

titling tax are self-explanatory. The third source, known as motor vehicle revenue funds, of which motor vehicle registration fees are the major portion, also includes revenues from fines and miscellaneous receipts of the Department of Motor Vehicles. These funds, which include registration fees, are equally divided between the local subdivisions and the State Roads Commission, whose one-half share is dedicated exclusively to maintenance and operation of roads in the State system. Maintenance outlays are conservatively estimated and conservatively expended, but always with the thought that it is poor economy to build fine new roads and not properly maintain them. Except for registration fees and the additions from other sources indicated above, the only means of supplementing the maintenance fund is by a transfer of State Road revenues from the gasoline tax and titling tax, which are otherwise devoted to construction purposes. The sum so transferred cannot exceed \$2,000,000 in any one year.

This complex and inter-related revenue system is one of delicate balancings, which should not be disturbed without adequate basis. In the light of existing circumstances, any decrease in the contemplated funds available for road maintenance and operation under the twelve-year program would have two unfortunate consequences. First, as additional roads are constructed, the volume of required maintenance work increases proportionately, with a consequent addition to the expenses of the maintenance program. This additional cost could not be met from presently available motor vehicle revenues, thus making it impossible to maintain adequately the State Roads system which admittedly would be false economy. Second, it was contemplated in the twelve-year program that the revenues from increased registration fees available for maintenance purposes would eliminate the transfer of construction funds to maintenance funds each year. To the extent that over the twelve-year period it is unnecessary to use for maintenance purposes all or any part of the \$2,000,000 available from construction funds in a given year, that additional amount would be freed for construction purposes on a current basis. Furthermore, the program contemplates that the additional revenues from registration fees will permit establishment of a working capital fund for unforeseen emergencies and contingencies and to cover any lag between maintenance revenues and expenditures.

I am in firm agreement with the principle that the rate of any tax should be no greater than necessary to satisfy the purposes requiring its imposition. When the Legislature convenes in January, 1955, we will have had eighteen