

STATES OF JERSEY



CAR PARKING CHARGES: ALLOCATION OF ADDITIONAL INCOME TO THE FUNDING OF TRANSPORT INITIATIVES

**Lodged au Greffe on 7th September 2004
by the Environment and Public Services Committee**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

- (a) to agree that, following the implementation of the necessary legislative changes to allow the raising of income from parking charges in excess of the sums required to maintain and operate the Car Parking Trading Fund, any additional income raised in this way should be allocated to the Environment and Public Services Committee for the funding of transport initiatives such as the bus service and highway maintenance; and
- (b) to charge the Finance and Economics Committee, in consultation with the Environment and Public Services Committee, to take the necessary practical steps to implement the proposal.

ENVIRONMENT AND PUBLIC SERVICES COMMITTEE

Notes: The Finance and Economics Committee's comments are to follow.

REPORT

At the States sitting on 30th June 2004, a draft amendment to the Road Traffic (Jersey) Law 1956 (“the Law”) was debated, the effect of which was to enable the Environment and Public Services Committee or the Home Affairs Committee, when prescribing fees and charges under the Law –

- (a) to take into consideration such matters as it thought fit; and
- (b) to set fees and charges so as to raise general revenues for use by the Committee or the States.

The specific intention of this amendment to the Law was to allow the Environment and Public Services Committee to raise car parking charges over and above what was required to run and maintain the Car Park Trading Fund. Effectively, these charges will become a tax and, as such, will have to be credited to general revenues. The intention was that the States would then hand back the increased income to the Committee to fund transport initiatives.

During the States debate, concern was raised by members that these additional funds could be allocated to any other Committee to fund any expenditure. There appeared to be support from members that linking such charges to transport initiatives was reasonable and acceptable.

The Committee has received legal advice that it is not possible to amend the Law to allow for such hypothecation. Therefore, the only effective way of ensuring this income is utilised for transport purposes is for the States to approve a proposition agreeing that such sums should be allocated to the Environment and Public Services Committee and to charge the Finance and Economics Committee to take the necessary steps to transfer the funds for the specific intention of funding transport initiatives.

There are no direct financial or manpower implications arising from this proposition.