

May 11, 2015

ASSEMBLY BILL NO. 939
(Second Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 939 (Second Reprint) with my recommendations for reconsideration.

This bill seeks to implement a series of modifications to the tax expenditure reports the Department of the Treasury produces during the annual budget process. The existing tax expenditure reports detail the objectives and performance of each State tax expenditure. This bill also adds additional reporting regarding tax expenditures in connection with development subsidies that are used primarily to incentivize businesses to undertake large-scale development projects in areas they might not otherwise consider.

While I agree with the sponsors' intent to more closely monitor State tax expenditures so that the citizens of New Jersey reap the maximum reward for every dollar spent, I cannot support the annual evaluation of certain tax expenditures in a vacuum because these projects often have long durations that will not inure benefits until project completion. As such, I am recommending some changes to the language of the bill so that projects can be more reasonably evaluated by both me and the Legislature in order to effectively evaluate the true benefits of each tax expenditure. These modifications would take a more holistic view of a project or investment rather than conjuring a series of performance indicators that may skew the actual benefit assessment.

Accordingly, I herewith return Assembly Bill No. 939 (Second Reprint) and recommend that it be amended as follows:

Page 2, Section 1, Line 28: Delete "based upon"

Page 2, Section 1, Lines 29-32: Delete in their entirety

- Page 2, Section 1, Line 37: Delete "through detailed performance indicators"
- Page 3, Section 1, Line 7: Delete "which" and insert "and"
- Page 3, Section 1, Lines 8-12: Delete in their entirety
- Page 3, Section 1, Line 19: Delete "or transfer certificate"
- Page 6, Section 3, Lines 46-47: Delete ", including for tax expenditures, specific data collection and reporting requirements" and insert "."
- Page 7, Section 3, Lines 1-12: Delete in their entirety
- Page 9, Section 5, Line 35: Delete "The" and insert "Subsequent to receipt by the State Treasurer from any and all granting bodies other than the State Treasurer, any and all information required in section 4 of P.L. 2007, c. 200 (C. 52:39-4), the"
- Page 10, Section 5, Line 16: Delete "through detailed performance indicators" and insert "as to"
- Page 12, Section 11, Lines 27-41: Delete in their entirety
- Page 12, Section 12, Line 43: Delete "12." And insert "11."

[seal]

Respectfully,
/s/ Chris Christie
Governor

Attest:
/s/ Christopher S. Porrino
Chief Counsel to the Governor