

January 9, 2020

SENATE BILL NO. 2167
(First Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Senate Bill No. 2167 (First Reprint) without my approval.

This bill would require appropriations of \$500,000 per year from New Jersey vessel registration and renewal fees deposited in the "Maritime Industry Fund" to the "New Jersey Greenwood Lake Fund," which would be created by this bill. The funds would be available to be used by the Greenwood Lake Commission for the protection, preservation, restoration, maintenance, management, and enhancement of the lake.

I applaud the sponsors for seeking to provide resources to protect one of our most precious natural resources. However, in support of this effort, this bill would divert \$500,000 every fiscal year from the Maritime Industry Fund. The Maritime Industry Fund was created in 2002 to provide funding for projects that promote the efficient operation of navigable channels, berths, ports, and terminals in order to provide direct and indirect support to the State's marine transportation system. Contrary to the assertions made in the bill and its four accompanying committee statements, the Greenwood Lake Fund would in no way support the purpose of the Maritime Industry Fund, which is utilized by the Commissioner of Transportation to improve water transportation systems for the movement of people and goods. I have consistently sought to end the practice, mastered by past administrations, of diverting revenues away from their intended purposes. As such, I cannot support a new diversion, particularly outside of the context of the annual Appropriations Act.

In addition, Greenwood Lake is an interstate lake, straddling the border of New York and New Jersey. Importantly, the State of New York is not required to provide any matching funds under the bill and has not signaled any plans to provide such funding in the near future. The bill attempts to solve for this by requiring the newly created Fund to be used solely for the New Jersey side of Greenwood Lake. Of course, there is no practical way to ensure that funding dedicated to an interstate lake inures exclusively to the benefit of just one state or one side of the lake. Absent a commitment from the State of New York to make a corresponding contribution to protect our shared natural resource, I cannot support this legislation.

Fortunately, funding may already be available to support many of the bill's laudable goals. In November, my Administration, along with several of our congressional partners, announced that New Jersey would allocate more than \$13 million in State and federal funding to lakeside communities to reduce and prevent harmful algal blooms. This funding came in response to last summer's algae outbreaks in bodies of water across the State, closing several lakes, including the New Jersey side of Greenwood Lake, and prompting advisories against swimming and other recreational activities in many others. I encourage the Greenwood Lake Commission to apply for this funding to assist in infrastructure upgrades and other mitigation efforts to reduce future algal blooms.

Rather than attempting to make mid-year changes to our agreed-upon budget structure, a more appropriate approach to dealing with funding choices such as those presented by this bill is through the annual budget process. Funding decisions should not be made in a vacuum or through an ad hoc approach that segregates certain tax revenue and dedicates it to a particular purpose without

consideration of the broader processes for allocating resources to all of the competing programs, services, interests, and obligations of the State that our taxpayers ultimately fund.

Accordingly, I herewith return Senate Bill No. 2167 (First Reprint) without my approval.

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor