

Office of the Governor

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NEWS RELEASE

Gov. Christie Whitman today conditionally vetoed the following pieces of legislation:

S-761, sponsored by Senators Joseph M. Kyrillos (R-Middlesex/Monmouth) and Bernard F. Kenny, Jr. (D-Hudson) and Assembly Members Steve Corodemus (R-Monmouth) and Louis A. Romano (D-Hudson), would have exempted the purchase, repair and maintenance of ferries from the sales and use tax. This type of exemption is already in existence for buses, trains and other commuter vehicles, so this exemption would create a more fair playing field within the mass transit industry and make ferries more viable as a mass transit option. The legislation also would have prevented the Division of Taxation from collecting sales and use tax that commuter ferry services have failed to pay over the last several years. In her conditional veto, the Governor said she was supportive of extending the sales and use tax exemption for the purchase and repair of commuter ferries, which is currently available for certain other commuter vehicles. However, she said retroactive provision is troubling since it would only benefit ferry services that have improperly failed to pay their taxes. The Governor recommended deleting the retroactive provision.

S-1009, sponsored by Senator Robert J. Martin (R-Essex/Morris/Passaic) and Assembly Member Larry Chatkzidakis (R-Atlantic/Burlington/Camden), would have provided that special elections in type II school districts may occur on only the fourth Tuesday in January, the second Tuesday in March, or the first Tuesday in September that follows by eight days the day on which Labor Day is celebrated, or the second Tuesday in September. Current law provides that a board of education in a type II district may call a special school election at any time the board of education determines the need for such an election or whenever 50 legal voters in the district request it by petition. The law precludes any such election from occurring within 20 days before or after a primary, municipal or general election and provides that no more than two special elections may be called within any period of six months to submit a bond question to the voters. In her conditional veto, the Governor said she supports this bill, which enables county election officials to effectively administer special school elections in conjunction with other state and municipal elections. She said it is anticipated that providing uniformity in the special school election process will result in savings to local taxpayers and increase local participation. The Governor said, however, that many school districts have contacted her regarding the detrimental short-term effect the bill could have if it is effective immediately. Many school districts have scheduled special school elections this spring and summer to move forward with bond referenda. Under the bill, the Governor said, such school districts would be precluded from holding a special election until the first Tuesday in September that follows by eight days the day on which Labor Day is celebrated. She said that date would be too late for many districts that face urgent facilities needs and that

have invested significant resources in planning for bond referenda. The Governor recommended allowing a 120-day delay in the effective date of the act to remedy the problem.