

**GOVERNOR'S STATEMENT UPON SIGNING
ASSEMBLY BILL NO. 3101
(First Reprint)**

Today I am pleased to sign Senate Bill No. 3101 (First Reprint), which increases the statutory dedication for arts and cultural projects, historical heritage programs, and tourism advertisement and promotion from hotel and motel occupancy fees collected by the State. The statutory dedication funds grants to arts organizations, projects, and artists throughout the State, as well as grants to museums, historical societies, and historic sites and grants for research and publications on New Jersey history. It also supports the State's robust tourism industry.

The bill amends P.L.2003, C.114, which directed minimum appropriations to arts and cultural projects, historical heritage programs, and tourism advertisement and promotion in State Fiscal Year 2004 and increased the amounts of the required appropriations for State Fiscal Year 2005 and beyond. The act contains a "poison pill" provision that required the Legislature to fund the enumerated causes at no less than the Fiscal Year 2004 funding levels. Putting aside the legality of poison pills as a budgeting practice under the New Jersey Constitution, under the act's provision, if the requisite funding is not provided, then the State is prohibited from collecting the seven percent fee on hotel and motel occupancies. In addition to increasing the minimum appropriations for the aforementioned projects and programs, this bill also revises the poison pill provision to mandate that the State provide no less than the higher Fiscal Year 2005 funding levels to avoid the cessation of hotel and motel occupancy fee collections.

Analysis of past years' appropriations reveals that the Legislature has routinely appropriated less than the statutorily required minimums, instead opting to appropriate the minimum required to avoid triggering the poison pill provision. Indeed, under my predecessor's administration, funding for arts, cultural, and historical heritage initiatives was routinely diverted in order to offset losses in revenue resulting from a tax incentive program that awarded billions of dollars in tax credits and was among the most expensive and least productive in the nation, and other ill-advised policy decisions such as lowering the State Sales and Use Tax. The Legislature's habit of underfunding arts and culture was demonstrated again this year by the elimination of \$50,000 in funding for the Count Basie Center for the Arts from my proposed Fiscal Year 2020 Budget.

I commend the Legislature for signaling a desire to reverse course and prioritize funding for cultural, historical heritage, and tourism programs. I am signing this bill because I strongly believe that the arts cultivate young imaginations, create a welcoming sense of place and desirable quality of life, and stimulate business activity. Funding arts and culture helps to

build a state's creative capacity, a trait indispensable to my Administration's commitment to advancing New Jersey's innovation economy.

I recognize, however, that the funding thresholds established in the bill represent a nearly \$30 million increase over Fiscal Year 2020 appropriations and are merely aspirational while we continue the hard work of correcting years of poor fiscal management and decision-making. Still, I am hopeful that the changes made through this legislation will begin to end the practice of prior administrations and legislatures chronically underfunding the State's cherished cultural programs. As I have said many times, budgeting is about mathematics and priorities, and the promotion of arts, culture, history, and tourism is certainly a worthy priority for the State to advance. The current amount of funding provided to arts and cultural programs is a discredit to our State's distinction of being the first State in the nation to provide universal arts education to all public school students and our legacy as the home state of luminous artistic figures like Paul Robeson, Bruce Springsteen, Frank Sinatra, Whitney Houston, and Count Basie. While I am pleased with the funding that this bill makes available, I urge the Legislature to move quickly to advance legislation that will implement fairer tax policies to generate the revenue needed to fund valuable causes such as these. My signature today represents my unwavering commitment to strengthening the artistic and cultural endeavors that enhance our local economies and the quality of life for so many New Jerseyans across our great State.

Date: January 13, 2020

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor