

Office of the Governor

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NEWS RELEASE

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RELEASE: September 14, 1998

Gov. Christie Whitman today filed the following conditional vetoes with the state Legislature:

A-1859, sponsored by Assembly Members Francis Blee and Ken LeFevre (R-Atlantic) and Senator William Gormley (R-Atlantic), which would have allowed individual poker dealers to retain tips or gratuities received from patrons. In her conditional veto, the Governor expressed that while it is appropriate for the Casino Control Commission to consider a new method of tip distribution, more time is needed to provide the commission ample time to promulgate regulations. The Governor's conditional veto recommended delaying the effective date to 90 days after the signing of the bill. The bill was originally intended to take effect immediately.

AJR-35-34, sponsored by Assembly Members Nicholas Asselta (R-Cape May/Atlantic/ Cumberland), Joseph Doria (D-Hudson) George Geist (R-Camden/Gloucester), and Reed Gusciora (D-Mercer) and Senators James Cafiero (R-Atlantic/Cape May/Cumberland) and John Mattheussen (R-Camden/Gloucester), which would establish a "Civil Service Reform Task Force". In her conditional veto, the Governor questioned the need for the creation of another task force to broadly review civil service reform. She instead recommended that the task force be charged with the task of studying the effects of the administration's reform efforts, including pilot initiatives proposed by the Department of Personnel. Additionally, the Governor asked that the study be completed within 18 months of the Commission's first meeting.

"Since 1987, there have been a dozen studies of the civil service system. This issue has been studied to death. The time for reform is now," said Gov. Whitman.

A-1959, sponsored by Assembly Members Chris Connors (R-Atlantic/Burlington/Ocean) and Paul DiGaetano (R-Bergen/Essex/Passaic) and Senators Gerald Cardinale (R-Bergen) and Robert Singer (R-Burlington/Monmouth/Ocean), which would have provided a supplemental appropriation of \$5,000,000 to the Coriell Institute for Medical Research - New Jersey Cord Blood Resource Center. In her conditional veto, Gov. Whitman expressed her support for the goals of cord blood transplant program, as described in the bill. The Governor, recognizing that the program is expected to be fiscally self-supporting, suggested that an interest-free loan would be more appropriate for the program rather than a grant. The Governor also recommended the funding of a statewide program to coordinate collaborative efforts in the area of cord blood transplantation, to be overseen by the Department of Health and Senior Services.

A-262, sponsored by Assembly Member Rich Bagger (R-Middlesex/Morris/Somerset/ Union) and Carol Murphy (R-Essex/Morris/Passaic), would have exempted a municipal electric utility from paying the corporate business tax (CBT) for sales within its franchise and its customers from paying sales and use tax for sales made within its municipal boundary. The bill is intended to correct a perceived inequity with the Butler Borough Municipal Electric Corporation which resulted from the Gross Receipts and Franchise Tax (GRAFT) reform.

In her conditional veto, the Governor recognized the unique position that Butler Electric occupies, but asked for an amendment to ensure that Butler and other municipal electric companies pay the CBT on all sales of electricity outside their municipal or franchise boundary.

A-747, sponsored by Assembly Members Nicholas Asselta and John C. Gibson (R-Cape May/Atlantic/ Cumberland) and Senators Joseph Kyrillos (R-Middlesex/Monmouth) and John Mattheussen (R-Camden/Gloucester), would have assisted with funding in established and future "special improvement districts" (SIDs) to enable them to continue to revitalize existing downtown areas throughout the state. In her conditional veto, the Governor commended the sponsors for their

commitment to the revitalization of New Jersey's downtown areas. However, the Governor found the funding mechanisms in the bill to be inappropriate and inconsistent with the generally accepted concept of a uniform state sales tax, which allows the Governor and the Legislature to set priorities for spending.

The Governor recommended that the retention of a portion of the sales tax be replaced with a revolving loan fund which will allow for the continued replenishment and availability of funds for worthwhile municipal revitalization projects. The Governor's recommendation included a \$5 million appropriation from the General Fund for the newly-created downtown business improvement loan fund, and provided for the availability of technical assistance on improvement projects from the Department of Community Affairs.