

ASSEMBLY TRANSPORTATION, PUBLIC WORKS AND
INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 699

STATE OF NEW JERSEY

DATED: FEBRUARY 2, 2012

The Assembly Transportation, Public Works and Independent Authorities Committee reports favorably Assembly Bill No. 699.

As reported, this bill requires payments in lieu of taxes for real property located in New Jersey which is owned by the Port Authority of New York and New Jersey ("port authority") and which is tax exempt.

Specifically, real property owned by the port authority which is situated within the corporate boundaries of any New Jersey municipality would be subject to a payment equal to the amount of municipal and school purpose taxes that would be due on the property if it were not tax exempt. The bill contains language "holding harmless" any present or future payments in lieu of taxes by the authority that are negotiated at amounts exceeding the amount due under the bill.

This supplement to the law would take effect upon enactment of a statute of identical effect in the state of New York.

This bill was pre-filed for introduction in the 2012-2013 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

MINORITY STATEMENT

By Assemblymen Rumpf, Rudder and Wolfe

This bill amends laws governing the Port Authority of New York and New Jersey and would require the enactment of companion legislation in New York. It would require the authority to make payments in lieu of taxes on land held by the authority in New Jersey.

It is our view that it is highly unlikely that New York would agree to give New Jersey in lieu of payments without getting some form of payments in return. This would set off an escalation of revenue loss from the authority that might endanger vital transportation projects and require an unprecedented toll increase.

In the name of affordability and protecting the state's transportation infrastructure, we cannot support this bill.