

July 29, 2016

RE: Transportation Trust Fund Authority Act, A-10, A-12, S-2411, S-2412

Dear Chairman Sarlo and Members of the Senate Budget and Appropriations Committee:

The League of Municipalities supports the bipartisan reauthorization of the Transportation Trust Fund that awaits your consideration. We thank the sponsors for their work on this compromise. Back in September 2014, the League identified three priorities in terms of the reauthorization of the Transportation Trust Fund (TTF). They were:

1. Reauthorize the Transportation Trust Fund to ensure adequate and reliable funding to meet State and local transportation infrastructure funding needs for the next 10 years.
2. Increase Local Aid funding to ensure adequate and reliable funding to better meet local transportation infrastructure needs.
3. Increase the municipal share of Local Aid funding and ensure fair funding for all municipalities.

Since then, the reauthorization of the TTF has been a top League legislative priority. Our message has been straight forward. The most densely populated State in the Country is also at the center of the Nation's most important – and most heavily used – transportation network. As a result, our transportation infrastructure – vital to the prosperity of our economy – faces stress unequalled anywhere in North America. And the increase in local funding is appropriate, reasonable and essential.

The Local Aid funding increase is appropriate, because the people and businesses of New Jersey (and visitors to our State) depend as much, if not more, on local roads and bridges, than on State highways. As documented by the State Department of Transportation, municipal and county roads and bridges carry an estimated 55% of the State's overall traffic. Yet inequitably receive only 12% of funding under the State's current Transportation Capital Program (TCP). As a result, local property taxpayers must fund the balance. The bipartisan compromise before you today, therefore, represents not just needed infrastructure funding but property tax relief as well.

The increase is reasonable, because the need for investments in local roads and bridges has been well-documented. New Jersey municipalities are responsible for over 29,000 miles of roads – three times more centerline miles than counties, authorities, park systems and the New Jersey Department of Transportation combined. Professional estimates suggest that keeping New Jersey's 29,408 miles of municipal streets and roads in acceptable condition could require an annual expenditure of about \$1.3 billion. County governments need about \$565.0 million each year to operate and maintain an estimated 7,140 bridges and more than 6,775 centerline miles of roads, and nearly \$2.85 billion to repair, rehabilitate or replace "Structurally Deficient" and "Functionally Obsolete" bridges and culverts.

The increase is essential, because absent adequate TTF; the people and businesses of New Jersey will have to support these investments with higher property taxes.

From the beginning of our efforts, the Senate President and the Speaker have agreed on the need to increase Local Aid. Recognizing the need, the sponsors were able to work together to achieve a bipartisan consensus on the funding.

Together with the proposed Constitutional dedication of the funds, which goes before the voters in November, these bills will meet the transportation infrastructure needs of New Jersey residents and businesses – and the needs of New Jersey property taxpayers – for years to come.

We support this initiative; thank the sponsors and thank you for your attention to our concerns.

Very truly yours,

Michael F. Cerra  
Assistant Executive Director/Director, Government Affairs