responses by fire departments in New Jersey (NJ Division of Fire Safety, Department of Community Affairs, *Fire in New Jersey*, 1993, p. 17), and assuming that vehicle fires are several times less costly than residential fires (36% of total responses) or "outside" fires (42%). The 7% fire cost allocation to vehicles matches the figure used in *Subsidies for Traffic*.

C. Public Authorities

NEW JERSEY PUBLIC AUTHORITIES COLLECT \$827 MILLION IN MOTOR VEHICLE USER REVENUES ANNUALLY.

NEW JERSEY PUBLIC AUTHORITIES SPEND \$720 MILLION ON MOTOR VEHICLE-USER PROJECTS ANNUALLY.

**Highway Revenue and Expenditures
New Jersey Public Authorities (Summary)**
(Circa 1993, in millions)

	Revenue	Expenditures	Subsidy
Port Authority of NY & NJ	\$243.6	\$120.6	(\$123.6)
NJ Turnpike Authority	340.5	349.4	8.9
NJ Highway Authority	193.6	200.1	6.6
So. Jersey Transportation Authority	23.0	21.8	(1.2)
Delaware River Joint Toll Comm.	25.8	27.7	1.9
Summary Total	\$826.5	\$719.6	(\$106.9)

For details, see Table 7 and Appendices 2 and 3.

Public authorities in New Jersey, including a 50% share of the Port Authority of New York & New Jersey, collected **\$107 million** in excess of their expenditures in 1993. This *negative subsidy* (revenue generation), was attributable to the Port Authority, which took in \$124 million more from motorists than it spent building and operating its six Hudson River crossings (calculated on a 50% share¹⁶). As shown in the table above, New Jersey's Turnpike Authority and Highway Authority ran slight deficits in 1993.

D. Federal Level

NEW JERSEY DRIVERS CONTRIBUTE \$471 MILLION IN MOTOR FUEL TAXES TO THE FEDERAL GOVERNMENT ANNUALLY.

¹⁶ According to data compiled by the Port Authority from its *1991 Vehicular Origin and Destination Survey*, 53% of Port Authority bridge and tunnel facility users are from New Jersey, and 44% are from New York (with 3% from other states). This matches well with the 50/50 NJ/NY split assumed here and in *Subsidies for Traffic*.

THE FEDERAL GOVERNMENT GRANTS NEW JERSEY \$456 MILLION FROM THE FEDERAL HIGHWAY TRUST FUND EACH YEAR.

The Federal Highway Administration's annual *Highway Statistics* report shows federal support for New Jersey highway projects from the Federal Highway Trust Fund of \$456 million in 1993, and New Jersey motorist gasoline and diesel tax contributions to the Federal Highway Trust Fund of \$471 million. Thus, in 1993 New Jersey drivers paid \$15 million more annually in federal motor fuel taxes than they received in motor vehicle-user federal funding. (For sources see Appendices 2 and 3.)

E. Total New Jersey Motor Vehicle-User Revenues and Expenditures

Total motor vehicle-user revenues and expenditures in New Jersey include revenues and expenditures from counties and municipalities, Public Authorities and the State Level, adjusted to account for transfers between jurisdictions.

GOVERNMENT'S TOTAL MOTOR VEHICLE-USER DERIVED REVENUE IN NEW JERSEY IS \$2.479 BILLION ANNUALLY.

GOVERNMENT'S TOTAL MOTOR VEHICLE-USER EXPENDITURE FOR NEW JERSEY IS \$3.212 BILLION ANNUALLY.

MOTOR VEHICLE-USER EXPENDITURES BY ALL JURISDICTIONS IN NEW JERSEY OUTSTRIP REVENUES, RESULTING IN A TAXPAYER SUBSIDY TO DRIVERS OF \$733 MILLION EACH YEAR.

Appendix 1: Treatment of Sales Tax on Motor Vehicle Sales and Services

In tallying governmental revenues derived from motor vehicle use in this report, we excluded sales taxes on the general economic activity associated with motor vehicle use, i.e., sales tax revenue from sales of motor vehicles, motor fuel, repair services and parts. Instead we included only taxes and fees that specifically target motor vehicle users, either directly or through surrogates.

Had we opened the door on the revenue side to sales taxes, we would have felt obliged to expand the expenditure side to include governmental activities that are funded, in part, by sales taxes, and which treat side-effects of motor vehicle use, such as publicly paid medical expenditures for pollution and crash victims. We might also have had to account for "opportunity costs" of motor vehicles such as property tax ratables foregone to land consumed by highways. Overall, we believe that limiting the revenue tally to revenue streams generated expressly and specifically from driving, and limiting expenditures to facilities and services that directly accommodate drivers and vehicle use, constitutes a reasonable and balanced approach.

Thus, we counted New Jersey's state excise tax on gasoline of 10.5¢ per gallon, for example; we also counted revenues from the wholesale Petroleum Business Tax attributable to motor fuels. However, we excluded sales taxes on gasoline generated at 7% (now 6%) of the selling

price of gasoline. The former two taxes are special instruments assessed specifically on gasoline, while the latter is part of a general tax on all commodities sold in the state. Similarly, we count highway construction costs, since those are specifically dedicated to motor vehicle travel; we exclude, as indirect, local, state and federal expenditures on hospitals and medical care, even though they include costs to treat pollution-induced illness and crash injuries.

Excluded Revenue and Cost Categories

Sales Taxes	Governmental Costs
Motor Vehicles	Taxes Lost to Roads (opportunity cost of foregone ratables)
Gasoline	Publicly Funded Medical Care for
Parking	Pollution and Crash Victims
Auto Rental	Productivity Loss for Municipal
Repairs	Vehicles Stuck in Gridlock
Parts	Legislative Attention to Motor
Services	Vehicle Issues
Accessories	etc.
etc.	

What is the effect of these exclusions? On the revenue side, sales tax revenues in New Jersey totaled \$3.65 billion in 1993.¹⁷ Assuming that 20% was directly vehicle-related — arguably a high estimate — motorist-derived sales taxes are approximately \$730 million annually. Coincidentally, this is approximately equal to the statewide real estate tax revenues *not* realized because highways have appropriated a quarter of a million acres of New Jersey land — equivalent to roughly 7% of all private land in the entire state.

New Jersey Tax Revenues Foregone on Land Occupied by Roads (rough estimate — derived in steps below)	
1. New Jersey real estate tax collections, 1991 (sum of county and municipal, from NJ Division of Local Government Services, <i>Fifty-Fourth Annual Report, 1991</i> , (Dec. 1992), pp. 50-51)	\$10.96 billion
2. New Jersey land area	7,419 sq. miles 4,748,160 acres
3. Taxable land, percentage (approximate)	75%
4. Average annual real estate tax rate per acre ($1 / [2 \times 3]$)	\$3,079
5. New Jersey road mileage (FHWA, <i>Highway Statistics 1991</i> , "Public Road and Street Mileage," p. 126)	34,268 miles
6. Average roadway right-of-way (approximate)	60 feet
7. New Jersey land occupied by roads (5×6)	249,000 acres
Potential taxes on land occupied by roads (4×7)	\$767 million

While the tax loss estimate may overstate the cost to the public by allocating *all* road space to motor vehicles (in effect ignoring roads' "common carrier" function alluded to earlier), it may understate the cost by applying a statewide average tax rate (note that more highly taxed urban areas devote proportionately more land area to roads than do rural areas).

Thus, sales taxes excluded from the revenue side of the ledger appear, coincidentally, to be offset by the real-estate tax value of land and street space excluded from the government expenditure side. And this comparison, although admittedly rough, does not include public hospitalization and other governmental costs (in excess of privately paid medical expenses) that stem from motor vehicle use.

¹⁷ State of New Jersey, Department of the Treasury, Division of Taxation, *Annual Report 1992-1993*, Table 1, p. 15, for FY '93.

Appendix 2: NJ Governmental Expenditures for Highways — Sources and Details

Federal

FHWA SF-1 = FHWA, *Highway Statistics, 1993*, Table SF-1, State Highway-User Revenues and Other Receipts Applicable to Highways — Summary, 1993.

Construction FHWA SF-1, "Revenues used by States for Highways."

State

Department of Transportation For sources and details see Table 3.

Department of Law and Public Safety For sources and details see Table 4.

Department of Judiciary *State of New Jersey Budget FY 1994-1995*, 1993 expenditures, Judiciary Section, p. D405, includes Municipal Court expenditures from General Funds, Federal Funds and All Other Funds.

Counties

DLGS54 = Division of Local Government Services, NJ Department of Community Affairs, *Fifty-fourth Annual Report, 1991*. (Note: This is the most recent such report.)

Construction DLGS54, p. 50, estimated at 75% of item, "Capital Outlay, Public Works." Other Capital Outlay categories are Public Enterprises, Recreation / Culture, Buildings and Grounds, Library and Education, and Conservation, suggesting that Public Works is largely devoted to roads.

Maintenance DLGS54, p. 50, "Streets and Drainage."

Police and Traffic Control DLGS54, p. 50, estimated at 40% of item, "Police Protection." Allocation of 40% of police protection to roadways based on Stanley Hart, "An Assessment of the Municipal Costs of Automobile Use." Confirmed by Dennis Crowley, NJ Department of Law and Public Safety, Office of the Attorney General, telecom, Jan. 5, 1995.

Courts DLGS54, p. 50, estimated at 75% of item, Municipal Court expenditures, to correspond to 75% of revenues from municipal courts. Estimate is based on percentage of motor vehicle related cases in the Municipal Courts (89%) and telecom with Jeff Kanige, author of "Municipal Courts Mean Business," *New Jersey Law Journal*, Feb. 28, 1994.

Municipalities

DLGS54 = Division of Local Government Services, NJ Department of Community Affairs, *Fifty-fourth Annual Report, 1991*. (Note: This is the most recent such report.)

Construction DLGS54, p. 51, estimated at 75% of item, "Capital Outlay, Public Works" (see explanation under Counties).

Maintenance DLGS54, p. 51, "Streets and Drainage."

Police and Traffic Control DLGS54, p. 51, estimated at 40% of item, "Police Protection" (see explanation under Counties).

Fire DLGS54, p. 51, "Fire Protection."

Courts DLGS54, p. 51, estimated at 75% of item, Municipal Court expenditures (see explanation under Counties).

Parking For sources and details see Table 6.

Port Authority of New York and New Jersey

PA93 = Port Authority of New York and New Jersey *Comprehensive Annual Financial Report for the Year Ended Dec. 31, 1993*, Schedule F, "Information on Port Authority Operations," for six rows denoting George Washington, Bayonne and Goethals Bridges, Outerbridge Crossing and Holland and Lincoln Tunnels.

LV = personal communications from Lou Venech, Port Authority Government and Community Affairs, March 7 & 15, 1995, conveying (i) GW Bridge Bus Station responsibility for revenues and expenses shown in PA93 under "G.W. Bridge & Bus Station"; (ii) breakout of "Operating & Maintenance Expenses" in PA93 into categories indicated below. Note that this breakout sums to the total of the six rows in PA93, less \$4.5 million reflecting Bus Station.

Note: All Port Authority expenditures (and revenues) in this report are 50% of authority totals (see footnote 16).

Debt Service Sum of Amortization and Net Interest Expense in PA93, less \$300,000 in each category allocable to GW Bridge Bus Station (per LV).

Maintenance Maintenance in LV.

Administration Sum of Administration and Staff Support in LV, and Allocated Expenses in PA93, less \$500,000 allocable to GW Bridge Bus Station (per LV).

Operation Half of Direct Operations in LV.

Police and Traffic Control Police in LV.

Toll Collection Half of Direct Operations in LV.

New Jersey Turnpike Authority

NJTPA93 = New Jersey Turnpike Authority, *Annual Report '93*.

Debt Service NJTPA93, Statement of Changes in Fund Balances, pp. 18-19, explicated by NJTPA Assistant Comptroller Pam Varga, telecom, Feb. 22, 1995; includes Payment of Bond Interest and Reserve Fund Payments.

Administration NJTPA93, Statement of Revenues and Expenses, p. 15.

Maintenance NJTPA93, Statement of Revenues and Expenses, p. 15.

Police and Traffic Control NJTPA93, Statement of Revenues and Expenses, p. 15.

Insurance NJTPA93, Statement of Revenues and Expenses, p. 15.

Toll Collection NJTPA93, Statement of Revenues and Expenses, p. 15.

Other NJTPA93, Statement of Revenues and Expenses, p. 15, encompasses Professional Fees, Pension, Retirement, and Payrolls Taxes, Other Expenses, and Cash Discounts (a "rebate" for paying bills in a timely manner.)

New Jersey Highway Authority (Garden State Parkway)

NJHA93 = New Jersey Highway Authority *Annual Report 1993*.

Construction NJHA93, Statements of Operations, p. 30, and Statements of Changes in Cash, p. 33, explicated by Tom Murphy, Financial Resources Manager, telecom, Feb. 22, 1995; includes Interest Expense, Additions to Parkway Facilities, Original Issue Discount and Financing Expense.

Administration NJHA93, Statements of Operations, p. 30.

Maintenance NJHA93, Statements of Operations, p. 30.

Police and Traffic Control NJHA93, Statements of Operations, p. 30.

Toll Collection NJHA93, Statements of Operations, p. 30.

South Jersey Transportation Authority

SJTA93 = South Jersey Transportation Authority, *Report of Audit for the Period October 1, 1992, through December 31, 1993*.

The Audit Report covers a 15-month period. To conform to a 12-month period, we have prorated all data in the report by 80%. We have excluded bus and airport related expenditures as well as Liquidation of Restricted Fund Balances.

Debt Service SJTA93, p. 10, Statement of Revenues, Expenses and Changes in Retained Earnings, includes Interest on Bonds, Accrued Debt Service and Capital Lease Parking.

Administration SJTA93, Statement of Revenues, Expenses and Changes in Retained Earnings, p. 10.

Maintenance SJTA93, Statement of Revenues, Expenses and Changes in Retained Earnings, p. 10.

Police and Traffic Control SJTA93, Statement of Revenues, Expenses and Changes in Retained Earnings, p. 10, "Police."

Parking SJTA93, Statement of Revenues, Expenses and Changes in Retained Earnings, p. 10, "Garage."

Delaware River Joint Toll Commission

FHWA SF-4B = Federal Highway Administration, *Highway Statistics, 1993*, Disbursements for State-Administered Toll Road and Crossing Facilities, 1993.

Construction FHWASF-4B, "Capital Outlay."

Debt Service FHWASF-4B, "Bond Retirement."

Maintenance FHWA SF-4B.

Operation FHWA SF-4B.

Administration FHWA SF-4B.

Police and Traffic Control FHWA SF-4B.

Toll Collection FHWA SF-4B.

Appendix 3: NJ Governmental Revenues from Motorists — Sources and Details

Federal

FHWA FE-9 = FHWA, *Highway Statistics, 1993*, Table FE-9, Federal Highway Trust Fund Receipts Attributable to Highway Users in Each State, FY93.

Motor Fuels Tax FHWA FE-9.

State

Department of Treasury

Tax93 = Department of Treasury, Division of Taxation *Annual Report, FY 1992-1993*, Major State Tax Collections (Net), FY 1992-1993.

Motor Fuels Tax Tax93, p. 15.

Petroleum Products Tax Tax93, p. 15. Revenue related to motor fuels estimated as 85% of total Petroleum Products Tax (\$175.6 million), based on telecom with Dr. Richard Kaluzny, Chief of Office, Division of Tax Analysis, NJ Department of Treasury, Oct. 10, 1994. Petroleum Products Tax includes motor vehicle fuel and diesel fuel, it excludes tax collected from propane, kerosene and petrochemical feed products.

Motor Fuels Use Tax Tax93, p. 15. The Motor Fuels Tax is levied on commercial motor vehicles (primarily heavy trucks) that travel within New Jersey. It is also known as the "Motor Carriers Use Tax."

Department of Law and Public Safety For sources and details see Table 5.

Municipalities

FHWA LGF-21 = FHWA, *Highway Statistics, 1993*, Table LGF-21, Local Government Funding for Highways, Summary, 1992.

Fines and Violations Total revenue from John Podeszwa, Chief of Municipal Court Service, telecom, Oct. 24, 1994. Estimated at 75% of total, based on the higher percentage of motor vehicle related cases (89%). Confirmed as reasonable in telecom with Jeff Kanige, author of "Municipal Courts Mean Business," *New Jersey Law Journal*, Feb. 28, 1994.

Tolls FHWA LGF-21.

Parking Utilities and Authorities For sources and details see Table 6.

Port Authority of New York and New Jersey

Tolls Port Authority of New York and New Jersey *Comprehensive Annual Financial Report for the Year Ended Dec. 31, 1993*, Schedule F, "Information on Port Authority Operations," p. 80, "Gross Operating Revenues" for six rows denoting George Washington, Bayonne and Goethals Bridges, Outerbridge Crossing and Holland and Lincoln Tunnels. Excludes G.W. Bus Station revenues of \$800,000 (per Lou Venech, Port Authority Government and Community Affairs, personal communication, March 7, 1995). Prorated at 50%, for New Jersey motorists' approximate share of toll contributions (see footnote 16).

New Jersey Turnpike Authority

NJTPA93 = New Jersey Turnpike Authority, *Annual Report '93*.

Tolls NJTPA93, Statement of Revenues and Expenses, p. 15.

Interest NJTPA93, Statement of Revenues and Expenses, p. 15.

Highway Service Area NJTPA93, Statement of Revenues and Expenses, p. 15.

Other NJTPA93, Statement of Revenues and Expenses, p. 15, "Miscellaneous."

New Jersey Highway Authority (Garden State Parkway)

NJHA93 = New Jersey Highway Authority *Annual Report 1993*.

Toll NJHA93, Statements of Operations, p. 30.

Highway Service Area NJHA93, Statements of Operations, p. 30.

Other NJHA93, Statements of Operations, p. 30.

Interest NJHA93, Statements of Operations, pp. 30, and Statements of Changes in Cash, p. 33, explicated by Tom Murphy, Financial Resources Manager, telecom, Feb. 22, 1995, includes Earnings on Investments Available to Meet Debt Service and Earnings on Investment, Other.

South Jersey Transportation Authority

SJTA93 = South Jersey Transportation Authority *Report of Audit for the Period October 1, 1992, through December 31, 1993*.

15-month data in the Audit Report have been prorated here at 80%. We have excluded all bus and airport related revenues and Liquidation of Restricted Fund Balances.

Parking SJTA93, "Intercept Parking," p. 10.

Interest Income SJTA93, Statement of Revenues, Expenses and Changes in Retained Earnings, p. 10, Interest Revenue, Estimated Cost of Bond Sale Issuance Costs in Excess of Actual Cost Incurred, Adjustments to NJEA Accrual and Liquidation of Allowance of Doubtful Accounts.

Tolls SJTA93, Statement of Revenues, Expenses and Changes in Retained Earnings, p. 10.

Highway Service Area Same as above, "Concessions."

Other Same as above, Grants, Other, Rentals and Planning.

Delaware River Joint Toll Commission

FHWASF-4B = Federal Highway Administration, *Highway Statistics, 1993*, Disbursements for State-Administered Toll Road and Crossing Facilities, 1993.

Tolls FHWA SF-4B.

Interest Income FHWA SF-4B.

Other FHWA SF-4B, "Miscellaneous."

Table 1 (p. 1 of 3)
New Jersey Governmental Highway Expenditures, Summary
(millions of dollars, circa 1993)

	Construction	Debt Service	Planning & Engineering	Maintenance	Administration
State	\$442.5	\$6.3	\$10.0	\$32.8	\$118.3
Dept. of Transportation	\$442.5 Table 3	\$6.3 Table 3	\$10.0 Table 3	\$32.8 Table 3	\$87.7 Table 3
Division of Motor Vehicles					\$24.6 Table 4
Division of Law Enforcement					\$6.1 Table 4
Dept. of Judiciary					
Localities	\$195.7			\$461.1	
Counties	\$61.1 DLGS54, p. 50			\$105.9 DLGS54, p. 50	
Municipalities	\$134.7 DLGS54, p. 51			\$355.2 DLGS54, p. 51	
Authorities	\$86.0	\$211.7	\$3.2	\$114.1	\$70.4
Port Authority of NY & NJ		\$24.5 Appendix 2		\$28.6 Appendix 2	\$21.2 Appendix 2
NJ Turnpike Authority		\$179.2 P. Varga, 2/22/95	\$3.2 NJTPA93, p. 15	\$39.6 NJTPA93, p. 15	\$12.3 NJTPA93, p. 15
NJ Highway Authority (Garden State)	\$83.8 T. Murphy, 2/22/95			\$35.3 NJHA93, p. 30	\$27.6 NJHA93, p. 30
South Jersey Transportation Authority		\$3.6 SJTA93, p. 10		\$3.8 SJTA93, p. 10	\$6.3 SJTA93, p. 10
Delaware River Joint Toll Commission	\$2.2 FHWA SF-3B	\$4.5 FHWA SF-3B		\$6.8 FHWA SF-3B	\$3.0 FHWA SF-3B
Federal	\$456.4 FHWA SF-1				
Total	\$1,180.7	\$218.0	\$13.2	\$608.0	\$188.7
Column Percent	37%	7%	0%	19%	6%

Cell notations below dollar figures indicate sources. See Appendix 2 for full citations.

Table 1 (p. 2 of 3)
New Jersey Governmental Highway Expenditures, Summary
(millions of dollars, circa 1993)

	Operation	Police and Traffic Control	Emergency	Fire	Courts	Licensing & Inspection
State	\$35.5	\$61.0	\$10.8		\$4.4	\$56.4
Dept. of Transportation						
Division of Motor Vehicles	\$35.5 Table 4					\$56.4 Table 4
Division of Law Enforcement		\$61.0 Table 4	\$10.8 Table 4			
Dept. of Judiciary					\$4.4 NJ Budget95	
Localities		\$428.9		\$26.4	\$104.1	
Counties		\$14.7 DLGS54, p. 50			\$48.8 DLGS54, p. 50	
Municipalities		\$414.2 DLGS54, p. 51		\$26.4 DLGS54, p. 51	\$55.3 DLGS54, p. 51	
Authorities	\$21.2	\$53.2				
Port Authority of NY & NJ	\$10.0 Appendix 2	\$13.4 Appendix 2				
NJ Turnpike Authority		\$18.3 NJTPA93, p. 15				
NJ Highway Authority (Garden State)		\$18.6 NJHA93, p. 30				
South Jersey Transportation Authority		\$2.9 SJTA93, p. 10				
Delaware River Joint Toll Commission	\$11.2 FHWA SF-3B					
Federal						
Total	\$56.7	\$543.1	\$10.8	\$26.4	\$108.5	\$56.4
Column Percent	2%	17%	0%	1%	3%	2%

Cell notations below dollar figures indicate sources. See Appendix 2 for full citations.

Table 1 (p. 3 of 3)
New Jersey Governmental Highway Expenditures, Summary
(millions of dollars, circa 1993)

	Toll Collection	Parking	Insurance	Other	Total	Percent
State				\$12.7	\$790.8	25%
Dept. of Transportation					\$579.2	
Division of Motor Vehicles					\$116.4	
Division of Law Enforcement				\$12.7 Table 4	\$90.7	
Dept. of Judiciary					\$4.4	
Localities		\$29.1			\$1,245.4	39%
Counties					\$230.5	
Municipalities		\$29.1 Table 6			\$1,014.9	
Authorities	\$103.2	\$0.3	\$30.6	\$25.3	\$719.1	22%
Port Authority of NY & NJ	\$10.0		\$6.2	\$6.2	\$120.0	
Appendix 2						
NJ Turnpike Authority	\$55.5 NJTPA93, p. 15		\$24.5 NJTPA93, p. 15	\$16.9 NJTPA93, p. 15	\$349.4	
NJ Highway Authority (Garden State)	\$34.9 NJHA93, p. 30				\$200.1	
South Jersey Transportation Authority	\$2.7 SJTA93, p. 10	\$0.3 SJTA93, p. 10		\$2.3 SJTA93, p. 10	\$21.8	
Delaware River Joint Toll Commission					\$27.7	
Federal					\$456.4	14%
Total	\$103.2	\$29.3	\$30.6	\$38.0	\$3,211.7	
Column Percent	3%	1%	1%	1%		

Cell notations below dollar figures indicate sources. See Appendix 2 for full citations.

Table 2 (p. 1 of 3)
New Jersey Governmental Highway Revenues, Summary
(millions of dollars, circa 1993)

	Motor Fuels Tax	Petroleum Products Tax	Motor Fuels Use Tax	Licenses and Registrations	Fines and Violations
State	\$411.6	\$149.3	\$7.7	\$318.6	\$42.3
Department of Treasury	\$411.6 Tax93, p. 15	\$149.3 Tax93, p. 15	\$7.7 Tax93, p. 15		
Department of Law and Public Safety				\$318.6 Table 5	\$42.3 Table 5
Municipalities					\$164.3 J. Podeszwa, 10/94
Public Authorities					
Port Authority of NY & NJ					
NJ Turnpike Authority					
NJ Highway Authority (Garden State)					
South Jersey Transportation Authority					
Delaware River Joint Toll Commission					
Federal	\$471.4 FHWA FE-9				
Total	\$883.1	\$149.3	\$7.7	\$318.6	\$206.7
Column Percent	36%	6%	0%	13%	8%
Percent, including Taxpayer Subsidies	27%	5%	0%	10%	6%

Cell notations below dollar figures indicate sources. See Appendix 3 for full citations.

Table 2 (p. 2 of 3)
New Jersey Governmental Highway Revenues, Summary
(millions of dollars, circa 1993)

	Insurance	Parking	Interest Income	Tolls	Highway Service Area
State	\$31.4				
Department of Treasury					
Department of Law and Public Safety	\$31.4 Table 5				
Municipalities		\$34.6 Table 6		\$18.8 FHWA LGF-21	
Public Authorities		\$1.7	\$25.0	\$771.0	\$23.8
Port Authority of NY & NJ				\$243.6 PA93	
NJ Turnpike Authority			\$10.2 NJTPA93, p. 15	\$316.5 NJTPA93, p. 15	\$11.9 NJTPA93, p. 15
NJ Highway Authority (Garden State)			\$12.3 Tom Murphy, 2/22/95	\$167.6 NJHA93, p. 30	\$11.2 NJHA93, p. 30
South Jersey Transportation Authority		\$1.7 SJTA93, p. 10	\$1.0 SJTA93, p. 10	\$19.3 SJTA93, p. 10	\$0.7 SJTA93, p. 10
Delaware River Joint Toll Commission			\$1.6 FHWA SF-4B	\$24.0 FHWA SF-4B	
Federal					
Total	\$31.4	\$36.4	\$25.0	\$789.8	\$23.8
Column Percent	1%	1%	1%	32%	1%
Percent, including Taxpayer Subsidies	1%	1%	1%	25%	1%

Cell notations below dollar figures indicate sources. See Appendix 3 for full citations.

Table 2 (p. 3 of 3)
New Jersey Governmental Highway Revenues, Summary
(millions of dollars, circa 1993)

	Other	Total	Percent	Taxpayer Subsidy
State	\$2.6	\$963.5	39%	(\$172.8)
Department of Treasury		\$568.6		
Department of Law and Public Safety	\$2.6	\$394.9		
	Table 5			
Municipalities		\$217.7	9%	\$1,027.7
Public Authorities	\$5.0	\$826.5	33%	(\$107.4)
Port Authority of NY & NJ		\$243.6	10%	(\$123.6)
NJ Turnpike Authority	\$2.0	\$340.5	14%	\$8.9
	NJTPA93, p. 15			
NJ Highway Authority (Garden State)	\$2.5	\$193.6	8%	\$6.6
	NJHA93, p. 30			
South Jersey Transportation Authority	\$0.2	\$23.0	1%	(\$1.2)
	SJTA93, p. 10			
Delaware River Joint Toll Commission	\$0.2	\$25.8	1%	\$1.9
Federal		\$471.4	19%	(\$15.0)
Total	\$7.6	\$2,479.2		\$732.5
Column Percent	0%			
Percent, including Taxpayer Subsidies	0%			23%

Cell notations below dollar figures indicate sources. See Appendix 3 for full citations.

Table 3

New Jersey Governmental Highway Expenditures
Detail: NJ Department of Transportation
(Circa 1993, in millions)

Construction		Planning & Engineering	
Trust Fund	\$281.1	Transp. Sytems Improvements ("TSI")	\$2.9
State Highway	155.1	TSI -- Planning	3.8
Project Cost - Other Parties		TSI -- Research & Demonstration	0.6
State and Local Highways	6.2	Urban System Highway	1.9
Federal Match - Capital Construction		Topics	0.6
Projects	0.1	Safer Roads Demo Projects	0.2
Non-Federal Highway Projects	0.0	Corridor Demonstration Projects	0.1
Total	\$442.5	Total	\$10.0
Debt Service		Maintenance	
Transportation Rehab. & Improvement		Maintenance	\$16.5
Fund - '79	\$1.7	Interstate Highway	6.3
NJ Bridge Rehab. & Improvement		Resurfacing	3.0
Fund - '83	1.3	Rail Highway Crossing	2.9
NJ Bridge Rehab. & Improvement & Railroad		Bridge Replacement	1.5
Right-of-Way Preservation Fund - '89	3.4	Interstate Tranfer Program	
Total	\$6.3	Funds NJ/NY Metro Area	1.0
Administration		Secondary and Feeder Roads	0.5
Salaries and Wages	\$64.6	Federal Aid Urban Systems	0.5
Materials & Supplies	11.4	Additions, Improvements & Equip.	0.3
Services	8.0	Consolidated Primary - Resurfacing,	
Grants-in-Aid	1.5	Rehabilitation & Restoration	0.1
Other	1.4	Consolidated Primary - Highway	0.1
Highway Access & Permits	0.8	Off-System Road Projects	0.1
Casualty Losses	0.3	Maintenance & Fixed Charges	0.1
Rental Receipts	0.3	High Hazard	0.1
Microfilm Charges	0.0	Priority Primary	0.0
Other Special Purpose	0.0	Rural Highway	0.0
Less: Aeronautics	-0.7	Elimination of Roadside Obstacles	0.0
Total	\$87.6	Total	\$32.8
Category Totals			
Construction	\$442.5		
Administration	87.7		
Maintenance	32.8		
Planning & Engineering	10.0		
Debt Service	6.3		
Total	\$579.2		

Source: State of New Jersey Budget FY 1994-1995, 1993 expenditures, pp. D356-D365, Department of Transportation Section. Aeronautics estimation from Jack Innocenzi, DOT.

Note: Federal Transportation Trust Fund expenditures of \$491.0 million are included under Federal expenditures. Adminstration "Other" includes Management and Adminstration, Access Use and Management, Affirmative Action, and Junkyard Advertising.

Table 4

New Jersey Governmental Highway Expenditures
Detail: NJ Department of Law and Public Safety
(Circa 1993, in millions)

Division of Law Enforcement**Administration**

Management and Administrative Services	
General Funds	\$5.3
Federal Funds	0.0
Other Funds	0.8
Total	\$6.1

Police & Traffic Control (Part 1)

Patrol Activities & Crime Control	
General Funds	\$37.4
Federal Funds	1.3
Other Funds	14.3
Total	\$53.0

Police & Traffic Control (Part 2)

Police Services & Public Order	
General Funds	\$7.6
Federal Funds	0.0
Other Funds	0.4
Total	\$8.0

Emergency

Emergency Services	
General Funds	\$1.2
Federal Funds	9.5
Other Funds	0.0
Total	\$10.8

Other

Grants-in-Aid	\$0.1
Casino Control Fund	12.6
Total	\$12.7
Total	\$90.7

Division of Motor Vehicles**Administration**

Administrative Services	\$7.3
Revenue Collection Services	8.5
Security Responsibility	8.8
Total	\$24.6

Operations

Revenue and Information Processing	\$19.5
Driver Control & Regulatory Affairs	16.0
Total	\$35.5

Licensing

Licensing, Registration & Inspection Services	\$56.4
Total	\$56.4
Total	\$116.4

Source for DMV: State of New Jersey Budget
FY 1994-1995, 1993 expenditures, pp. D295-
D296, Dept. of Law and Public Safety Section.

Source for DLE: Same as above, pp. D301-D303.

Note: All Division of Law Enforcement
expenditures were calculated as 40% of DLE
expenditures in each category (see text).

DLE totals exclude 6 major expenditure
categories: Criminal Justice; Narcotics Organized
Crime, and Racketeering; State Medical
Examiner; State Complex Security; Marine Police
Operations; and Gaming Enforcement.

There is no further breakdown for Grants-in-Aid,
or Casino Revenue Fund.

Table 5

New Jersey Governmental Highway Revenues
Detail: NJ Department of Law and Public Safety
Division of Motor Vehicles

(Circa 1993, in millions)

Registration		Fines	
Passenger Vehicle	\$135.8	State Fines	
Non-Passenger Vehicle	98.0	Regular	\$25.0
Driver License - Paper	15.4	Uninsured Motorist	3.2
Certificate of Ownership	14.8	Drunk Driving Enforcement	2.4
Inspection Fees	14.7	Emergency Tech. Training	0.6
ATV Resident	7.2	Parking Offenses	0.4
Air Ambulance Fees	5.9	Drunk Driving Administration	0.1
Special Plate Unit	2.9	Revoked Licenses Fee	0.0
Reflectorized Plate Fees	2.4	Restoration Fees	8.8
Dealer Temporary Permits		Alcohol Program (includes refunds)	1.7
Temporary Vehicle Reg.	2.4	Service of Process	0.1
Reassignment Title	0.9	Total	\$42.3
Temporary Non-resident	0.6		
Transfers and Excess	2.3	Insurance	
Collection of Bad Checks	2.2	Bad Driver Surcharge	\$27.2
Permits	2.0	Safe Driver Insurance Plan	6.7
Reinspection Unit	1.9	Insurance Cancellations	0.1
Dealer Unit	1.4	FAIR (net)	-2.6
Duplicate plate Excess	1.4	Total	\$31.4
Commercial Permits	1.2		
CDL Licenses	1.1	Bad Driver Surcharge nets Insurance Surcharge	
Copy of Driver & Reg.	1.1	in "Bureau Accounts" (\$111.48 million), DMV	
Driver License - Photo	1.0	payment to Joint Underwriters Association/Market	
Family duplicates	1.0	Transition Trust Fund (minus \$83.28 million), and	
CDL Permits	0.9	Insurance Surcharge refunds (minus \$0.98 million).	
Probationary Driver Program	0.5		
ATV Non-resident	0.5	FAIR nets FAIR Surcharge (\$139.30 million) and	
Duplicate Registration Cards	0.4	DMV payment to JUA/MTTF (negative \$141.92	
Replacement Plates	0.3	million).	
Miscellaneous Duplicates	0.3		
Corrections	0.2	Other	
Handicapped Plates	0.1	Dedicated Funds	\$0.9
Individual Temporary Non-resident	0.1	Miscellaneous Deposits	0.5
Temporary Transit Registration	0.0	Abstracts	0.5
Certificate of Ownership	(0.1)	Auto Body Licensing & Fees	0.4
Driver Improvement	(0.1)	Driver Improvement School Fees	0.2
Adjustments	(0.1)	Driver School License Instructor	0.0
Restorations	(0.3)	Junkyard	0.0
Registration and Licenses	(0.3)	Total	\$2.6
Probationary Drivers	(0.5)		
Miscellaneous	(0.7)	Category Totals	
Total	\$318.6	Registration	\$318.6
		Fines	42.3
Air Ambulance Fee collects \$1 per driver's license to fund		Insurance	31.4
crash victim evacuations. Figures exclude \$49.6 million in		Other	2.6
motorist sales tax payments to DMV (see Appendix 1).		Total	\$394.9

Source: NJ Dept. of Law and Public Safety, Division of Motor Vehicles, Annual Revenue Report, 1993.

Table 6

New Jersey Governmental Highway Expenditures and Revenues
Detail: Municipal Parking Utilities and Authorities

Municipally Owned Parking Utilities
(Circa 1991, in millions)

<u>Location</u>	<u>Revenues</u>	<u>Expenditures</u>
Dover Town	\$0.1	\$0.1
East Brunswick Township	0.1	0.1
Hackensack City	1.0	1.0
Middlesex County	0.6	0.5
Morris Township	0.0	0.0
Morristown Township	0.4	0.4
Passaic Township	0.0	0.0
Red Bank Borough	0.3	0.3
Ridgewood Village	0.5	0.5
Trenton City	<u>0.7</u>	<u>0.6</u>
Total	\$3.8	\$3.5

Source: Fifty-fourth Annual Report (FY 1991), Division of Local Government Services,
NJ Dept. of Community Affairs. Table 12 - Finances of Municipally Operated
Utilities, p. 665.

Locally Created Parking Authorities
(Circa 1993, in millions)

	<u>Revenues</u>	<u>Expenditures</u>
Operating Items	\$27.1	\$21.1
Non-Operating Items	<u>3.7</u>	<u>4.5</u>
Total	\$30.8	\$25.6

Note: Operating items include user fees (revenues) and operating costs (expenditures).
Non-operating items include interest income and interest debt.

Source: Jim Bufis, Department of Community Affairs, Bureau of Authority Regulation,
telecom, Jan. 5, 1995.

Table 7 (p. 1 of 2)
New Jersey Governmental Highway Expenditures and Revenues
Detail: Public Authorities
(in millions)

(For Port Authority of NY/NJ, see Public Authorities sections of Appendices 2 and 3.)

1. NJ Turnpike Authority (FY '93)

<u>Revenues</u>		<u>Expenses</u>	
Toll Revenue	\$316.5	Operating Expenses	
Concession	11.9	Toll Collection	\$55.5
Income from investments	10.2	Maintenance, repair, replacement and reconstruction	39.6
Miscellaneous	2.0	Insurance	24.5
Total	\$340.5	Traffic Control and Police	18.3
Source: NJ Turnpike Authority, 1993 Annual Report. Revenue and Operating Expenses from Statement of Revenues and Expenses, p. 15. Debt Service and Other Charges from Statement of Changes in Fund Balances, pp 18-19, explicated by NJTPA assistant comptroller Pam Varga, telecom, Feb. 22, 1995.		Pension, retirement, payroll	14.1
		Administration	12.3
		Engineering	3.2
		Professional fees	2.2
		Taxes	0.4
		Fiduciary fees	0.2
		Cash discounts	(0.0)
		Subtotal	\$170.3
		Debt Service and Other Charges	
		Payment of Bond Interest	\$79.6
		Reserve Fund Payments	46.3
		Debt Service Fund Transfers	53.2
		Subtotal	\$179.2
		Total	\$349.4

2. Garden State Parkway - NJ Highway Authority (FY '93)

<u>Revenues</u>		<u>Expenses</u>	
Operating Revenues		Operating Expenses	
Toll Revenue	\$167.6	Maintenance	\$35.3
Service Area	11.2	Toll Collection	34.9
Other	2.5	Administrative	27.6
Subtotal	\$181.3	Police and Traffic Control	18.6
Investment Earnings Earnings on Investments Available to Meet Debt Service \$6.7 Earnings on Investments, other 5.6 Subtotal \$12.3 Total \$193.6		Subtotal	\$116.3
		Interest Expense and Capital Expenditures	
		Interest Expense	\$39.3
		Additions to Parkway Facilities	43.5
		Financing Expenses + Misc.	1.1
		Subtotal	\$83.8
		Total	\$200.1

Source: NJ Highway Authority, 1993 Annual Report.

Operating Revenue, Operating Expenses and Investment Earnings from Statement of Operations, p. 30.
Interest Expense and Capital Expenditures from Statement of Changes in Cash, p. 32, explicated by financial resources manager Tom Murphy, telecom, Feb. 22, 1995.

Table 7 (p. 2 of 2)

Detail: Public Authorities
New Jersey Governmental Highway Expenditures and Revenues
(in millions)

3. South Jersey Transportation Authority (FY '93)

(Note: Figures in report are prorated @ 80% of data here, which cover 10/1/92 - 12/31/93.)

<u>Revenues</u>		<u>Expenses</u>	
Operating Revenues		Operating Expenses	
Tolls	\$24.1	Administration	\$7.9
Intercept Parking	1.3	Maintenance	4.8
Concessions	0.9	Police	3.6
Garage Parking	0.9	Toll Collection	3.4
Grants	0.2	Other	2.8
Other	0.1	Garage	0.3
Rentals	0.0	Subtotal	\$22.8
Planning	0.0	Operating Expenses exclude State Payment (\$2.5 million).	
Subtotal	\$27.5	Non-Operating Expense	
Non-Operating Income		Non-Operating Expense	
Interest	1.1	Interest on Bonds	\$3.4
Cost of Bond Sale in Excess of Actual Cost Incurred	0.2	Accrued Debt Service	0.9
Adjustment to NJEA Accruals	0.0	Capital Lease Parking Garage	0.1
Liquidation of Allowance for Doubtful Accounts	0.0	Subtotal	\$4.4
Subtotal	\$1.2	Total	\$27.2
Total	\$28.8		

Non-Operating Income excludes Liquidation of Restricted Fund Balances (\$2.5 million).

Source: South Jersey Transportation Authority, Report of Audit for the Period Oct. 1, 1992 - Dec. 31, 1993.

4. Delaware River Joint Toll Bridge Commission (1993)

<u>Revenues</u>		<u>Expenses</u>	
Road and Toll Crossings	\$24.0	Operations	\$11.2
Income from investments	1.6	Maintenance	6.8
Miscellaneous	0.2	Interest	3.5
Bond Proceeds	0.0	Administration and Miscellaneous	3.0
Total	\$25.8	Capital Outlay	2.2
		Bond retirement	1.1
		Total	\$27.7

Source: FHWA Highway Statistics '93, Disbursements of State-Administered Toll Road & Crossing Facilities.

About the Publishers and Authors of This Report

The Tri-State Transportation Campaign is a coalition of thirteen community and environmental organizations in New York, New Jersey and Connecticut. The Campaign was formed in 1993 to help create an environmentally sound, economically efficient and socially responsible transportation system in the 32-county region in and surrounding New York City, from Trenton to Hartford. See inside front cover for information on contacting Campaign members and central staff.

Komanoff Energy Associates, established in 1977, analyzes policy issues in energy, electricity and transport. KEA clients have included the U.S. Departments of Energy and Transportation; Congress's General Accounting Office and Office of Technology Assessment; agencies in 20 states including New York, New Jersey, California, Texas, Illinois and Pennsylvania; national and grassroots environmental and public-interest groups; and business organizations.

Charles Komanoff has worked for over two decades as a consulting economist and environmental activist. His research and writing on nuclear reactor costs in the 1970s and 1980s helped steer government and business away from nuclear power and toward energy efficiency. As president of Transportation Alternatives in the late 1980s and early 1990s, Charles helped energize the environmental bicycling movement in New York and other cities. He is author of four books on the economics and policy of energy and transport, including *Bicycle Blueprint: A Plan to Bring Bicycling into the Mainstream in New York City* (with Michele Herman, Jon Orcutt and David Perry), and *Power Plant Cost Escalation: Nuclear and Coal Capital Costs, Regulation and Economics*.

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