

27:1B-3

LEGISLATIVE HISTORY CHECKLIST
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("Transportation Trust Fund")

NJSA: 27:1B-3

LAWS OF: 1995 CHAPTER: 108

BILL NO: A99

SPONSOR(S): DeCroce and others

DATE INTRODUCED: May 8, 1995

COMMITTEE: ASSEMBLY: Appropriations; Transportation
SENATE: ---

AMENDED DURING PASSAGE: Yes Amendments during passage
Second reprint (cc) enacted denoted by superscript numbers

DATE OF PASSAGE: ASSEMBLY: May 22, 1995
SENATE: May 25, 1995

DATE OF APPROVAL: May 30, 1995

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes 5-15-95 & 5-11-95
SENATE: No

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: Yes

See newspaper clippings--attached:

"\$3.5 billion transit bill is signed by Whitman," 5-31-95.

"Governor OKs transit bill," 5-31-95, Courier-News.

"Trust fund steams ahead," 5-31-95, Asbury Park Press.

974.90 New Jersey. Legislature. Senate. Transportation Committee.
T764 Public hearing, held 6-1-95, Trenton, 1995.
1995
KBG:pp

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[SECOND REPRINT]

ASSEMBLY, No. 99

STATE OF NEW JERSEY

INTRODUCED MAY 8, 1995

By Assemblymen DeCROCE, KAVANAUGH, Augustine,
Gibson, Gregg, Malone and Assemblywoman Murphy

1 AN ACT concerning transportation funding, amending various
2 parts of the statutory law and supplementing P.L.1984, c.73
3 (C.27:1B-1 et seq.) and repealing sections 3 and 5 of P.L.1992,
4 c.10.

5

6 BE IT ENACTED *by the Senate and General Assembly of the*
7 *State of New Jersey:*

8 1. Section 3 of P.L.1984, c.73 (C.27:1B-3) is amended to read
9 as follows:

10 3. The following words or terms as used in this act shall have
11 the following meaning unless a different meaning clearly appears
12 from the context:

13 a. "Act" means this New Jersey Transportation Trust Fund
14 Authority Act of 1984.

15 b. "Authority" means the New Jersey Transportation Trust
16 Fund Authority created by section 4 of this act.

17 c. "Bonds" means bonds issued by the authority pursuant to the
18 act.

19 d. "Commissioner" means the Commissioner of Transportation.

20 e. "Department" means the Department of Transportation.

21 f. "Federal aid highway" means any highway within the State
22 in connection with which the State receives payment or
23 reimbursement from the federal government under the terms of
24 Title 23, United States Code or any amendment, successor, or
25 replacement thereof, for the purposes contained in the act.

26 g. "Federal government" means the United States of America,
27 and any officer, department, board, commission, bureau, division,
28 corporation, agency or instrumentality thereof.

29 h. ["New Jersey Expressway Authority" means the public
30 corporation created by section 4 of chapter 10 of the Laws of
31 New Jersey of 1962 as amended or its successor.] "South Jersey
32 Transportation Authority" means the public corporation created
33 by section 4 of P.L.1991, c.252 (C.27:25A-4) or its successor.

34 i. "New Jersey Highway Authority" means the public
35 corporation created by section 4 of [chapter 16 of the Laws of
36 New Jersey of 1952 as amended] P.L.1952, c.16 (C.27:12B-4) or
37 its successor.

38 j. "New Jersey Turnpike Authority" means the public
39 corporation created by section 3 of [chapter 454 of the Laws of
40 New Jersey of 1948 as amended] P.L.1948, c.454 (C.27:23-3) or
41 its successor.

42 k. "Notes" means the notes issued by the authority pursuant to
43 the act.

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ATC committee amendments adopted May 15, 1995.

² Assembly AAP committee amendments adopted May 15, 1995.

1 l. "Public highways" means public roads, streets, expressways,
2 freeways, parkways, motorways and boulevards, including bridges,
3 tunnels, overpasses, underpasses, interchanges, rest areas,
4 express bus roadways, bus pullouts and turnarounds, park-ride
5 facilities, traffic circles, grade separations, traffic control
6 devices, the elimination or improvement of crossings of railroads
7 and highways, whether at grade or not at grade, and any
8 facilities, equipment, property, rights of way, easements and
9 interests therein needed for the construction, improvement and
10 maintenance of highways.

11 m. "Public transportation project" means, in connection with
12 public transportation service, passenger stations, shelters and
13 terminals, automobile parking facilities, ramps, track
14 connections, signal systems, power systems, information and
15 communication systems, roadbeds, transit lanes or rights of way,
16 equipment storage and servicing facilities, bridges, grade
17 crossings, rail cars, locomotives, motorbuses and other motor
18 vehicles, maintenance and garage facilities, revenue handling
19 equipment and any other equipment, facility or property useful
20 for or related to the provision of public transportation service.

21 n. "State agency" means any officers, department, board,
22 commission, bureau, division, agency or instrumentality of the
23 State.

24 o. "Toll road authorities" means and includes the New Jersey
25 Turnpike Authority, the New Jersey Highway Authority and the
26 [New Jersey Expressway Authority.] South Jersey Transportation
27 Authority.

28 p. "Transportation project" means, in addition to public
29 highways and public transportation projects, any equipment,
30 facility or property useful or related to the provision of any
31 ground, waterborne or air transportation for the movement of
32 people and goods.

33 q. "Transportation system" means public highways, public
34 transportation projects, other transportation projects, and all
35 other methods of transportation for the movement of people and
36 goods.

37 r. "Maintenance" means, in relation to public transportation
38 projects, direct costs of work necessary for preserving or
39 maintaining the useful life of public transportation projects,
40 provided the work performed is associated with the acquisition,
41 installation and rehabilitation of components which are not
42 included in the normal operating maintenance of equipment and
43 facilities or replaced on a scheduled basis. The work shall ensure
44 the useful life of the project for not less than four years and shall
45 not include routine maintenance or inspection of equipment and
46 facilities that is conducted on a scheduled basis. This definition
47 shall not apply to the term "maintenance" as used in subsection l.
48 of this section.

49 s. "Circle of Mobility" means an essential group of related
50 transit projects that include (1) the New Jersey Urban Core
51 Project, as defined in section 3031 of the "Intermodal Surface
52 Transportation Efficiency Act of 1991," Pub.L.102-240, and
53 consisting of the following elements: Secaucus Transfer, Kearny
54 Connection, Waterfront Connection, Northeast Corridor Signal
55 System, Hudson River Waterfront Transportation System,

1 Newark–Newark International Airport–Elizabeth Transit Link, a
2 rail connection between Penn Station Newark and Broad Street
3 Station, Newark, New York Penn Station Concourse, and the
4 equipment needed to operate revenue service associated with
5 improvements made by the project, and (2) the modification and
6 reconstruction of the West Shore Line in Bergen County
7 connected to Allied Junction/Secaucus Transfer Meadowlands
8 Rail Center; the construction of a rail station and associated
9 components at the Meadowlands Sports Complex; the
10 modification and reconstruction of the Susquehanna and Western
11 Railway, as defined and provided in section 3035 (a) of the
12 "Intermodal Surface Transportation Efficiency Act of 1991"; and
13 the modification and reconstruction of the Lackawanna Cutoff
14 Commuter Rail Line connecting Morris, Sussex and Warren
15 Counties to the North Jersey Transportation Rail Centers.

16 (cf: P.L.1995, c.84, s.2)

17 2. Section 4 of P.L.1984, c.73 (C.27:1B-4) is amended to read
18 as follows:

19 4. a. There is hereby established in the department a public
20 body corporate and politic, with corporate succession, to be
21 known as the "New Jersey Transportation Trust Fund Authority."
22 For the purpose of complying with the provisions of Article V,
23 Section IV, paragraph 1 of the New Jersey Constitution, the
24 authority is hereby allocated within the Department of
25 Transportation, but notwithstanding said allocation, the authority
26 shall be independent of any supervision or control by the
27 department or by any board or officer thereof. The authority is
28 hereby constituted as an instrumentality of the State, exercising
29 public and essential governmental functions, no part of whose
30 revenues shall accrue to the benefit of any individual, and the
31 exercise by the authority of the powers conferred by the act shall
32 be deemed and held to be an essential governmental function of
33 the State.

34 b. The authority shall consist of five members as follows: the
35 commissioner and the State Treasurer, who shall be members ex
36 officio, and three public members, one of whom shall be
37 appointed by the Governor, with the advice and consent of the
38 Senate, and the two remaining to be appointed by the Governor,
39 one of whom upon recommendation of the President of the Senate
40 and the other upon recommendation of the Speaker of the
41 General Assembly. No more than three members of the authority
42 shall be of the same political party. The public members
43 appointed by the Governor shall serve a four year term, except
44 that the public member appointed by the Governor upon
45 recommendation of the President of the Senate shall serve for a
46 four year term and the public member appointed upon
47 recommendation of the Speaker of the General Assembly shall
48 serve for a two year term.

49 With respect to those public members first appointed by the
50 Governor: the Senate shall advise and consent to the appointment
51 of the member not appointed upon recommendation of the
52 President and the Speaker within 30 days of the receipt thereof
53 from the Governor, such appointment having been sent by the
54 Governor to the Senate within 20 days following the effective

1 date of this act; the President of the Senate and the Speaker of
2 the General Assembly shall send their recommendations for
3 public members to the Governor within 20 days following the
4 effective date of this act. The Governor has an additional 10
5 days to accept or reject in writing these recommendations.

6 Each public member shall hold office for the term of the
7 member's appointment and until the member's successor shall
8 have been appointed and qualified. A member shall be eligible
9 for reappointment. Any vacancy in the membership occurring
10 other than by expiration of term shall be filled in the same
11 manner as the original appointment but for the unexpired term
12 only.

13 c. Each public member, except those appointed upon
14 recommendation of the President of the Senate and the Speaker
15 of the General Assembly, may be removed from office by the
16 Governor, for cause, after public hearing, and may be suspended
17 by the Governor pending the completion of such hearing. All
18 members before entering upon their duties shall take and
19 subscribe an oath to perform the duties of their office faithfully,
20 impartially and justly to the best of their ability. A record of
21 such oaths shall be filed in the Office of the Secretary of State.

22 d. The authority shall not be deemed to be constituted and
23 shall not take action or adopt motions or resolutions until at least
24 three authorized members shall have been appointed and qualified
25 in the manner provided in this section. The commissioner shall
26 serve as chairperson of the authority. Prior to the authority being
27 constituted, the chairperson is authorized to transfer up to \$75
28 million to the department from the appropriations made to the
29 authority for the fiscal year commencing July 1, 1984. The
30 members shall annually elect one of their members as vice
31 chairperson. The members shall elect a secretary and a
32 treasurer, who need not be members, and the same person may be
33 elected to serve both as secretary and treasurer. The powers of
34 the authority shall be vested in the members thereof in office
35 from time to time and three members of the authority shall
36 constitute a quorum at any meeting thereof. Action may be
37 taken and motions and resolutions adopted by the authority at any
38 meeting thereof by the affirmative vote of at least three
39 members of the authority. No vacancy in the membership of the
40 authority shall impair the right of a quorum of the members to
41 exercise all the powers and perform all the duties of the
42 authority, except that the authority shall not have the power to
43 issue its initial offering of bonds, notes or other obligations unless
44 all five members of the authority shall have been appointed and
45 qualified.

46 e. The members of the authority shall serve without
47 compensation, but the authority shall reimburse its members for
48 actual expenses necessarily incurred in the discharge of their
49 duties. Notwithstanding the provisions of any other law, no
50 member shall be deemed to have forfeited nor shall the member
51 forfeit the member's office or employment or any benefits or
52 emoluments thereof by reason of the member's acceptance of
53 the office of ex officio member of the authority or the member's
54 services therein.

1 f. Each ex officio member may designate an employee of the
2 member's department or agency to represent the member at
3 meetings of the authority. All designees may lawfully vote and
4 otherwise act on behalf of the member for whom they constitute
5 the designee. The designation shall be in writing delivered to the
6 authority and shall continue in effect until revoked or amended in
7 writing delivered to the authority.

8 g. A true copy of the minutes of every meeting of the
9 authority shall be forthwith delivered by and under the
10 certification of the secretary thereof to the Governor. No action
11 taken at the meeting by the authority shall have force or effect
12 until 15 days after such copy of the minutes shall have been so
13 delivered, unless during this 15-day period the Governor shall
14 approve in writing the same or any part thereof, in which case
15 the action shall become effective upon approval. If, in said
16 15-day period, the Governor returns a copy of the minutes with
17 his veto of any action taken by the authority or any member
18 thereof at the meeting, the action shall be null and void and of no
19 effect. Notwithstanding the foregoing, if the last day of the
20 15-day period shall be a Saturday, Sunday or legal holiday, then
21 the 15-day period shall be deemed extended to the next following
22 business day. The powers conferred in this paragraph upon the
23 Governor shall be exercised with due regard for the rights of the
24 holders of bonds, notes or other obligations of the authority at
25 any time outstanding, and nothing in, or done pursuant to, this
26 paragraph shall in any way limit, restrict or alter the obligation
27 or powers of the authority or any representative or officer of the
28 authority to carry out and perform in every detail each and every
29 covenant, agreement or contract at any time made or entered
30 into by or on behalf of the authority with respect to its bonds,
31 notes or other obligations or for the benefit, protection or
32 security of the holders thereof.

33 h. The authority shall continue in existence until dissolved by
34 act of the Legislature [, except that it shall not continue in
35 existence beyond 22 years unless the Legislature shall by law
36 prescribe otherwise]. However, any dissolution of this authority [,
37 by act of the Legislature or otherwise,] shall be on condition that
38 the authority has no debts, contractual duties or obligations
39 outstanding, or that provision has been made for the payment,
40 discharge or retirement of these debts, contractual duties or
41 obligations. Upon any dissolution of the authority, all property,
42 rights, funds and assets thereof shall pass to and become vested
43 in the State.

44 (cf: P.L.1987, c.460, s.1)

45 3. Section 6 of P.L.1984, c.73 (C.27:1B-6) is amended to read
46 as follows:

47 6. In addition to all other powers granted to the authority in
48 the act, the authority shall have power:

49 a. To sue and be sued;

50 b. To have an official seal and alter the same at its pleasure;

51 c. To make and alter bylaws for its organization and internal
52 management and rules and regulations for the conduct of its
53 affairs and business;

54 d. To maintain an office at a place or places within the State

- 1 as it may determine;
- 2 e. To acquire, hold, use and dispose of its income, revenues,
3 funds and moneys;
- 4 f. To acquire, own, lease as lessee or lessor, hold, use, sell,
5 transfer, and dispose of real or personal property for its purposes;
- 6 g. To borrow money and to issue its bonds, notes or other
7 obligations and to secure the same by its revenues or other funds
8 and otherwise to provide for and secure the payment thereof and
9 to provide for the rights of the holders thereof and to provide for
10 the refunding thereof, all as provided in the act;
- 11 h. To issue subordinated indebtedness and to enter into [bank
12 loan agreements, lines of credit, letters of credit] any revolving
13 credit agreement, agreement establishing a line of credit or
14 letter of credit, reimbursement agreement, interest rate
15 exchange agreement, insurance contract, surety bond,
16 commitment to purchase or sell bonds, purchase or sale
17 agreement, or commitments or other contracts or agreements,
18 and other security agreements as [provided for in the act]
19 approved by the authority in connection with the issuance of
20 bonds or notes;
- 21 i. In its own name, in the name of the New Jersey Transit
22 Corporation or in the name of the State, to apply for and receive
23 and accept appropriations or grants of property, money, services
24 or reimbursements for money previously spent and other
25 assistance offered or made available to it by or from any person,
26 government agency, public authority or any public and private
27 entity whatever for any lawful corporate purpose of the
28 authority, including, without limitation, grants, appropriations or
29 reimbursements from the State or federal government with
30 respect to their respective shares under federal aid highway laws
31 of the costs of planning, acquisition, engineering, construction,
32 reconstruction, repair, resurfacing and rehabilitation of public
33 highways or the costs of planning, acquisition, engineering,
34 construction, reconstruction, repair, maintenance and
35 rehabilitation of public transportation projects and other
36 transportation projects in the State and the authority's operating
37 expenses and to apply and negotiate for the same upon such terms
38 and conditions as may be required by any person, government
39 agency, authority or entity or as the authority may determine to
40 be necessary, convenient or desirable;
- 41 j. Subject to any agreement with the holders of bonds, notes or
42 other obligations, to invest moneys of the authority not required
43 for immediate use, including proceeds from the sale of any bonds,
44 notes or other obligations, in obligations, securities and other
45 investments as the authority shall deem prudent;
- 46 k. Subject to any agreements with holders of bonds, notes or
47 other obligations, to purchase bonds, notes or other obligations of
48 the authority out of any funds or moneys of the authority
49 available therefor, and to hold, cancel or resell the bonds, notes
50 or other obligations;
- 51 l. For its sole purpose as established in section 5 of this act, to
52 appoint and employ an executive director and such additional
53 officers, who need not be members of the authority and such
54 other personnel and staff as it may require, at an annual expense

1 not to exceed \$100,000.00, all without regard to the provisions of
2 Title 11A of the New Jersey Statutes;

3 m. To do and perform any acts and things authorized by the
4 act under, through, or by means of its officers, agents or
5 employees or by contract with any person, firm or corporation or
6 any public body;

7 n. To procure insurance against any losses in connection with
8 its property, operations, assets or obligations in amounts and
9 from insurers as it deems desirable;

10 o. To make and enter into any and all contracts and
11 agreements which the authority determines are necessary,
12 incidental, convenient or desirable to the performance of its
13 duties and the execution of its powers under the act; and

14 p. To do any and all things necessary, convenient or desirable
15 to carry out its purposes and exercise the powers given and
16 granted in the act.

17 (cf: P.L.1991, c.40, s.4)

18 4. Section 9 of P.L.1984, c.73 (C.27:1B-9) is amended to read
19 as follows:

20 9. a. The authority shall have the power and is hereby
21 authorized, after November 15, 1984 and from time to time
22 thereafter to issue its bonds, notes or other obligations in
23 principal amounts as in the opinion of the authority shall be
24 necessary to provide for any of its corporate purposes, including
25 the payment, funding or refunding of the principal of, or interest
26 or redemption premiums on, any bonds, notes or other obligations
27 issued by it, whether the bonds, notes, obligations or interest to
28 be funded or refunded have or have not become due; and to
29 provide for the security thereof and for the establishment or
30 increase of reserves to secure or to pay the bonds, notes or other
31 obligations or interest thereon and all other reserves and all costs
32 or expenses of the authority incident to and necessary or
33 convenient to carry out its corporate purposes and powers; and in
34 addition to its bonds, notes and other obligations, the authority
35 shall have the power to issue subordinated indebtedness, which
36 shall be subordinate in lien to the lien of any or all of its bonds or
37 notes. No resolution or other action of the authority providing
38 for the issuance of bonds, refunding bonds, notes, or other
39 obligations shall be adopted or otherwise made effective by the
40 authority without the prior approval in writing of the Governor
41 and [either] the State Treasurer [or the Director of the Division
42 of Budget and Accounting in the Department of the Treasury].

43 b. Except as may be otherwise expressly provided in the act or
44 by the authority, every issue of bonds or notes shall be general
45 obligations payable out of any revenues or funds of the authority,
46 subject only to any agreements with the holders of particular
47 bonds or notes pledging any particular revenues or funds. The
48 authority may provide the security and payment provisions for its
49 bonds or notes as it may determine, including (without limiting
50 the generality of the foregoing) bonds or notes as to which the
51 principal and interest are payable from and secured by all or any
52 portion of the revenues of and payments to the authority, and
53 other moneys or funds as the authority shall determine. In
54 addition, the authority may, in anticipation of the issuance of the

1 bonds or the receipt of appropriations, grants, reimbursements or
2 other funds, including without limitation grants from the federal
3 government for federal aid highways or public transportation
4 systems, issue notes, the principal of or interest on which, or
5 both, shall be payable out of the proceeds of notes, bonds or other
6 obligations of the authority or appropriations, grants,
7 reimbursements or other funds or revenues of the authority. The
8 authority may also enter into bank loan agreements, lines of
9 credit and other security agreements as authorized pursuant to
10 subsection h. of section 6 of P.L.1984, c.73 (C.27:1B-6) and
11 obtain for or on its behalf letters of credit in each case for the
12 purpose of securing its bonds, notes or other obligations or to
13 provide direct payment of any costs which the authority is
14 authorized to pay by this act and to secure repayment of any
15 borrowings under the loan agreement, line of credit, letter of
16 credit or other security agreement by its bonds, notes or other
17 obligations or the proceeds thereof or by any or all of the
18 revenues of and payments to the authority or by any
19 appropriation, grant or reimbursement to be received by the
20 authority and other moneys or funds as the authority shall
21 determine.

22 c. Whether or not the bonds and notes are of the form and
23 character as to be negotiable instruments under the terms of
24 Title 12A, Commercial Transactions, New Jersey Statutes, the
25 bonds and notes are hereby made negotiable instruments within
26 the meaning of and for all the purposes of said Title 12A.

27 d. Bonds or notes of the authority shall be authorized by a
28 resolution or resolutions of the authority and may be issued in one
29 or more series and shall bear the date; or dates, mature at the
30 time or times, bear interest at the rate or rates of interest per
31 annum, be in the denomination or denominations, be in the form,
32 carry the conversion or registration privileges, have the rank or
33 priority, be executed in the manner, be payable from the sources,
34 in the medium of payment, at the place or places within or
35 without the State, and be subject to the terms of redemption
36 (with or without premium) as the resolution or resolutions may
37 provide. Bonds or notes may be further secured by a trust
38 indenture between the authority and a corporate trustee within or
39 without the State. All other obligations of the authority shall be
40 authorized by resolution containing terms and conditions as the
41 authority shall determine.

42 e. Bonds, notes or other obligations of the authority may be
43 sold at public or private sale at a price or prices and in a manner
44 as the authority shall determine, either on a negotiated or on a
45 competitive basis. [Every bond issued on or before the effective
46 date of P.L.1987, c.460 (C.27:1B-4 et al.) shall mature and be
47 paid not later than 17 years from the date thereof, except that no
48 bond, note or other obligation shall mature and be paid later than
49 22 years from the effective date of P.L.1984, c.73 (C.27:1B-1 et
50 seq.), nor shall any refunding of such obligations mature or be
51 paid later than that date. Every bond issued after the effective
52 date of P.L.1987, c.460 (C.27:1B-4 et al.) shall mature and be
53 paid not later than 11 years from the date thereof, except that no
54 bond, note or other obligation shall mature and be paid later than

1 22 years from the effective date of P.L.1984, c.73 (C.27:1B-1 et
2 seq.)] Every bond, or refunding bond, issued on or after the
3 effective date of P.L.19 , c. (C.)(now before the
4 Legislature as this bill) shall mature and be paid no later than 21
5 years from the date of the issuance of that bond or refunding
6 bond.

7 [Notes, the initial series of bonds and bonds issued for
8 refunding purposes of the authority may be sold at public or
9 private sale at a price or prices and in a manner as the authority
10 shall determine.

11 Except as noted above, all bonds of the authority shall be sold
12 at such price or prices and in such manner as the authority shall
13 determine, after notice of sale, published at least three times in
14 at least three newspapers published in the State of New Jersey,
15 and at least once in a publication carrying municipal bond notices
16 and devoted primarily to financial news, published in New Jersey
17 or the City of New York, the first notice to be at least five days
18 prior to the day of bidding. The notice of sale may contain a
19 provision to the effect that any or all bids made in pursuance
20 thereof may be rejected. In the event of such rejection or of
21 failure to receive any acceptable bid, the authority, at any time
22 within 60 days from the date of such advertised sale, may sell
23 such bonds at private sale upon terms not less favorable to the
24 State than the terms offered by any rejected bid. The authority
25 may sell all or part of the bonds of any series as issued to any
26 State fund or to the federal government or any agency thereof, at
27 private sale, without advertisement.]

28 f. Bonds or notes may be issued and other obligations incurred
29 under the provisions of the act without obtaining the consent of
30 any department, division, commission, board, bureau or agency of
31 the State, other than the approval as required by subsection a. of
32 this section, and without any other proceedings or the happening
33 of any other conditions or other things than those proceedings,
34 conditions or things which are specifically required by the act.

35 g. Bonds, notes and other obligations of the authority issued or
36 incurred under the provisions of the act shall not be in any way a
37 debt or liability of the State or of any political subdivision
38 thereof other than the authority and shall not create or
39 constitute any indebtedness, liability or obligation of the State or
40 of any political subdivision or be or constitute a pledge of the
41 faith and credit of the State or of any political subdivision but all
42 bonds, notes and obligations, unless funded or refunded by bonds,
43 notes or other obligations of the authority, shall be payable solely
44 from revenues or funds pledged or available for their payment as
45 authorized in the act. Each bond, note or other obligation shall
46 contain on its face a statement to the effect that the authority is
47 obligated to pay the principal thereof or the interest thereon only
48 from revenues or funds of the authority and that neither the
49 State nor any political subdivision thereof is obligated to pay the
50 principal or interest and that neither the faith and credit nor the
51 taxing power of the State or any political subdivision thereof is
52 pledged to the payment of the principal of or the interest on the
53 bonds, notes or other obligations. For the purposes of this
54 subsection, political subdivision does not include the authority.

1 h. All expenses incurred in carrying out the provisions of the
2 act shall be payable solely from the revenues or funds provided or
3 to be provided under or pursuant to the provisions of the act and
4 nothing in the act shall be construed to authorize the authority to
5 incur any indebtedness or liability on behalf of or payable by the
6 State or any political subdivision thereof.

7 i. [The aggregate principal amount of bonds, notes or other
8 obligations outstanding at any one time, including subordinated
9 indebtedness of the authority, may not exceed \$1,700,000,000.00.
10 If in any fiscal year appropriations by the Legislature to the
11 authority, and amounts received in accordance with contracts
12 entered into with the toll road authorities, if those amounts are
13 not included in legislative appropriations, shall be in excess of
14 \$143,000,000.00 in any fiscal year through the fiscal year
15 beginning on July 1, 1986 or \$201,000,000.00 for the fiscal year
16 beginning on July 1, 1987 or \$331,000,000.00 in any fiscal year
17 thereafter, the aggregate principal amount of \$1,700,000,000.00
18 shall be reduced by an amount equal to the excess. In computing
19 the foregoing limitations there shall be excluded all the bonds,
20 notes or other obligations, including subordinated indebtedness of
21 the authority, which shall be issued for refunding purposes,
22 provided that the refunding shall be determined by the authority
23 to result in a debt service savings.]

24 The authority shall minimize debt incurrence by first relying on
25 appropriations and other revenues available to the authority
26 before incurring debt to meet its statutory purposes.

27 [The authority shall not incur debt at any time in any fiscal
28 year in excess of the difference between the amount of
29 appropriations and other revenues to the authority theretofore
30 made in that fiscal year and the amount which the Department of
31 Transportation is permitted to commit for transportation projects
32 under the act in that fiscal year as indicated in the budget, plus
33 reasonably necessary expenses, required debt reserve funds, debt
34 service and outstanding financial obligations from prior fiscal
35 years of the authority.

36 Debt which would have been incurred pursuant to this section,
37 which is not incurred in any fiscal year, may be issued in
38 subsequent years.]

39 Commencing on the 90th day following the date of enactment
40 of this 1995 amendatory and supplementary act, the authority
41 shall not incur debt in any fiscal year in excess of \$700,000,000,
42 except that if that permitted amount of debt, or any portion
43 thereof, is not incurred in a fiscal year it may be incurred in a
44 subsequent fiscal year. Any increase in this limitation shall only
45 occur if so provided for by law.

46 2j. Upon the decision by the authority to issue refunding bonds
47 pursuant to this section, and prior to the sale of those bonds, the
48 authority shall transmit to the Joint Budget Oversight
49 Committee, or its successor, a report that a decision has been
50 made, reciting the basis on which the decision was made,
51 including an estimate of the debt service savings to be achieved
52 and the calculations upon which the authority relied when making
53 the decision to issue refunding bonds. The report shall also
54 disclose the intent of the authority to issue and sell the refunding
55 bonds at public or private sale and the reasons therefor.

1 k. The Joint Budget Oversight Committee, or its successor,
2 shall have authority to approve or disapprove the sale of
3 refunding bonds as included in each report submitted in
4 accordance with subsection j. of this section. The committee
5 shall approve or disapprove the sale of refunding bonds within 10
6 business days after physical receipt of the report. The
7 committee shall notify the authority in writing of the approval or
8 disapproval as expeditiously as possible.

9 l. No refunding bonds shall be issued unless the report has been
10 submitted to and approved by the Joint Budget Oversight
11 Committee, or its successor, as set forth in subsection k. of this
12 section.

13 m. Within 30 days after the sale of the refunding bonds, the
14 authority shall notify the Joint Budget Oversight Committee, or
15 its successor, of the result of that sale, including the prices and
16 terms, conditions and regulations concerning the refunding bonds,
17 and the actual amount of debt service savings to be realized as a
18 result of the sale of refunding bonds.

19 n. The Joint Budget Oversight Committee, or its successor,
20 shall, however, review all information and reports submitted in
21 accordance with this section and may, on its own initiative, make
22 observations and recommendations to the authority or to the
23 Legislature, or both, as it deems appropriate.²

24 (cf: P.L.1991, c.40, s.5)

25 5. Section 20 of P.L.1984, c.73 (C.27:1B-20) is amended to
26 read as follows:

27 20. There is hereby established in the General Fund an account
28 entitled "Transportation Trust Fund Account." During the fiscal
29 year beginning July 1, 1984 and during each succeeding fiscal
30 year in which the authority has bonds, notes or other obligations
31 outstanding, the treasurer shall credit to this account:

32 a. [Commencing with the last business day of August 1984 and
33 on the last business day of each succeeding calendar month, an
34 amount not less than \$7,333,333.00, provided that if the effective
35 date of the act shall be later than July 1984, the initial credit
36 shall be an amount equal to that which would have been credited
37 to the account had the act become effective on July 1, 1984, and
38 further provided that the amount credited shall be an] An amount
39 equivalent to the revenue derived from \$0.025 per gallon from
40 the tax imposed on the sale of motor fuels pursuant to chapter 39
41 of Title 54 of the Revised Statutes, as provided in Article VIII,
42 Section II, paragraph 4 of the State Constitution, provided,
43 however, such amount during any fiscal year shall not be less than
44 [\$88,000,000.00] \$100,000,000;

45 b. [In] After approval by the voters of the constitutional
46 amendment proposed in Senate Concurrent Resolution No. 2 of
47 1995 or Assembly Concurrent Resolution No. 9 of 1995, in
48 addition to the amount credited in subsection a. of this section,
49 for the fiscal year beginning July 1, [1988] 1996 and the fiscal
50 year beginning July 1, 1997 [for each fiscal year thereafter,
51 commencing with the last business day of August 1988 and on the
52 last business day of each succeeding calendar month], an amount
53 equivalent to the revenue derived from \$0.045 per gallon from
54 the tax imposed on the sale of motor fuels pursuant to chapter 39

1 of Title 54 of the Revised Statutes, provided, however, such
2 amount [during any month] shall not be less than [\$14,812,500.00,
3 nor less than \$177,750,000.00] \$180,000,000 during [any fiscal
4 year] each of those fiscal years, and for the fiscal year beginning
5 July 1, 1998, an amount equivalent to the revenue derived from
6 \$0.055 per gallon from the tax, provided, however, that such
7 amount shall not be less than \$220,000,000, and for the fiscal
8 year beginning July 1, 1999 and for each fiscal year thereafter,
9 an amount equivalent to the revenue derived from \$0.065 per
10 gallon from the tax, provided, however, that such amount shall
11 not be less than \$260,000,000 in any fiscal year, as provided in
12 Article VIII, Section II, paragraph 4 of the State Constitution; and

13 c. An amount equivalent to moneys received by the State in
14 accordance with contracts entered into with toll road authorities
15 or other State agencies, provided that effective with the fiscal
16 year beginning July 1, 1988, the amount so credited shall not be
17 less than \$24,500,000.00 in any fiscal year.

18 The treasurer shall also credit to this account, in accordance
19 with a contract between the treasurer and the authority, an
20 amount equivalent to the sum of the revenues due from the
21 increase of fees for motor vehicle registrations collected
22 pursuant to the amendment to R.S.39:3-20 made by this act [and
23 from the increase of fees for motor fuels user identification
24 markers collected pursuant to the amendment to section 10 of
25 P.L.1963, c.44 (C.54:39A-10) made by this act] and from the
26 increase in the tax on diesel fuels imposed pursuant to the
27 amendment to R.S.54:39-27 made by this act and by P.L.1987,
28 c.460, provided that the total amount credited during the fiscal
29 year beginning July 1, 1984 shall not be less than \$20,000,000.00
30 and that the total amount credited during the fiscal year
31 beginning July 1, 1985 and during every fiscal year thereafter
32 shall not be less than \$30,000,000.00.

33 In addition to the amounts credited to the account by this
34 section, commencing with the fiscal year beginning July 1, 1995
35 and every fiscal year thereafter, there shall be appropriated from
36 the General Fund such additional amounts as are necessary to
37 carry out the provisions of this act and after January 1, 1997 the
38 fees collected pursuant to subsection a. of section 68 of P.L.1990,
39 c.8 (C.17:33B-63) shall be available for crediting to the account
40 for the purposes of this act.

41 No later than the fifth business day of the month following the
42 month in which a credit has been made, the treasurer shall pay to
43 the authority, for its purposes as provided herein, the amounts
44 then credited to the Transportation Trust Fund Account, provided
45 that the payments to the authority shall be subject to and
46 dependent upon appropriations being made from time to time by
47 the Legislature of the amounts thereof for the purposes of the
48 act.

49 (cf: P.L.1987, c.460, s.3)

50 6. Section 21 of P.L.1984, c.73 (C.27:1B-21) is amended to
51 read as follows:

52 21. a. There is hereby established a separate fund entitled
53 "Special Transportation Fund." This fund shall be maintained by
54 the State Treasurer and may be held in depositories as may be

1 selected by the treasurer and invested and reinvested as other
2 funds in the custody of the treasurer, in the manner provided by
3 law. The commissioner may from time to time (but not more
4 frequently than monthly) certify to the authority an amount
5 necessary to fund payments made, or anticipated to be made by
6 or on behalf of the department, from appropriations established
7 for or made to the department the authority. The
8 commissioner's certification shall be deemed conclusive for
9 purposes of the act. The authority shall, within 15 days of
10 receipt of the certificate, transfer from available funds from
11 revenues or other funds of the authority to the treasurer for
12 deposit in the Special Transportation Fund the amount certified
13 by the commissioner, provided that all funds transferred shall
14 only be expended by the department by project pursuant to
15 appropriations made from time to time by the Legislature for the
16 purposes of the act.

17 b. The department shall not expend any money except as
18 appropriated by law. Commencing with appropriations for the
19 fiscal years beginning on July 1, 1988, the department shall not
20 expend any funds except as are appropriated by specific projects
21 identified by a description of the projects, the county or counties
22 within which they are located, and amounts to be expended on
23 each project, in the annual appropriations act.

24 c. [No funds appropriated, authorized or expended pursuant to
25 this act shall be used to finance the resurfacing of highways by
26 department personnel, where that resurfacing would require the
27 use of more than 150,000 tons of bituminous concrete for that
28 purpose in any calendar year, except that the commissioner may
29 waive this provision when he determines the existence of
30 emergency conditions requiring the use of department personnel
31 for the resurfacing of highways, after the department has
32 effectively reached the 150,000 ton limit.] ¹[Deleted by
33 amendment, P.L.19 , c. (now before the Legislature as this
34 bill).] No funds appropriated, authorized or expended pursuant to
35 this act shall be used to finance the resurfacing of highways by
36 department personnel, where that resurfacing would require the
37 use of more than 150,000 tons of bituminous concrete for that
38 purpose in any calendar year, except that the commissioner may
39 waive this provision when he determines the existence of
40 emergency conditions requiring the use of department personnel
41 for the resurfacing of highways, after the department has
42 effectively reached the 150,000 ton limit.¹

43 d. In order to provide the department with flexibility in
44 administering the specific appropriations by project identified in
45 the annual appropriations act, the commissioner may transfer a
46 part of any item to any other item subject to the approval of the
47 Director of the Division of Budget and Accounting and of the
48 Joint Budget Oversight Committee or its successor. Upon
49 approval of the director and the committee, the transfer shall
50 take effect.

51 e. Any federal funds which become available to the State for
52 transportation projects which have not been appropriated to the
53 department in the annual appropriations act, shall be deemed
54 appropriated to the department and may, subject to approval by

1 the Joint Budget Oversight Committee and the State Treasurer,
2 be expended for any purpose for which such funds are qualified.

3 (cf: P.L.1987, c.460, s.4)

4 7. Section 8 of P.L.1987, c.460 (C.27:1B-21.1) is amended to
5 read as follows:

6 8. a. [Commencing with the report of the commissioner
7 required to be submitted pursuant to section 22 of P.L.1984, c.73
8 (C.27:1B-22) on or before March 1, 1988 for the fiscal year
9 commencing July 1, 1988 and for the reports of the commissioner
10 required to be submitted pursuant thereto for each fiscal year
11 through the fiscal year commencing July 1, 1989, the amount
12 reported by the commissioner for proposed projects to be
13 financed shall not exceed \$365,000,000 exclusive of federal funds,
14 except that for fiscal years commencing July 1, 1990 and
15 thereafter the amount shall not exceed \$565,000,000 exclusive of
16 federal funds, except as provided herein. If, in the discretion of
17 the commissioner, a greater amount is determined to be
18 necessary to meet the financing requirements for the ensuing
19 fiscal year, the commissioner may include in a report an amount
20 in excess of \$365,000,000 exclusive of federal funds or in excess
21 of \$565,000,000 exclusive of federal funds for the fiscal years in
22 which appropriations above those limits are permitted pursuant to
23 subsection b. of this section; provided that in no event shall that
24 amount be an amount greater than 105% of that \$365,000,000 or
25 of that \$565,000,000 respectively.

26 In any fiscal year for which an amount exceeding \$365,000,000
27 exclusive of federal funds or an amount exceeding \$565,000,000
28 exclusive of federal funds was appropriated pursuant to
29 subsection b. of this section, the commissioner shall report on or
30 before March 1 of that fiscal year for the ensuing fiscal year an
31 amount for proposed projects to be financed not greater than the
32 maximum amount authorized to be appropriated for that ensuing
33 fiscal year pursuant to subsection b. of this section.]

34 Commencing with the report of the commissioner required to
35 be submitted pursuant to section 22 of P.L.1984, c.73
36 (C.27:1B-22) on or before March 1, 1996 for the fiscal year
37 commencing July 1, 1996 and for each fiscal year thereafter the
38 amount reported by the commissioner for proposed projects to be
39 financed shall not exceed \$700,000,000 exclusive of federal funds.

40 b. [For the fiscal year beginning on July 1, 1988 and for the
41 fiscal year beginning on July 1, 1989, the total amount authorized
42 to be appropriated from the revenues and other nonfederal funds
43 of the New Jersey Transportation Trust Fund Authority for the
44 projects listed in the appropriations act pursuant to section 21 of
45 P.L.1984, c.73 (C.27:1B-21), shall not exceed \$365,000,000
46 exclusive of federal funds and for fiscal years beginning on
47 July 1, 1990 and through the fiscal year beginning on July 1, 1994
48 the amount shall not exceed \$565,000,000 exclusive of federal
49 funds, except as provided herein. If, in any fiscal year through the
50 fiscal year commencing on July 1, 1991, a greater amount is
51 determined to be necessary to meet the financing requirements,
52 the amount appropriated may be in excess of \$365,000,000
53 exclusive of federal funds or in excess of \$565,000,000 exclusive
54 of federal funds; provided that in any such year: (1) in no event

1 shall there be appropriated an amount greater than 105% of that
2 \$365,000,000 or of that \$565,000,000, and provided further, that
3 (2) if, pursuant to paragraph (1) of this subsection, (i) a greater
4 fiscal year appropriation is authorized in excess of the
5 \$365,000,000 limit for a fiscal year, the ensuing fiscal year
6 appropriation is to be reduced by the same amount that the
7 appropriation for that fiscal year exceeds \$365,000,000, or, (ii) a
8 greater fiscal year appropriation is authorized in excess of the
9 \$565,000,000 limit for a fiscal year, the ensuing fiscal year
10 appropriation is to be reduced by the same amount that the
11 appropriation for that fiscal year exceeds \$565,000,000.]

12 For the fiscal year beginning on July 1, 1995 and for each fiscal
13 year thereafter, the total amount authorized to be appropriated
14 from the revenues and other nonfederal funds of the New Jersey
15 Transportation Trust Fund Authority for the projects listed in the
16 appropriations act pursuant to section 21 of P.L.1984, c.73
17 (C.27:1B-21) shall not exceed \$700,000,000 exclusive of federal
18 funds.

19 c. (Deleted by amendment, P.L.1991, c.40).

20 d. (Deleted by amendment, P.L.1992, c.10).

21 e. The State Auditor shall [develop procedures for the auditing
22 of expenditures made by the department and the New Jersey
23 Transit Corporation from funds appropriated for transportation
24 projects from the revenues of the authority and shall cause a
25 semi-annual audit to be made of these expenditures in order to
26 determine the extent to which these funds are expended for costs
27 directly related to the projects, including but not limited to
28 salaries and other administrative expenses] provide for a unified
29 annual audit of expenditures from the Special Transportation
30 Fund, established by section 21 of P.L.1984, c.73 (C.27:1B-21), in
31 order to determine that these funds are expended for costs
32 eligible for funding from the authority and in a manner consistent
33 with appropriations made by the Legislature. The findings of such
34 audits shall be transmitted to the presiding officer of each House
35 of the Legislature, and to the Chair of the Senate Budget and
36 Appropriations Committee, the Senate Transportation
37 Committee, the Assembly Appropriations Committee, and the
38 Assembly Transportation and Communications Committee or
39 their successors. [In addition, the State Auditor shall audit
40 expenditures made for maintenance of public transportation
41 projects every six months and shall transmit the findings of these
42 audits to the Chairs of the Senate Transportation Committee and
43 the Assembly Transportation and Communications Committee.]

44 f. [Until the filing of a public issuer's annual report by the
45 Transportation Trust Fund Authority pursuant to section 12 of the
46 "New Jersey Bond Review Board Act," P.L. , c. (C.)(now
47 pending before the Legislature as Assembly Bill No. 1199 of
48 1992), the] The State Auditor shall review bond issuances of the
49 authority and report to the Joint Budget Oversight Committee
50 and to the members of the Senate Budget and Appropriations
51 Committee and the Assembly Appropriations Committee, or their
52 successors, on the status of the bonds of the authority and
53 projects financed from the proceeds of the bonds. The report
54 shall include the investment status of all unexpended bond

1 proceeds and provide a description of any bond issues expected
2 during a fiscal year, including type of issue, estimated amount of
3 bonds to be issued and the expected month of sale.

4 (cf: P.L.1992, c.10, s.2)

5 8. Section 22 of P.L.1984, c.73 (C.27:1B-22) is amended to
6 read as follows:

7 22. To the end that the transportation system of the State
8 shall be planned in an orderly and efficient manner and that the
9 Legislature shall be advised of the nature and extent of public
10 highways, public transportation projects and other transportation
11 projects contemplated to be financed under this act, the
12 department shall submit a master plan, as provided in subsection
13 (a) of section 5 of P.L.1966, c.301 (C.27:1A-5). Notwithstanding
14 the provisions of that act, the plan shall be for a period of five
15 years and shall be submitted to the Commission on Capital
16 Budgeting and Planning, the Chairman of the Senate
17 Transportation [and Communications] Committee and the
18 Chairman of the Assembly Transportation[, Communications and
19 High Technology] and Communications Committee, or their
20 successors, and the Legislative Budget and Finance Officer, on or
21 before December 15, 1984, and at five year intervals thereafter.

22 On or before March 1 of each year, the commissioner shall
23 submit a report of general project categories and proposed
24 projects [, including but not limited to public highways,]
25 thereunder to be financed in an ensuing fiscal year, including
26 therewith a description of the projects, the county or counties
27 within which they are to be located, a distinction between State
28 and local projects, and the amount estimated to be expended on
29 each project and also including a financial plan designed to
30 implement the financing of the proposed projects. The financial
31 plan shall contain an enumeration of the bonds, notes or other
32 obligations of the authority which the authority intends to issue,
33 including the amounts thereof and the conditions therefor. The
34 financial plan shall set forth a complete operating and financial
35 statement covering the authority's proposed operations during
36 the ensuing fiscal year, including amounts of income from all
37 sources, including but not limited to the proceeds of bonds, notes
38 or other obligations to be issued, as well as interest earned. In
39 addition, the plan shall contain proposed amounts to be
40 appropriated and expended, as well as amounts for which the
41 department anticipates to obligate during the ensuing fiscal year
42 for any future expenditures. The report shall be submitted to the
43 Senate and General Assembly. Within 30 days of the receipt
44 thereof, the Senate or the General Assembly may object in
45 writing to the commissioner in regard to any project or projects
46 it disapproves or which it is of the opinion should be modified or
47 added to or any additional or alternative projects considered or in
48 regard to any element of the financial plan. The commissioner
49 shall consider the objections and recommendations and resubmit
50 the report within 10 days, containing therein any modifications
51 based upon the commissioner's consideration of the objections or
52 recommendations.

53 (cf: P.L.1987, c.460, s.5)

54 9. (New section) State aid to counties and municipalities

1 pursuant to section 25 of P.L.1984, c.73 (C.27:1B-25), may, at the
2 discretion of the commissioner, be disbursed to any individual
3 county or municipality on a grant basis or on a cost
4 reimbursement basis.

5 10. (New section) Notwithstanding the provisions of section 8
6 of P.L.1987, c.460 (C.27:1B-21.1), section 22 of P.L.1984, c.73
7 (C.27:1B-22) or any other law to the contrary, within ten days of
8 the effective date of this section or on June 15, 1995, whichever
9 is sooner, the commissioner shall submit to the Senate and the
10 General Assembly a report of proposed projects to be financed in
11 the fiscal year beginning July 1, 1995. The amount reported by
12 the commissioner for proposed projects to be financed shall not
13 exceed \$700,000,000 exclusive of federal funds. The report shall
14 include a description of the projects, the county or counties
15 within which they are to be located, a distinction between State
16 and local projects, and the amount estimated to be expended on
17 each project and also include a financial plan designed to
18 implement the financing of the proposed projects. The financial
19 plan shall contain an enumeration of the bonds, notes or other
20 obligations of the authority which the authority intends to issue,
21 including the amounts thereof and the conditions therefor. The
22 financial plan shall set forth a complete operating and financial
23 statement covering the authority's proposed operations during
24 the fiscal year beginning July 1, 1995, including amounts of
25 income from all sources, including but not limited to the proceeds
26 of bonds, notes or other obligations to be issued, as well as
27 interest earned. In addition, the plan shall contain proposed
28 amounts to be appropriated and expended, as well as amounts for
29 which the department anticipates to obligate during the fiscal
30 year beginning July 1, 1995 for any future expenditures. Within
31 five days of the receipt thereof, the Senate or the General
32 Assembly may object in writing to the commissioner in regard to
33 any project or projects it disapproves or which it is of the opinion
34 should be modified or added to or any additional or alternative
35 projects considered or in regard to any element of the financial
36 plan. The commissioner shall consider the objections and
37 recommendations and resubmit the report within five days,
38 containing therein any modifications based upon the
39 commissioner's consideration of the objections or
40 recommendations.

41 11. (New section) The State amount appropriated from the
42 revenues and other funds of the authority for any fiscal year
43 commencing on or after July 1, 1995 may be utilized for any cost
44 incurred in direct or indirect support or advancement of
45 transportation projects authorized by the annual appropriations
46 act, except that indirect costs shall not include the cost of
47 routine operation and routine maintenance of a transportation
48 project, or costs associated with the non-capital programs of the
49 department and the New Jersey Transit Corporation. Costs
50 which directly or indirectly support or advance more than one
51 transportation project may be allocated among those projects in a
52 manner the commissioner finds reasonable, provided such costs
53 are equitably and uniformly distributed among all work that was
54 performed during the fiscal year or accounting period. The rate

1 of indirect costs appropriated from the State amount in any fiscal
2 year shall not exceed the indirect cost rate additive, as
3 calculated pursuant to the United States Office of Management
4 and Budget Circular A-87, "Cost Principles Applicable to Grants
5 and Contracts with State and Local Governments," applicable to
6 federal funds.

7 12. (New section) a. Notwithstanding the provisions of any
8 other law to the contrary, the commissioner is authorized to
9 enter into agreements with public or private entities for the loan
10 of federal funds appropriated to the department for the purpose
11 of financing all, or a portion of, the costs incurred for the
12 planning, acquisition, engineering, construction, reconstruction,
13 repair and rehabilitation of a transportation project by that
14 public or private entity.

15 b. The commissioner, with the approval of the State Treasurer,
16 shall establish rules and regulations governing the qualifications
17 of the applicants, the application procedures, the criteria for
18 awarding loans, and the standards for establishing the amount,
19 terms and conditions of each loan. The rules and regulations shall
20 provide that the term of the loan agreement shall be no longer
21 than five years and that the loan shall be secured by appropriate
22 collateral or guarantees.

23 c. Loans granted pursuant to this section shall be considered
24 an investment or reinvestment of Special Transportation Fund
25 funds within the meaning of subsection a. of section 21 of
26 P.L.1984, c.73 (C.27:1B-21). Payments of interest and principal
27 on loans granted pursuant to this section shall be credited to a
28 special subaccount of the Special Transportation Fund and may be
29 used for financing authorized projects. Monies appropriated from
30 the special subaccount pursuant to this section shall be in
31 addition to the total State amount authorized to be appropriated
32 in a fiscal year pursuant to section 8 of P.L.1987, c.460
33 (C.27:1B-21.1).

34 d. Each loan made pursuant to this section shall require the
35 specific approval of the Joint Budget Oversight Committee. The
36 Chairman of the Joint Budget Oversight Committee may request
37 periodic reports from the commissioner on the status of any or all
38 loans. The commissioner shall provide reports so requested on a
39 timely basis.

40 e. Transportation projects which are the subject of a loan
41 agreement entered into pursuant to this section shall be included
42 in the annual report of proposed projects prepared pursuant to
43 section 22 of P.L.1984, c.73 (C.27:1B-22) for the fiscal year in
44 which the loan amount for those projects is to be appropriated.

45 13. (New section) The commissioner or the board of the New
46 Jersey Transit Corporation with the approval of the commissioner
47 is authorized to enter into agreements for a period of years for
48 the advancement of a transportation project to be funded by
49 future year appropriations to the authority, except that, in the
50 case of a transportation project involving appropriations in excess
51 of \$100,000,000 in any fiscal year, the agreement shall be subject
52 to approval of the Joint Budget Oversight Committee. The
53 commissioner or the board of the New Jersey Transit Corporation
54 may pledge grant monies or funds anticipated to be appropriated

1 to those transportation projects in those agreements, provided,
2 however that payment of monies pledged is subject to the
3 availability of funds in the year in which the funds are to be
4 appropriated. Any transportation project which is the subject of
5 an agreement authorized by this section shall appear in the
6 annual report of proposed projects prepared pursuant to section
7 22 of P.L.1984, c.73 (C.27:1B-22) for each fiscal year in which
8 the agreement is in effect and the report shall indicate the
9 amount to be appropriated, if any, to the project in the upcoming
10 fiscal year.

11 14. (New section) a. After the commissioner has determined
12 that a project financed through the authority has been completed,
13 the commissioner may direct that any account established for
14 such project be closed, provided that the funds in any such
15 account are less than \$1,000,000. The commissioner may further
16 direct that any appropriated funds remaining in such closed
17 accounts be credited to a special subaccount of the Special
18 Transportation Fund. In the event that an account for a project
19 that has been completed exceeds \$1,000,000, the account shall
20 not be closed and the funds credited to the special subaccount
21 unless such action is approved by the Joint Budget Oversight
22 Committee.

23 b. Subject to approval by the State Treasurer, the
24 commissioner may expend funds from the special subaccount
25 established pursuant to subsection a. of this section for any
26 purpose for which the Legislature has previously appropriated
27 funds and which the authority is authorized to undertake pursuant
28 to section 5 of P.L.1984, c.73 (C.27:1B-5). Any claims or costs
29 which would have been paid from an account closed pursuant to
30 this section may be paid from the special subaccount established
31 pursuant to subsection a. of this section, or from any other funds
32 appropriated for such purposes.

33 15. (New section) Each year a sum of money shall be
34 appropriated from funds held in the Special Transportation Fund,
35 established pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21),
36 and credited to the Airport Safety Fund, established in the
37 General Fund pursuant to section 4 of P.L.1983, c.264 (C.6:1-92),
38 for use for any capital purpose pursuant to the "New Jersey
39 Airport Safety Act of 1983," P.L.1983, c.264 (C.6:1-89 et seq.)
40 and that sum shall be included in the annual report of projects
41 prepared pursuant to section 22 of P.L.1984, c.73 (C.27:1B-22).

42 16. (New section) Notwithstanding any other provision of law
43 to the contrary, in any fiscal year in which the amount allocated
44 by the Federal Government to the New Jersey Transit
45 Corporation for public transportation operating expenses is less
46 than in the previous fiscal year, an amount equal to the
47 diminution may be appropriated from the revenues and other
48 funds of the authority, excluding bond proceeds, to the
49 department for the operating expenses of the New Jersey Transit
50 Corporation, subject to approval therefor provided in the annual
51 appropriations act.

52 17. Section 68 of P.L.1990, c.8 (C.17:33B-63) is amended to
53 read as follows:

54 68. a. In addition to the registration fees imposed pursuant to

1 Article 2 of chapter 3 of Title 39 of the Revised Statutes, the
2 Director of the Division of Motor Vehicles shall impose and
3 collect additional registration fees as follows:

4 (1) For all motor vehicles, except commercial motor vehicles
5 as defined by R.S.39:1-1 that were manufactured in any model
6 year prior to the 1989 model year, the additional fee shall be \$15,
7 except that on and after January 1, 1998 the additional fee shall
8 be \$12.50, and on and after January 1, 1999 the additional fee
9 shall be \$10 and on and after January 1, 2000 the additional fee
10 shall be \$7.50;

11 (2) For all motor vehicles, except commercial motor vehicles
12 as defined by R.S.39:1-1, that were manufactured in model year
13 1989 and thereafter, the additional fee shall be \$40, except that
14 on and after January 1, 1998 the additional fee shall be \$33.50,
15 and on and after January 1, 1999 the additional fee shall be \$27
16 and on and after January 1, 2000 the additional fee shall be \$20
17 for the first two years of registration or renewal and \$15, except
18 that on and after January 1, 1998 the additional fee shall be
19 \$12.50, and on and after January 1, 1999 the additional fee shall
20 be \$10 and on and after January 1, 2000 the additional fee shall
21 be \$7.50 for each year thereafter;

22 (3) For all commercial motor vehicles as defined in R.S.39:1-1,
23 the additional fee shall be \$75, except that on and after January
24 1, 1998 the additional fee shall be \$62.50, and on and after
25 January 1, 1999 the additional fee shall be \$50 and on and after
26 January 1, 2000 the additional fee shall be \$37.50;

27 (4) Notwithstanding the provisions of paragraphs (1) through (3)
28 of this subsection, the additional fee on motorcycle registrations
29 shall be \$15, except that on and after January 1, 1998 the
30 additional fee shall be \$12.50, and on and after January 1, 1999
31 the additional fee shall be \$10 and on and after January 1, 2000
32 the additional fee shall be \$7.50 and further provided the
33 additional registration fee on noncommercial trucks registered
34 pursuant to section 2 of P.L.1968, c.429 (C.39:3-8.1) shall be \$50,
35 except that on and after January 1, 1997 the additional fee
36 collected on noncommercial trucks registered pursuant to section
37 2 of P.L.1968, c.429 (C.39:3-8.1) shall be \$15 for any vehicle
38 manufactured in any model year prior to the 1996 model year and
39 for any vehicle manufactured in the model year 1996 and
40 thereafter, the additional fee shall be \$40 for the first two years
41 of registration or renewal and \$15 for each year thereafter and
42 on and after January 1, 1998 the additional fee collected on
43 noncommercial trucks shall be collected pursuant to the
44 provisions of paragraphs (1) and (2) of this subsection;

45 (5) Notwithstanding the provisions of paragraphs (1) through (3)
46 of this subsection, there shall not be any additional fee imposed
47 on any vehicle registered pursuant to R.S.39:3-24.

48 b. Fees collected pursuant to subsection a. of this section shall
49 be collected on registrations issued and renewed on or after July
50 1, 1990 [through December 31, 1996].

51 (1) Fees collected pursuant to subsection a. of this section
52 prior to October 1, 1991 shall be remitted to the New Jersey
53 Automobile Full Insurance Underwriting Association created by
54 section 16 of P.L.1983, c.65 (C.17:30E-4) and shall be income to

1 the association for purposes of section 20 of P.L.1983, c.65
2 (C.17:30E-8).

3 (2) Fees collected pursuant to subsection a. of this section on
4 or after October 1, 1991 through December 31, 1996 shall be
5 remitted to the New Jersey Automobile Insurance Guaranty Fund
6 created pursuant to section 23 of this 1990 amendatory and
7 supplementary act.

8 (3) Fees collected pursuant to subsection a. of this section on
9 and after January 1, 1997, shall be remitted to the General Fund
10 and so much thereof as is required pursuant to section 20 of
11 P.L.1984, c.73 (C.27:1B-20) shall be credited to the
12 "Transportation Trust Fund Account" created by section 20 of
13 P.L.1984, c.73 (C.27:1B-20), such credited funds to be used for
14 transportation projects, pursuant to the "New Jersey
15 Transportation Trust Fund Authority Act of 1984," P.L.1984, c.73
16 (C.27:1B-1 et seq.).

17 c. Notwithstanding any provision of subsection a. of this
18 section to the contrary, no fees shall be imposed pursuant to this
19 section on a registration for which no fee is presently collected
20 pursuant to Article 2 of chapter 3 of Title 39 of the Revised
21 Statutes or on a registration for a motor vehicle, except
22 commercial vehicles, if the registrant or, in the case of a leased
23 vehicle, the lessee is eligible for pharmaceutical assistance to the
24 aged and disabled pursuant to P.L.1975, c.194 (C.30:4D-20 et
25 seq.). In the case of a leased vehicle, documentation verifying
26 that the vehicle will be leased for the registration term to a
27 lessee who is entitled to the exemption provided for in this
28 subsection shall be provided according to the requirements
29 established by the Director of the Division of Motor Vehicles.
30 The lessor shall not collect from the lessee any payment for the
31 registration of the vehicle that exceeds the amount that the
32 lessor paid to register the vehicle.

33 (cf: P.L.1991, c.320, s.1)

34 18. Sections 3 and 5 of P.L.1992, c.10 (C.27:1B-21.2 and
35 27:1B-21.3) are repealed.

36 19. This act shall take effect immediately except that section
37 5 shall take effect on July 1, 1995.

38

39

40

41

42 Revises "New Jersey Transportation Trust Fund Authority Act of
43 1984"; changes dedication of monies to Trust Fund Account.

ASSEMBLY, No. 99

STATE OF NEW JERSEY

INTRODUCED MAY 8, 1995

By Assemblymen DeCROCE and KAVANAUGH

1 AN ACT concerning transportation funding, amending various
2 parts of the statutory law and supplementing P.L.1984, c.73
3 (C.27:1B-1 et seq.) and repealing sections 3 and 5 of P.L.1992,
4 c.10.

5
6 BE IT ENACTED by the Senate and General Assembly of the
7 State of New Jersey:

8 1. Section 3 of P.L.1984, c.73 (C.27:1B-3) is amended to read
9 as follows:

10 3. The following words or terms as used in this act shall have
11 the following meaning unless a different meaning clearly appears
12 from the context:

13 a. "Act" means this New Jersey Transportation Trust Fund
14 Authority Act of 1984.

15 b. "Authority" means the New Jersey Transportation Trust
16 Fund Authority created by section 4 of this act.

17 c. "Bonds" means bonds issued by the authority pursuant to the
18 act.

19 d. "Commissioner" means the Commissioner of Transportation.

20 e. "Department" means the Department of Transportation.

21 f. "Federal aid highway" means any highway within the State
22 in connection with which the State receives payment or
23 reimbursement from the federal government under the terms of
24 Title 23, United States Code or any amendment, successor, or
25 replacement thereof, for the purposes contained in the act.

26 g. "Federal government" means the United States of America,
27 and any officer, department, board, commission, bureau, division,
28 corporation, agency or instrumentality thereof.

29 h. ["New Jersey Expressway Authority" means the public
30 corporation created by section 4 of chapter 10 of the Laws of
31 New Jersey of 1962 as amended or its successor.] "South Jersey
32 Transportation Authority" means the public corporation created
33 by section 4 of P.L.1991, c.252 (C.27:25A-4) or its successor.

34 i. "New Jersey Highway Authority" means the public
35 corporation created by section 4 of [chapter 16 of the Laws of
36 New Jersey of 1952 as amended] P.L.1952, c.16 (C.27:12B-4) or
37 its successor.

38 j. "New Jersey Turnpike Authority" means the public
39 corporation created by section 3 of [chapter 454 of the Laws of
40 New Jersey of 1948 as amended] P.L.1948, c.454 (C.27:23-3) or
41 its successor.

42 k. "Notes" means the notes issued by the authority pursuant to
43 the act.

44 l. "Public highways" means public roads, streets, expressways,

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 freeways, parkways, motorways and boulevards, including bridges,
2 tunnels, overpasses, underpasses, interchanges, rest areas,
3 express bus roadways, bus pullouts and turnarounds, park-ride
4 facilities, traffic circles, grade separations, traffic control
5 devices, the elimination or improvement of crossings of railroads
6 and highways, whether at grade or not at grade, and any
7 facilities, equipment, property, rights of way, easements and
8 interests therein needed for the construction, improvement and
9 maintenance of highways.

10 m. "Public transportation project" means, in connection with
11 public transportation service, passenger stations, shelters and
12 terminals, automobile parking facilities, ramps, track
13 connections, signal systems, power systems, information and
14 communication systems, roadbeds, transit lanes or rights of way,
15 equipment storage and servicing facilities, bridges, grade
16 crossings, rail cars, locomotives, motorbuses and other motor
17 vehicles, maintenance and garage facilities, revenue handling
18 equipment and any other equipment, facility or property useful
19 for or related to the provision of public transportation service.

20 n. "State agency" means any officers, department, board,
21 commission, bureau, division, agency or instrumentality of the
22 State.

23 o. "Toll road authorities" means and includes the New Jersey
24 Turnpike Authority, the New Jersey Highway Authority and the
25 [New Jersey Expressway Authority.] South Jersey Transportation
26 Authority.

27 p. "Transportation project" means, in addition to public
28 highways and public transportation projects, any equipment,
29 facility or property useful or related to the provision of any
30 ground, waterborne or air transportation for the movement of
31 people and goods.

32 q. "Transportation system" means public highways, public
33 transportation projects, other transportation projects, and all
34 other methods of transportation for the movement of people and
35 goods.

36 r. "Maintenance" means, in relation to public transportation
37 projects, direct costs of work necessary for preserving or
38 maintaining the useful life of public transportation projects,
39 provided the work performed is associated with the acquisition,
40 installation and rehabilitation of components which are not
41 included in the normal operating maintenance of equipment and
42 facilities or replaced on a scheduled basis. The work shall ensure
43 the useful life of the project for not less than four years and shall
44 not include routine maintenance or inspection of equipment and
45 facilities that is conducted on a scheduled basis. This definition
46 shall not apply to the term "maintenance" as used in subsection l.
47 of this section.

48 s. "Circle of Mobility" means an essential group of related
49 transit projects that include (1) the New Jersey Urban Core
50 Project, as defined in section 3031 of the "Intermodal Surface
51 Transportation Efficiency Act of 1991," Pub. L. 102-240, and
52 consisting of the following elements: Secaucus Transfer, Kearny
53 Connection, Waterfront Connection, Northeast Corridor Signal
54 System, Hudson River Waterfront Transportation System,

1 Newark-Newark International Airport-Elizabeth Transit Link, a
2 rail connection between Penn Station Newark and Broad Street
3 Station, Newark, New York Penn Station Concourse, and the
4 equipment needed to operate revenue service associated with
5 improvements made by the project, and (2) the modification and
6 reconstruction of the West Shore Line in Bergen County
7 connected to Allied Junction/Secaucus Transfer Meadowlands
8 Rail Center; the construction of a rail station and associated
9 components at the Meadowlands Sports Complex; the
10 modification and reconstruction of the Susquehanna and Western
11 Railway, as defined and provided in section 3035 (a) of the
12 "Intermodal Surface Transportation Efficiency Act of 1991"; and
13 the modification and reconstruction of the Lackawanna Cutoff
14 Commuter Rail Line connecting Morris, Sussex and Warren
15 Counties to the North Jersey Transportation Rail Centers.
16 (cf: P.L.1995,c.84,s.2)

17 2. Section 4 of P.L.1984, c.73 (C.27:1B-4) is amended to read
18 as follows:

19 4. a. There is hereby established in the department a public
20 body corporate and politic, with corporate succession, to be
21 known as the "New Jersey Transportation Trust Fund Authority."
22 For the purpose of complying with the provisions of Article V,
23 Section IV, paragraph 1 of the New Jersey Constitution, the
24 authority is hereby allocated within the Department of
25 Transportation, but notwithstanding said allocation, the authority
26 shall be independent of any supervision or control by the
27 department or by any board or officer thereof. The authority is
28 hereby constituted as an instrumentality of the State, exercising
29 public and essential governmental functions, no part of whose
30 revenues shall accrue to the benefit of any individual, and the
31 exercise by the authority of the powers conferred by the act shall
32 be deemed and held to be an essential governmental function of
33 the State.

34 b. The authority shall consist of five members as follows: the
35 commissioner and the State Treasurer, who shall be members ex
36 officio, and three public members, one of whom shall be
37 appointed by the Governor, with the advice and consent of the
38 Senate, and the two remaining to be appointed by the Governor,
39 one of whom upon recommendation of the President of the Senate
40 and the other upon recommendation of the Speaker of the
41 General Assembly. No more than three members of the authority
42 shall be of the same political party. The public members
43 appointed by the Governor shall serve a four year term, except
44 that the public member appointed by the Governor upon
45 recommendation of the President of the Senate shall serve for a
46 four year term and the public member appointed upon
47 recommendation of the Speaker of the General Assembly shall
48 serve for a two year term.

49 With respect to those public members first appointed by the
50 Governor: the Senate shall advise and consent to the appointment
51 of the member not appointed upon recommendation of the
52 President and the Speaker within 30 days of the receipt thereof
53 from the Governor, such appointment having been sent by the
54 Governor to the Senate within 20 days following the effective

1 date of this act; the President of the Senate and the Speaker of
2 the General Assembly shall send their recommendations for
3 public members to the Governor within 20 days following the
4 effective date of this act. The Governor has an additional 10
5 days to accept or reject in writing these recommendations.

6 Each public member shall hold office for the term of the
7 member's appointment and until the member's successor shall
8 have been appointed and qualified. A member shall be eligible
9 for reappointment. Any vacancy in the membership occurring
10 other than by expiration of term shall be filled in the same
11 manner as the original appointment but for the unexpired term;
12 only.

13 c. Each public member, except those appointed upon
14 recommendation of the President of the Senate and the Speaker
15 of the General Assembly, may be removed from office by the
16 Governor, for cause, after public hearing, and may be suspended
17 by the Governor pending the completion of such hearing. All
18 members before entering upon their duties shall take and
19 subscribe an oath to perform the duties of their office faithfully,
20 impartially and justly to the best of their ability. A record of
21 such oaths shall be filed in the Office of the Secretary of State.

22 d. The authority shall not be deemed to be constituted and
23 shall not take action or adopt motions or resolutions until at least
24 three authorized members shall have been appointed and qualified
25 in the manner provided in this section. The commissioner shall
26 serve as chairperson of the authority. Prior to the authority being
27 constituted, the chairperson is authorized to transfer up to \$75
28 million to the department from the appropriations made to the
29 authority for the fiscal year commencing July 1, 1984. The
30 members shall annually elect one of their members as vice
31 chairperson. The members shall elect a secretary and a
32 treasurer, who need not be members, and the same person may be
33 elected to serve both as secretary and treasurer. The powers of
34 the authority shall be vested in the members thereof in office
35 from time to time and three members of the authority shall
36 constitute a quorum at any meeting thereof. Action may be
37 taken and motions and resolutions adopted by the authority at any
38 meeting thereof by the affirmative vote of at least three
39 members of the authority. No vacancy in the membership of the
40 authority shall impair the right of a quorum of the members to
41 exercise all the powers and perform all the duties of the
42 authority, except that the authority shall not have the power to
43 issue its initial offering of bonds, notes or other obligations unless
44 all five members of the authority shall have been appointed and
45 qualified.

46 e. The members of the authority shall serve without
47 compensation, but the authority shall reimburse its members for
48 actual expenses necessarily incurred in the discharge of their
49 duties. Notwithstanding the provisions of any other law, no
50 member shall be deemed to have forfeited nor shall the member
51 forfeit the member's office or employment or any benefits or
52 emoluments thereof by reason of the member's acceptance of
53 the office of ex officio member of the authority or the member's
54 services therein.

1 f. Each ex officio member may designate an employee of the
2 member's department or agency to represent the member at
3 meetings of the authority. All designees may lawfully vote and
4 otherwise act on behalf of the member for whom they constitute
5 the designee. The designation shall be in writing delivered to the
6 authority and shall continue in effect until revoked or amended in
7 writing delivered to the authority.

8 g. A true copy of the minutes of every meeting of the
9 authority shall be forthwith delivered by and under the
10 certification of the secretary thereof to the Governor. No action
11 taken at the meeting by the authority shall have force or effect
12 until 15 days after such copy of the minutes shall have been so
13 delivered, unless during this 15-day period the Governor shall
14 approve in writing the same or any part thereof, in which case
15 the action shall become effective upon approval. If, in said
16 15-day period, the Governor returns a copy of the minutes with
17 his veto of any action taken by the authority or any member
18 thereof at the meeting, the action shall be null and void and of no
19 effect. Notwithstanding the foregoing, if the last day of the
20 15-day period shall be a Saturday, Sunday or legal holiday, then
21 the 15-day period shall be deemed extended to the next following
22 business day. The powers conferred in this paragraph upon the
23 Governor shall be exercised with due regard for the rights of the
24 holders of bonds, notes or other obligations of the authority at
25 any time outstanding, and nothing in, or done pursuant to, this
26 paragraph shall in any way limit, restrict or alter the obligation
27 or powers of the authority or any representative or officer of the
28 authority to carry out and perform in every detail each and every
29 covenant, agreement or contract at any time made or entered
30 into by or on behalf of the authority with respect to its bonds,
31 notes or other obligations or for the benefit, protection or
32 security of the holders thereof.

33 h. The authority shall continue in existence until dissolved by
34 act of the Legislature [, except that it shall not continue in
35 existence beyond 22 years unless the Legislature shall by law
36 prescribe otherwise]. However, any dissolution of this authority [,
37 by act of the Legislature or otherwise,] shall be on condition that
38 the authority has no debts, contractual duties or obligations
39 outstanding, or that provision has been made for the payment,
40 discharge or retirement of these debts, contractual duties or
41 obligations. Upon any dissolution of the authority, all property,
42 rights, funds and assets thereof shall pass to and become vested
43 in the State.

44 (cf: P.L.1987, c.460, s.1)

45 3. Section 6 of P.L.1984, c.73 (C.27:1B-6) is amended to read
46 as follows:

47 6. In addition to all other powers granted to the authority in
48 the act, the authority shall have power:

- 49 a. To sue and be sued;
- 50 b. To have an official seal and alter the same at its pleasure;
- 51 c. To make and alter bylaws for its organization and internal
52 management and rules and regulations for the conduct of its
53 affairs and business;

54 d. To maintain an office at a place or places within the State

- 1 as it may determine;
- 2 e. To acquire, hold, use and dispose of its income, revenues,
3 funds and moneys;
- 4 f. To acquire, own, lease as lessee or lessor, hold, use, sell,
5 transfer, and dispose of real or personal property for its purposes;
- 6 g. To borrow money and to issue its bonds, notes or other
7 obligations and to secure the same by its revenues or other funds
8 and otherwise to provide for and secure the payment thereof and
9 to provide for the rights of the holders thereof and to provide for
10 the refunding thereof, all as provided in the act;
- 11 h. To issue subordinated indebtedness and to enter into [bank
12 loan agreements, lines of credit, letters of credit] any revolving
13 credit agreement, agreement establishing a line of credit or
14 letter of credit, reimbursement agreement, interest rate
15 exchange agreement, insurance contract, surety bond,
16 commitment to purchase or sell bonds, purchase or sale
17 agreement, or commitments or other contracts or agreements,
18 and other security agreements as [provided for in the act]
19 approved by the authority in connection with the issuance of
20 bonds or notes;
- 21 i. In its own name, in the name of the New Jersey Transit
22 Corporation or in the name of the State, to apply for and receive
23 and accept appropriations or grants of property, money, services
24 or reimbursements for money previously spent and other
25 assistance offered or made available to it by or from any person,
26 government agency, public authority or any public and private
27 entity whatever for any lawful corporate purpose of the
28 authority, including, without limitation, grants, appropriations or
29 reimbursements from the State or federal government with
30 respect to their respective shares under federal aid highway laws
31 of the costs of planning, acquisition, engineering, construction,
32 reconstruction, repair, resurfacing and rehabilitation of public
33 highways or the costs of planning, acquisition, engineering,
34 construction, reconstruction, repair, maintenance and
35 rehabilitation of public transportation projects and other
36 transportation projects in the State and the authority's operating
37 expenses and to apply and negotiate for the same upon such terms
38 and conditions as may be required by any person, government
39 agency, authority or entity or as the authority may determine to
40 be necessary, convenient or desirable;
- 41 j. Subject to any agreement with the holders of bonds, notes or
42 other obligations, to invest moneys of the authority not required
43 for immediate use, including proceeds from the sale of any bonds,
44 notes or other obligations, in obligations, securities and other
45 investments as the authority shall deem prudent;
- 46 k. Subject to any agreements with holders of bonds, notes or
47 other obligations, to purchase bonds, notes or other obligations of
48 the authority out of any funds or moneys of the authority
49 available therefor, and to hold, cancel or resell the bonds, notes
50 or other obligations;
- 51 l. For its sole purpose as established in section 5 of this act, to
52 appoint and employ an executive director and such additional
53 officers, who need not be members of the authority and such
54 other personnel and staff as it may require, at an annual expense

1 not to exceed \$100,000.00, all without regard to the provisions of
2 Title 11A of the New Jersey Statutes;

3 m. To do and perform any acts and things authorized by the
4 act under, through, or by means of its officers, agents or
5 employees or by contract with any person, firm or corporation or
6 any public body;

7 n. To procure insurance against any losses in connection with
8 its property, operations, assets or obligations in amounts and
9 from insurers as it deems desirable;

10 o. To make and enter into any and all contracts and
11 agreements which the authority determines are necessary,
12 incidental, convenient or desirable to the performance of its
13 duties and the execution of its powers under the act; and

14 p. To do any and all things necessary, convenient or desirable
15 to carry out its purposes and exercise the powers given and
16 granted in the act.

17 (cf: P.L.1991, c.40, s.4)

18 4. Section 9 of P.L.1984, c.73 (C.27:1B-9) is amended to read
19 as follows:

20 9. a. The authority shall have the power and is hereby
21 authorized after November 15, 1984 and from time to time
22 thereafter to issue its bonds, notes or other obligations in
23 principal amounts as in the opinion of the authority shall be
24 necessary to provide for any of its corporate purposes, including
25 the payment, funding or refunding of the principal of, or interest
26 or redemption premiums on, any bonds, notes or other obligations
27 issued by it, whether the bonds, notes, obligations or interest to
28 be funded or refunded have or have not become due; and to
29 provide for the security thereof and for the establishment or
30 increase of reserves to secure or to pay the bonds, notes or other
31 obligations or interest thereon and all other reserves and all costs
32 or expenses of the authority incident to and necessary or
33 convenient to carry out its corporate purposes and powers; and in
34 addition to its bonds, notes and other obligations, the authority
35 shall have the power to issue subordinated indebtedness, which
36 shall be subordinate in lien to the lien of any or all of its bonds or
37 notes. No resolution or other action of the authority providing
38 for the issuance of bonds, refunding bonds, notes, or other
39 obligations shall be adopted or otherwise made effective by the
40 authority without the prior approval in writing of the Governor
41 and [either] the State Treasurer [or the Director of the Division
42 of Budget and Accounting in the Department of the Treasury].

43 b. Except as may be otherwise expressly provided in the act or
44 by the authority, every issue of bonds or notes shall be general
45 obligations payable out of any revenues or funds of the authority,
46 subject only to any agreements with the holders of particular
47 bonds or notes pledging any particular revenues or funds. The
48 authority may provide the security and payment provisions for its
49 bonds or notes as it may determine, including (without limiting
50 the generality of the foregoing) bonds or notes as to which the
51 principal and interest are payable from and secured by all or any
52 portion of the revenues of and payments to the authority, and
53 other moneys or funds as the authority shall determine. In
54 addition, the authority may, in anticipation of the issuance of the

1 bonds or the receipt of appropriations, grants, reimbursements or
2 other funds, including without limitation grants from the federal
3 government for federal aid highways or public transportation
4 systems, issue notes, the principal of or interest on which, or
5 both, shall be payable out of the proceeds of notes, bonds or other
6 obligations of the authority or appropriations, grants,
7 reimbursements or other funds or revenues of the authority. The
8 authority may also enter into bank loan agreements, lines of
9 credit and other security agreements as authorized pursuant to
10 subsection h. of section 6 of P.L.1984, c.73 (C.27:1B-6) and
11 obtain for or on its behalf letters of credit in each case for the
12 purpose of securing its bonds, notes or other obligations or to
13 provide direct payment of any costs which the authority is
14 authorized to pay by this act and to secure repayment of any
15 borrowings under the loan agreement, line of credit, letter of
16 credit or other security agreement by its bonds, notes or other
17 obligations or the proceeds thereof or by any or all of the
18 revenues of and payments to the authority or by any
19 appropriation, grant or reimbursement to be received by the
20 authority and other moneys or funds as the authority shall
21 determine.

22 c. Whether or not the bonds and notes are of the form and
23 character as to be negotiable instruments under the terms of
24 Title 12A, Commercial Transactions, New Jersey Statutes, the
25 bonds and notes are hereby made negotiable instruments within
26 the meaning of and for all the purposes of said Title 12A.

27 d. Bonds or notes of the authority shall be authorized by a
28 resolution or resolutions of the authority and may be issued in one
29 or more series and shall bear the date, or dates, mature at the
30 time or times, bear interest at the rate or rates of interest per
31 annum, be in the denomination or denominations, be in the form,
32 carry the conversion or registration privileges, have the rank or
33 priority, be executed in the manner, be payable from the sources,
34 in the medium of payment, at the place or places within or
35 without the State, and be subject to the terms of redemption
36 (with or without premium) as the resolution or resolutions may
37 provide. Bonds or notes may be further secured by a trust
38 indenture between the authority and a corporate trustee within or
39 without the State. All other obligations of the authority shall be
40 authorized by resolution containing terms and conditions as the
41 authority shall determine.

42 e. Bonds, notes or other obligations of the authority may be
43 sold at public or private sale at a price or prices and in a manner
44 as the authority shall determine, either on a negotiated or on a
45 competitive basis. [Every bond issued on or before the effective
46 date of P.L.1987, c.460 (C.27:1B-4 et al.) shall mature and be
47 paid not later than 17 years from the date thereof, except that no
48 bond, note or other obligation shall mature and be paid later than
49 22 years from the effective date of P.L.1984, c.73 (C.27:1B-1 et
50 seq.), nor shall any refunding of such obligations mature or be
51 paid later than that date. Every bond issued after the effective
52 date of P.L.1987, c.460 (C.27:1B-4 et al.) shall mature and be
53 paid not later than 11 years from the date thereof, except that no
54 bond, note or other obligation shall mature and be paid later than

1 22 years from the effective date of P.L.1984, c.73 (C.27:1B-1 et
2 seq.)] Every bond, or refunding bond, issued on or after the
3 effective date of P.L.19 , c. (C.) (now before the
4 Legislature as this bill) shall mature and be paid no later than 21
5 years from the date of the issuance of that bond or refunding
6 bond.

7 [Notes, the initial series of bonds and bonds issued for
8 refunding purposes of the authority may be sold at public or
9 private sale at a price or prices and in a manner as the authority
10 shall determine.

11 Except as noted above, all bonds of the authority shall be sold
12 at such price or prices and in such manner as the authority shall
13 determine, after notice of sale, published at least three times in
14 at least three newspapers published in the State of New Jersey,
15 and at least once in a publication carrying municipal bond notices
16 and devoted primarily to financial news, published in New Jersey
17 or the City of New York, the first notice to be at least five days
18 prior to the day of bidding. The notice of sale may contain a
19 provision to the effect that any or all bids made in pursuance
20 thereof may be rejected. In the event of such rejection or of
21 failure to receive any acceptable bid, the authority, at any time
22 within 60 days from the date of such advertised sale, may sell
23 such bonds at private sale upon terms not less favorable to the
24 State than the terms offered by any rejected bid. The authority
25 may sell all or part of the bonds of any series as issued to any
26 State fund or to the federal government or any agency thereof, at
27 private sale, without advertisement.]

28 f. Bonds or notes may be issued and other obligations incurred
29 under the provisions of the act without obtaining the consent of
30 any department, division, commission, board, bureau or agency of
31 the State, other than the approval as required by subsection a. of
32 this section, and without any other proceedings or the happening
33 of any other conditions or other things than those proceedings,
34 conditions or things which are specifically required by the act.

35 g. Bonds, notes and other obligations of the authority issued or
36 incurred under the provisions of the act shall not be in any way a
37 debt or liability of the State or of any political subdivision
38 thereof other than the authority and shall not create or
39 constitute any indebtedness, liability or obligation of the State or
40 of any political subdivision or be or constitute a pledge of the
41 faith and credit of the State or of any political subdivision but all
42 bonds, notes and obligations, unless funded or refunded by bonds,
43 notes or other obligations of the authority, shall be payable solely
44 from revenues or funds pledged or available for their payment as
45 authorized in the act. Each bond, note or other obligation shall
46 contain on its face a statement to the effect that the authority is
47 obligated to pay the principal thereof or the interest thereon only
48 from revenues or funds of the authority and that neither the
49 State nor any political subdivision thereof is obligated to pay the
50 principal or interest and that neither the faith and credit nor the
51 taxing power of the State or any political subdivision thereof is
52 pledged to the payment of the principal of or the interest on the
53 bonds, notes or other obligations. For the purposes of this
54 subsection, political subdivision does not include the authority.

1 h. All expenses incurred in carrying out the provisions of the
2 act shall be payable solely from the revenues or funds provided or
3 to be provided under or pursuant to the provisions of the act and
4 nothing in the act shall be construed to authorize the authority to
5 incur any indebtedness or liability on behalf of or payable by the
6 State or any political subdivision thereof.

7 i. [The aggregate principal amount of bonds, notes or other
8 obligations outstanding at any one time, including subordinated
9 indebtedness of the authority, may not exceed \$1,700,000,000.00.
10 If in any fiscal year appropriations by the Legislature to the
11 authority, and amounts received in accordance with contracts
12 entered into with the toll road authorities, if those amounts are
13 not included in legislative appropriations, shall be in excess of
14 \$143,000,000.00 in any fiscal year through the fiscal year
15 beginning on July 1, 1986 or \$201,000,000.00 for the fiscal year
16 beginning on July 1, 1987 or \$331,000,000.00 in any fiscal year
17 thereafter, the aggregate principal amount of \$1,700,000,000.00
18 shall be reduced by an amount equal to the excess. In computing
19 the foregoing limitations there shall be excluded all the bonds,
20 notes or other obligations, including subordinated indebtedness of
21 the authority, which shall be issued for refunding purposes,
22 provided that the refunding shall be determined by the authority
23 to result in a debt service savings.]

24 The authority shall minimize debt incurrence by first relying on
25 appropriations and other revenues available to the authority
26 before incurring debt to meet its statutory purposes.

27 [The authority shall not incur debt at any time in any fiscal
28 year in excess of the difference between the amount of
29 appropriations and other revenues to the authority theretofore
30 made in that fiscal year and the amount which the Department of
31 Transportation is permitted to commit for transportation projects
32 under the act in that fiscal year as indicated in the budget, plus
33 reasonably necessary expenses, required debt reserve funds, debt
34 service and outstanding financial obligations from prior fiscal
35 years of the authority.

36 Debt which would have been incurred pursuant to this section,
37 which is not incurred in any fiscal year, may be issued in
38 subsequent years.]

39 Commencing on the 90th day following the date of enactment
40 of this 1995 amendatory and supplementary act, the authority
41 shall not incur debt in any fiscal year in excess of \$700,000,000,
42 except that if that permitted amount of debt, or any portion
43 thereof, is not incurred in a fiscal year it may be incurred in a
44 subsequent fiscal year. Any increase in this limitation shall only
45 occur if so provided for by law.

46 (cf: P.L.1991, c.40, s.5)

47 5. Section 20 of P.L.1984, c.73 (C.27:1B-20) is amended to
48 read as follows:

49 20. There is hereby established in the General Fund an account
50 entitled "Transportation Trust Fund Account." During the fiscal
51 year beginning July 1, 1984 and during each succeeding fiscal
52 year in which the authority has bonds, notes or other obligations
53 outstanding, the treasurer shall credit to this account:

54 a. [Commencing with the last business day of August 1984 and

1 on the last business day of each succeeding calendar month, an
2 amount not less than \$7,333,333.00, provided that if the effective
3 date of the act shall be later than July 1984, the initial credit
4 shall be an amount equal to that which would have been credited
5 to the account had the act become effective on July 1, 1984, and
6 further provided that the amount credited shall be an] An amount
7 equivalent to the revenue derived from \$0.025 per gallon from
8 the tax imposed on the sale of motor fuels pursuant to chapter 39
9 of Title 54 of the Revised Statutes, as provided in Article VIII,
10 Section II, paragraph 4 of the State Constitution, provided,
11 however, such amount during any fiscal year shall not be less than
12 [\$88,000,000.00] \$100,000,000;

13 b. [In] After approval by the voters of the constitutional
14 amendment proposed in Senate Concurrent Resolution No. 2 of
15 1995 or Assembly Concurrent Resolution No. 9 of 1995, in
16 addition to the amount credited in subsection a. of this section,
17 for the fiscal year beginning July 1, [1988] 1996 and the fiscal
18 year beginning July 1, 1997 [for each fiscal year thereafter,
19 commencing with the last business day of August 1988 and on the
20 last business day of each succeeding calendar month], an amount
21 equivalent to the revenue derived from \$0.045 per gallon from
22 the tax imposed on the sale of motor fuels pursuant to chapter 39
23 of Title 54 of the Revised Statutes, provided, however, such
24 amount [during any month] shall not be less than [\$14,812,500.00,
25 nor less than \$177,750,000.00] \$180,000,000 during [any fiscal
26 year] each of those fiscal years, and for the fiscal year beginning
27 July 1, 1998, an amount equivalent to the revenue derived from
28 \$0.055 per gallon from the tax, provided, however, that such
29 amount shall not be less than \$220,000,000, and for the fiscal
30 year beginning July 1, 1999 and for each fiscal year thereafter,
31 an amount equivalent to the revenue derived from \$0.065 per
32 gallon from the tax, provided, however, that such amount shall
33 not be less than \$260,000,000 in any fiscal year, as provided in
34 Article VIII, Section II, paragraph 4 of the State Constitution; and

35 c. An amount equivalent to moneys received by the State in
36 accordance with contracts entered into with toll road authorities
37 or other State agencies, provided that effective with the fiscal
38 year beginning July 1, 1988, the amount so credited shall not be
39 less than \$24,500,000.00 in any fiscal year.

40 The treasurer shall also credit to this account, in accordance
41 with a contract between the treasurer and the authority, an
42 amount equivalent to the sum of the revenues due from the
43 increase of fees for motor vehicle registrations collected
44 pursuant to the amendment to R.S.39:3-20 made by this act [and
45 from the increase of fees for motor fuels user identification
46 markers collected pursuant to the amendment to section 10 of
47 P.L.1963, c.44 (C.54:39A-10) made by this act] and from the
48 increase in the tax on diesel fuels imposed pursuant to the
49 amendment to R.S.54:39-27 made by this act and by P.L.1987,
50 c.460, provided that the total amount credited during the fiscal
51 year beginning July 1, 1984 shall not be less than \$20,000,000.00
52 and that the total amount credited during the fiscal year
53 beginning July 1, 1985 and during every fiscal year thereafter
54 shall not be less than \$30,000,000.00.

1 In addition to the amounts credited to the account by this
2 section, commencing with the fiscal year beginning July 1, 1995
3 and every fiscal year thereafter, there shall be appropriated from
4 the General Fund such additional amounts as are necessary to
5 carry out the provisions of this act and after January 1, 1997 the
6 fees collected pursuant to subsection a. of section 68 of P.L.1990,
7 c.8 (C.17:33B-63) shall be available for crediting to the account
8 for the purposes of this act.

9 No later than the fifth business day of the month following the
10 month in which a credit has been made, the treasurer shall pay to
11 the authority, for its purposes as provided herein, the amounts
12 then credited to the Transportation Trust Fund Account, provided
13 that the payments to the authority shall be subject to and
14 dependent upon appropriations being made from time to time by
15 the Legislature of the amounts thereof for the purposes of the
16 act.

17 (cf: P.L.1987, c.460, s.3)

18 6. Section 21 of P.L.1984, c.73 (C.27:1B-21) is amended to
19 read as follows:

20 21. a. There is hereby established a separate fund entitled
21 "Special Transportation Fund." This fund shall be maintained by
22 the State Treasurer and may be held in depositories as may be
23 selected by the treasurer and invested and reinvested as other
24 funds in the custody of the treasurer, in the manner provided by
25 law. The commissioner may from time to time (but not more
26 frequently than monthly) certify to the authority an amount
27 necessary to fund payments made, or anticipated to be made by
28 or on behalf of the department, from appropriations established
29 for or made to the department from revenues or other funds of
30 the authority. The commissioner's certification shall be deemed
31 conclusive for purposes of the act. The authority shall, within 15
32 days of receipt of the certificate, transfer from available funds
33 of the authority to the treasurer for deposit in the Special
34 Transportation Fund the amount certified by the commissioner,
35 provided that all funds transferred shall only be expended by the
36 department by project pursuant to appropriations made from time
37 to time by the Legislature for the purposes of the act.

38 b. The department shall not expend any money except as
39 appropriated by law. Commencing with appropriations for the
40 fiscal years beginning on July 1, 1988, the department shall not
41 expend any funds except as are appropriated by specific projects
42 identified by a description of the projects, the county or counties
43 within which they are located, and amounts to be expended on
44 each project, in the annual appropriations act.

45 c. [No funds appropriated, authorized or expended pursuant to
46 this act shall be used to finance the resurfacing of highways by
47 department personnel, where that resurfacing would require the
48 use of more than 150,000 tons of bituminous concrete for that
49 purpose in any calendar year, except that the commissioner may
50 waive this provision when he determines the existence of
51 emergency conditions requiring the use of department personnel
52 for the resurfacing of highways, after the department has
53 effectively reached the 150,000 ton limit.] Deleted by
54 amendment, P.L.19 , c. (now before the Legislature as this bill).

1 d. In order to provide the department with flexibility in
2 administering the specific appropriations by project identified in
3 the annual appropriations act, the commissioner may transfer a
4 part of any item to any other item subject to the approval of the
5 Director of the Division of Budget and Accounting and of the
6 Joint Budget Oversight Committee or its successor. Upon
7 approval of the director and the committee, the transfer shall
8 take effect.

9 e. Any federal funds which become available to the State for
10 transportation projects which have not been appropriated to the
11 department in the annual appropriations act, shall be deemed
12 appropriated to the department and may, subject to approval by
13 the Joint Budget Oversight Committee and the State Treasurer,
14 be expended for any purpose for which such funds are qualified.

15 (cf: P.L.1987, c.460, s.4)

16 7. Section 8 of P.L.1987, c.460 (C.27:1B-21.1) is amended to
17 read as follows:

18 8. a. [Commencing with the report of the commissioner
19 required to be submitted pursuant to section 22 of P.L.1984, c.73
20 (C.27:1B-22) on or before March 1, 1988 for the fiscal year
21 commencing July 1, 1988 and for the reports of the commissioner
22 required to be submitted pursuant thereto for each fiscal year
23 through the fiscal year commencing July 1, 1989, the amount
24 reported by the commissioner for proposed projects to be
25 financed shall not exceed \$365,000,000 exclusive of federal funds,
26 except that for fiscal years commencing July 1, 1990 and
27 thereafter the amount shall not exceed \$565,000,000 exclusive of
28 federal funds, except as provided herein. If, in the discretion of
29 the commissioner, a greater amount is determined to be
30 necessary to meet the financing requirements for the ensuing
31 fiscal year, the commissioner may include in a report an amount
32 in excess of \$365,000,000 exclusive of federal funds or in excess
33 of \$565,000,000 exclusive of federal funds for the fiscal years in
34 which appropriations above those limits are permitted pursuant to
35 subsection b. of this section; provided that in no event shall that
36 amount be an amount greater than 105% of that \$365,000,000 or
37 of that \$565,000,000 respectively.

38 In any fiscal year for which an amount exceeding \$365,000,000
39 exclusive of federal funds or an amount exceeding \$565,000,000
40 exclusive of federal funds was appropriated pursuant to
41 subsection b. of this section, the commissioner shall report on or
42 before March 1 of that fiscal year for the ensuing fiscal year an
43 amount for proposed projects to be financed not greater than the
44 maximum amount authorized to be appropriated for that ensuing
45 fiscal year pursuant to subsection b. of this section.]

46 Commencing with the report of the commissioner required to
47 be submitted pursuant to section 22 of P.L.1984, c.73
48 (C.27:1B-22) on or before March 1, 1996 for the fiscal year
49 commencing July 1, 1996 and for each fiscal year thereafter the
50 amount reported by the commissioner for proposed projects to be
51 financed shall not exceed \$700,000,000 exclusive of federal funds.

52 b. [For the fiscal year beginning on July 1, 1988 and for the
53 fiscal year beginning on July 1, 1989, the total amount authorized
54 to be appropriated from the revenues and other nonfederal funds

1 of the New Jersey Transportation Trust Fund Authority for the
2 projects listed in the appropriations act pursuant to section 21 of
3 P.L.1984, c.73 (C.27:1B-21), shall not exceed \$365,000,000
4 exclusive of federal funds and for fiscal years beginning on
5 July 1, 1990 and through the fiscal year beginning on July 1, 1994
6 the amount shall not exceed \$565,000,000 exclusive of federal
7 funds, except as provided herein. If, in any fiscal year through the
8 fiscal year commencing on July 1, 1991, a greater amount is
9 determined to be necessary to meet the financing requirements,
10 the amount appropriated may be in excess of \$365,000,000
11 exclusive of federal funds or in excess of \$565,000,000 exclusive
12 of federal funds; provided that in any such year: (1) in no event
13 shall there be appropriated an amount greater than 105% of that
14 \$365,000,000 or of that \$565,000,000, and provided further, that
15 (2) if, pursuant to paragraph (1) of this subsection, (i) a greater
16 fiscal year appropriation is authorized in excess of the
17 \$365,000,000 limit for a fiscal year, the ensuing fiscal year
18 appropriation is to be reduced by the same amount that the
19 appropriation for that fiscal year exceeds \$365,000,000, or, (ii) a
20 greater fiscal year appropriation is authorized in excess of the
21 \$565,000,000 limit for a fiscal year, the ensuing fiscal year
22 appropriation is to be reduced by the same amount that the
23 appropriation for that fiscal year exceeds \$565,000,000.]

24 For the fiscal year beginning on July 1, 1995 and for each fiscal
25 year thereafter, the total amount authorized to be appropriated
26 from the revenues and other nonfederal funds of the New Jersey
27 Transportation Trust Fund Authority for the projects listed in the
28 appropriations act pursuant to section 21 of P.L.1984, c.73
29 (C.27:1B-21) shall not exceed \$700,000,000 exclusive of federal
30 funds.

31 c. (Deleted by amendment, P.L.1991, c.40).

32 d. (Deleted by amendment, P.L.1992, c.10).

33 e. The State Auditor shall [develop procedures for the auditing
34 of expenditures made by the department and the New Jersey
35 Transit Corporation from funds appropriated for transportation
36 projects from the revenues of the authority and shall cause a
37 semi-annual audit to be made of these expenditures in order to
38 determine the extent to which these funds are expended for costs
39 directly related to the projects, including but not limited to
40 salaries and other administrative expenses] provide for a unified
41 annual audit of expenditures from the Special Transportation
42 Fund, established by section 21 of P.L.1984, c.73 (C.27:1B-21), in
43 order to determine that these funds are expended for costs
44 eligible for funding from the authority and in a manner consistent
45 with appropriations made by the Legislature. The findings of such
46 audits shall be transmitted to the presiding officer of each House
47 of the Legislature, and to the Chair of the Senate Budget and
48 Appropriations Committee, the Senate Transportation
49 Committee, the Assembly Appropriations Committee, and the
50 Assembly Transportation and Communications Committee or
51 their successors. [In addition, the State Auditor shall audit
52 expenditures made for maintenance of public transportation
53 projects every six months and shall transmit the findings of these
54 audits to the Chairs of the Senate Transportation Committee and

1 the Assembly Transportation and Communications Committee.]
2 f. [Until the filing of a public issuer's annual report by the
3 Transportation Trust Fund Authority pursuant to section 12 of the
4 "New Jersey Bond Review Board Act," P.L. , c. (C.)(now
5 pending before the Legislature as Assembly Bill No. 1199 of
6 1992), the] The State Auditor shall review bond issuances of the
7 authority and report to the Joint Budget Oversight Committee
8 and to the members of the Senate Budget and Appropriations
9 Committee and the Assembly Appropriations Committee, or their
10 successors, on the status of the bonds of the authority and
11 projects financed from the proceeds of the bonds. The report
12 shall include the investment status of all unexpended bond
13 proceeds and provide a description of any bond issues expected
14 during a fiscal year, including type of issue, estimated amount of
15 bonds to be issued and the expected month of sale.

16 (cf: P.L.1992, c.10, s.2)

17 8. Section 22 of P.L.1984, c.73 (C.27:1B-22) is amended to
18 read as follows:

19 22. To the end that the transportation system of the State
20 shall be planned in an orderly and efficient manner and that the
21 Legislature shall be advised of the nature and extent of public
22 highways, public transportation projects and other transportation
23 projects contemplated to be financed under this act, the
24 department shall submit a master plan, as provided in subsection
25 (a) of section 5 of P.L.1966, c.301 (C.27:1A-5). Notwithstanding
26 the provisions of that act, the plan shall be for a period of five
27 years and shall be submitted to the Commission on Capital
28 Budgeting and Planning, the Chairman of the Senate
29 Transportation [and Communications] Committee and the
30 Chairman of the Assembly Transportation[, Communications and
31 High Technology] and Communications Committee, or their
32 successors, and the Legislative Budget and Finance Officer, on or
33 before December 15, 1984, and at five year intervals thereafter.

34 On or before March 1 of each year, the commissioner shall
35 submit a report of general project categories and proposed
36 projects [, including but not limited to public highways,]
37 thereunder to be financed in an ensuing fiscal year, including
38 therewith a description of the projects, the county or counties
39 within which they are to be located, a distinction between State
40 and local projects, and the amount estimated to be expended on
41 each project and also including a financial plan designed to
42 implement the financing of the proposed projects. The financial
43 plan shall contain an enumeration of the bonds, notes or other
44 obligations of the authority which the authority intends to issue,
45 including the amounts thereof and the conditions therefor. The
46 financial plan shall set forth a complete operating and financial
47 statement covering the authority's proposed operations during
48 the ensuing fiscal year, including amounts of income from all
49 sources, including but not limited to the proceeds of bonds, notes
50 or other obligations to be issued, as well as interest earned. In
51 addition, the plan shall contain proposed amounts to be
52 appropriated and expended, as well as amounts for which the
53 department anticipates to obligate during the ensuing fiscal year
54 for any future expenditures. The report shall be submitted to the

1 Senate and General Assembly. Within 30 days of the receipt
2 thereof, the Senate or the General Assembly may object in
3 writing to the commissioner in regard to any project or projects
4 it disapproves or which it is of the opinion should be modified or
5 added to or any additional or alternative projects considered or in
6 regard to any element of the financial plan. The commissioner
7 shall consider the objections and recommendations and resubmit
8 the report within 10 days, containing therein any modifications
9 based upon the commissioner's consideration of the objections or
10 recommendations.

11 (cf: P.L.1987, c.460, s.5)

12 9. (New section) State aid to counties and municipalities
13 pursuant to section 25 of P.L.1984, c.73 (C.27:1B-25), may, at the
14 discretion of the commissioner, be disbursed to any individual
15 county or municipality on a grant basis or on a cost
16 reimbursement basis.

17 10. (New section) Notwithstanding the provisions of section 8
18 of P.L.1987, c.460 (C.27:1B-21.1), section 22 of P.L.1984, c.73
19 (C.27:1B-22) or any other law to the contrary, within ten days of
20 the effective date of this section or on June 15, 1995, whichever
21 is sooner, the commissioner shall submit to the Senate and the
22 General Assembly a report of proposed projects to be financed in
23 the fiscal year beginning July 1, 1995. The amount reported by
24 the commissioner for proposed projects to be financed shall not
25 exceed \$700,000,000 exclusive of federal funds. The report shall
26 include a description of the projects, the county or counties
27 within which they are to be located, a distinction between State
28 and local projects, and the amount estimated to be expended on
29 each project and also include a financial plan designed to
30 implement the financing of the proposed projects. The financial
31 plan shall contain an enumeration of the bonds, notes or other
32 obligations of the authority which the authority intends to issue,
33 including the amounts thereof and the conditions therefor. The
34 financial plan shall set forth a complete operating and financial
35 statement covering the authority's proposed operations during
36 the fiscal year beginning July 1, 1995, including amounts of
37 income from all sources, including but not limited to the proceeds
38 of bonds, notes or other obligations to be issued, as well as
39 interest earned. In addition, the plan shall contain proposed
40 amounts to be appropriated and expended, as well as amounts for
41 which the department anticipates to obligate during the fiscal
42 year beginning July 1, 1995 for any future expenditures. Within
43 five days of the receipt thereof, the Senate or the General
44 Assembly may object in writing to the commissioner in regard to
45 any project or projects it disapproves or which it is of the opinion
46 should be modified or added to or any additional or alternative
47 projects considered or in regard to any element of the financial
48 plan. The commissioner shall consider the objections and
49 recommendations and resubmit the report within five days,
50 containing therein any modifications based upon the
51 commissioner's consideration of the objections or
52 recommendations.

53 11. (New section) The State amount appropriated from the
54 revenues and other funds of the authority for any fiscal year

1 commencing on or after July 1, 1995 may be utilized for any cost
2 incurred in direct or indirect support or advancement of
3 transportation projects authorized by the annual appropriations
4 act, except that indirect costs shall not include the cost of
5 routine operation and routine maintenance of a transportation
6 project, or costs associated with the non-capital programs of the
7 department and the New Jersey Transit Corporation. Costs
8 which directly or indirectly support or advance more than one
9 transportation project may be allocated among those projects in a
10 manner the commissioner finds reasonable, provided such costs
11 are equitably and uniformly distributed among all work that was
12 performed during the fiscal year or accounting period. The rate
13 of indirect costs appropriated from the State amount in any fiscal
14 year shall not exceed the indirect cost rate additive, as
15 calculated pursuant to the United States Office of Management
16 and Budget Circular A-87, "Cost Principles Applicable to Grants
17 and Contracts with State and Local Governments," applicable to
18 federal funds.

19 12. (New section) a. Notwithstanding the provisions of any
20 other law to the contrary, the commissioner is authorized to
21 enter into agreements with public or private entities for the loan
22 of federal funds appropriated to the department for the purpose
23 of financing all, or a portion of, the costs incurred for the
24 planning, acquisition, engineering, construction, reconstruction,
25 repair and rehabilitation of a transportation project by that
26 public or private entity.

27 b. The commissioner, with the approval of the State Treasurer,
28 shall establish rules and regulations governing the qualifications
29 of the applicants, the application procedures, the criteria for
30 awarding loans, and the standards for establishing the amount,
31 terms and conditions of each loan. The rules and regulations shall
32 provide that the term of the loan agreement shall be no longer
33 than five years and that the loan shall be secured by appropriate
34 collateral or guarantees.

35 c. Loans granted pursuant to this section shall be considered
36 an investment or reinvestment of Special Transportation Fund
37 funds within the meaning of subsection a. of section 21 of
38 P.L.1984, c.73 (C.27:1B-21). Payments of interest and principal
39 on loans granted pursuant to this section shall be credited to a
40 special subaccount of the Special Transportation Fund and may be
41 used for financing authorized projects. Monies appropriated from
42 the special subaccount pursuant to this section shall be in
43 addition to the total State amount authorized to be appropriated
44 in a fiscal year pursuant to section 8 of P.L.1987, c.460
45 (C.27:1B-21.1).

46 d. Each loan made pursuant to this section shall require the
47 specific approval of the Joint Budget Oversight Committee. The
48 Chairman of the Joint Budget Oversight Committee may request
49 periodic reports from the commissioner on the status of any or all
50 loans. The commissioner shall provide reports so requested on a
51 timely basis.

52 e. Transportation projects which are the subject of a loan
53 agreement entered into pursuant to this section shall be included
54 in the annual report of proposed projects prepared pursuant to

1 section 22 of P.L.1984, c.73 (C.27:1B-22) for the fiscal year in
2 which the loan amount for those projects is to be appropriated.

3 13. (New section) The commissioner or the board of the New
4 Jersey Transit Corporation with the approval of the commissioner
5 is authorized to enter into agreements for a period of years for
6 the advancement of a transportation project to be funded by
7 future year appropriations to the authority, except that, in the
8 case of a transportation project involving appropriations in excess
9 of \$100,000,000 in any fiscal year, the agreement shall be subject
10 to approval of the Joint Budget Oversight Committee. The
11 commissioner or the board of the New Jersey Transit Corporation
12 may pledge grant monies or funds anticipated to be appropriated
13 to those transportation projects in those agreements, provided,
14 however that payment of monies pledged is subject to the
15 availability of funds in the year in which the funds are to be
16 appropriated. Any transportation project which is the subject of
17 an agreement authorized by this section shall appear in the
18 annual report of proposed projects prepared pursuant to section
19 22 of P.L.1984, c.73 (C.27:1B-22) for each fiscal year in which
20 the agreement is in effect and the report shall indicate the
21 amount to be appropriated, if any, to the project in the upcoming
22 fiscal year.

23 14. (New section) a. After the commissioner has determined
24 that a project financed through the authority has been completed,
25 the commissioner may direct that any account established for
26 such project be closed, provided that the funds in any such
27 account are less than \$1,000,000. The commissioner may further
28 direct that any appropriated funds remaining in such closed
29 accounts be credited to a special subaccount of the Special
30 Transportation Fund. In the event that an account for a project
31 that has been completed exceeds \$1,000,000, the account shall
32 not be closed and the funds credited to the special subaccount
33 unless such action is approved by the Joint Budget Oversight
34 Committee.

35 b. Subject to approval by the State Treasurer, the
36 commissioner may expend funds from the special subaccount
37 established pursuant to subsection a. of this section for any
38 purpose for which the Legislature has previously appropriated
39 funds and which the authority is authorized to undertake pursuant
40 to section 5 of P.L.1984, c.73 (C.27:1B-5). Any claims or costs
41 which would have been paid from an account closed pursuant to
42 this section may be paid from the special subaccount established
43 pursuant to subsection a. of this section, or from any other funds
44 appropriated for such purposes.

45 15. (New section) Each year a sum of money shall be
46 appropriated from funds held in the Special Transportation Fund,
47 established pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21),
48 and credited to the Airport Safety Fund, established in the
49 General Fund pursuant to section 4 of P.L.1983, c.264 (C.6:1-92),
50 for use for any capital purpose pursuant to the "New Jersey
51 Airport Safety Act of 1983," P.L.1983, c.264 (C.6:1-89 et seq.)
52 and that sum shall be included in the annual report of projects
53 prepared pursuant to section 22 of P.L.1984, c.73 (C.27:1B-22).

54 16. (New section) Notwithstanding any other provision of law

1 to the contrary, in any fiscal year in which the amount allocated
2 by the Federal Government to the New Jersey Transit
3 Corporation for public transportation operating expenses is less
4 than in the previous fiscal year, an amount equal to the
5 diminution may be appropriated from the revenues and other
6 funds of the authority, excluding bond proceeds, to the
7 department for the operating expenses of the New Jersey Transit
8 Corporation, subject to approval therefor provided in the annual
9 appropriations act.

10 17. Section 68 of P.L.1990, c.8 (C.17:33B-63) is amended to
11 read as follows:

12 68. a. In addition to the registration fees imposed pursuant to
13 Article 2 of chapter 3 of Title 39 of the Revised Statutes, the
14 Director of the Division of Motor Vehicles shall impose and
15 collect additional registration fees as follows:

16 (1) For all motor vehicles, except commercial motor vehicles
17 as defined by R.S.39:1-1 that were manufactured in any model
18 year prior to the 1989 model year, the additional fee shall be \$15,
19 except that on and after January 1, 1998 the additional fee shall
20 be \$12.50, and on and after January 1, 1999 the additional fee
21 shall be \$10 and on and after January 1, 2000 the additional fee
22 shall be \$7.50;

23 (2) For all motor vehicles, except commercial motor vehicles
24 as defined by R.S.39:1-1, that were manufactured in model year
25 1989 and thereafter, the additional fee shall be \$40, except that
26 on and after January 1, 1998 the additional fee shall be \$33.50,
27 and on and after January 1, 1999 the additional fee shall be \$27
28 and on and after January 1, 2000 the additional fee shall be \$20
29 for the first two years of registration or renewal and \$15, except
30 that on and after January 1, 1998 the additional fee shall be
31 \$12.50, and on and after January 1, 1999 the additional fee shall
32 be \$10 and on and after January 1, 2000 the additional fee shall
33 be \$7.50 for each year thereafter;

34 (3) For all commercial motor vehicles as defined in R.S.39:1-1,
35 the additional fee shall be \$75, except that on and after January
36 1, 1998 the additional fee shall be \$62.50, and on and after
37 January 1, 1999 the additional fee shall be \$50 and on and after
38 January 1, 2000 the additional fee shall be \$37.50;

39 (4) Notwithstanding the provisions of paragraphs (1) through (3)
40 of this subsection, the additional fee on motorcycle registrations
41 shall be \$15, except that on and after January 1, 1998 the
42 additional fee shall be \$12.50, and on and after January 1, 1999
43 the additional fee shall be \$10 and on and after January 1, 2000
44 the additional fee shall be \$7.50 and further provided the
45 additional registration fee on noncommercial trucks registered
46 pursuant to section 2 of P.L.1968, c.429 (C.39:3-8.1) shall be \$50,
47 except that on and after January 1, 1997 the additional fee
48 collected on noncommercial trucks registered pursuant to section
49 2 of P.L.1968, c.429 (C.39:3-8.1) shall be \$15 for any vehicle
50 manufactured in any model year prior to the 1996 model year and
51 for any vehicle manufactured in the model year 1996 and
52 thereafter, the additional fee shall be \$40 for the first two years
53 of registration or renewal and \$15 for each year thereafter and
54 on and after January 1, 1998 the additional fee collected on

1 noncommercial trucks shall be collected pursuant to the
2 provisions of paragraphs (1) and (2) of this subsection;

3 (5) Notwithstanding the provisions of paragraphs (1) through (3)
4 of this subsection, there shall not be any additional fee imposed
5 on any vehicle registered pursuant to R.S.39:3-24.

6 b. Fees collected pursuant to subsection a. of this section shall
7 be collected on registrations issued and renewed on or after July
8 1, 1990 [through December 31, 1996].

9 (1) Fees collected pursuant to subsection a. of this section
10 prior to October 1, 1991 shall be remitted to the New Jersey
11 Automobile Full Insurance Underwriting Association created by
12 section 16 of P.L.1983, c.65 (C.17:30E-4) and shall be income to
13 the association for purposes of section 20 of P.L.1983, c.65
14 (C.17:30E-8).

15 (2) Fees collected pursuant to subsection a. of this section on
16 or after October 1, 1991 through December 31, 1996 shall be
17 remitted to the New Jersey Automobile Insurance Guaranty Fund
18 created pursuant to section 23 of this 1990 amendatory and
19 supplementary act.

20 (3) Fees collected pursuant to subsection a. of this section on
21 and after January 1, 1997, shall be remitted to the General Fund
22 and so much thereof as is required pursuant to section 20 of
23 P.L.1984, c.73 (C.27:1B-20) shall be credited to the
24 "Transportation Trust Fund Account" created by section 20 of
25 P.L.1984, c.73 (C.27:1B-20), such credited funds to be used for
26 transportation projects, pursuant to the "New Jersey
27 Transportation Trust Fund Authority Act of 1984," P.L.1984, c.73
28 (C.27:1B-1 et seq.).

29 c. Notwithstanding any provision of subsection a. of this
30 section to the contrary, no fees shall be imposed pursuant to this
31 section on a registration for which no fee is presently collected
32 pursuant to Article 2 of chapter 3 of Title 39 of the Revised
33 Statutes or on a registration for a motor vehicle, except
34 commercial vehicles, if the registrant or, in the case of a leased
35 vehicle, the lessee is eligible for pharmaceutical assistance to the
36 aged and disabled pursuant to P.L.1975, c.194 (C.30:4D-20 et
37 seq.). In the case of a leased vehicle, documentation verifying
38 that the vehicle will be leased for the registration term to a
39 lessee who is entitled to the exemption provided for in this
40 subsection shall be provided according to the requirements
41 established by the Director of the Division of Motor Vehicles.
42 The lessor shall not collect from the lessee any payment for the
43 registration of the vehicle that exceeds the amount that the
44 lessor paid to register the vehicle.

45 (cf: P.L.1991, c.320, s.1)

46 18. Sections 3 and 5 of P.L.1992, c.10 (C.27:1B-21.2 and
47 27:1B-21.3) are repealed.

48 19. This act shall take effect immediately except that section
49 6 shall take effect on July 1, 1995.

50

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STATEMENT

52

53 This bill provides for the continued financing of the capital
54 needs of the State's transportation system by the New Jersey

1 Transportation Trust Fund Authority. This legislation is linked to
2 a proposed constitutional amendment, now pending before the
3 Legislature as Senate Concurrent Resolution No. 2 of 1995 or
4 Assembly Concurrent Resolution No. 9 of 1995 which, upon voter
5 approval, will provide for the constitutional dedication of an
6 additional 6.5 cents of the motor fuels tax to the Transportation
7 Trust Fund Account phased in over a period of four fiscal years.
8 This legislation does not increase the motor fuels tax.

9 This bill eliminates the existing statutory "sunset" of the
10 Transportation Trust Fund Authority and provides that the
11 authority shall continue until dissolved by act of the Legislature.
12 The "life" of the original authority was 22 years. Elimination of
13 the "sunset" will permit the authority to continue to serve the
14 transportation financing needs of the people of New Jersey.

15 The bill increases the size of the annual transportation program
16 to \$700,000,000 from the current statutory maximum of
17 \$565,000,000. This statutory maximum applies to appropriations
18 from nonfederal funds. Since the size of the transportation
19 program had not been determined at the time the Commissioner
20 of Transportation submitted the report of proposed projects for
21 the fiscal year beginning July 1, 1995, the bill requires the
22 commissioner to submit a report of proposed projects for a
23 \$700,000,000 program within 10 days of enactment or by June 15,
24 1995, whichever is sooner. The bill permits the authority in any
25 fiscal year to fund the operating costs of New Jersey Transit to
26 the extent that federal operating funds are reduced below the
27 level allocated in the previous fiscal year, subject to approval
28 therefor provided in the annual appropriations act.

29 The bill eliminates the cap on the amount of bonds the
30 authority may have outstanding. New bonds issued by the
31 authority may have technical maturities of up to 21 years,
32 resulting in a practical bond maturity of 20 years. Bond
33 maturities of up to this length are consistent with the useful life
34 spans of many of the infrastructure projects financed by the
35 Transportation Trust Fund Authority. The useful life of most
36 transportation projects, such as bridges, can be considerably
37 longer than 20 years, perhaps 50 years or more. In place of
38 existing provisions of law requiring a test before bonds may be
39 issued, the bill provides an annual "cap" of \$700 million on bond
40 issuances, except that if the maximum cap is not reached in any
41 fiscal year, the difference between the cap and the actual
42 amount issued may be applied to subsequent fiscal years. This
43 limitation would go into effect on the 90th day following the
44 enactment of this bill into law, and could only be increased if so
45 provided for by law.

46 "Pay as you go" resources allocated to the Transportation
47 Trust Fund Authority in the bill include the existing 2.5 cent per
48 gallon constitutional dedication of motor fuels taxes and
49 anticipate a constitutional dedication, in place of the current
50 statutory dedication, of an additional 4.5 cents of the motor fuels
51 tax as of July 1, 1996, an additional 1 cent as of July 1, 1998, and
52 an additional 1 cent as of July 1, 1999, making for a total
53 dedication of 9 cents. Existing Toll Road Authority contributions
54 will continue at a level of \$24.5 million annually; existing heavy

1 truck/diesel fees will continue at a level of \$30 million annually;
2 and State revenues in the form of annual appropriations from the
3 General Fund will also provide a revenue stream to the
4 Transportation Trust Fund Authority. The bill specifies that
5 revenues credited to the General Fund from the extension of the
6 existing JUA Fair Act motor vehicle registration fees are to be
7 available for the purposes of the Transportation Trust Fund. This
8 total revenue stream will be used, in combination with Federal
9 funds, to fund an annually appropriated transportation program.

10 The bill continues the current practice of providing that funds
11 shall be appropriated on an individual project basis.

12 Local aid funds, under this bill, could be distributed by the
13 Commissioner on a grant or reimbursement basis.

14 The bill reduces the additional registration fees imposed by the
15 JUA Fair Act for noncommercial trucks and other motor vehicles
16 by at least 50 percent as of the year 2000, the reduction being
17 phased in commencing with calendar year 1997, and removes the
18 December 31, 1996 "sunset" for the collection of those fees. The
19 bill further provides that after January 1, 1997 these fees shall be
20 remitted to the General Fund and shall be available for the
21 purposes of the Transportation Trust Fund.

22 The bill also provides that any federal transportation funds
23 which become available to the State which have not already been
24 appropriated to the Department of Transportation in the annual
25 appropriations act shall be deemed appropriated to the
26 department and may, subject to approval by the Joint Budget
27 Oversight Committee and the State Treasurer, be expended for
28 any purpose for which such funds are qualified.

29 Additional provisions of the bill permit the Commissioner of
30 Transportation to make loans of federal funds to private or public
31 entities for financing the planning, acquisition, engineering,
32 construction, reconstruction, operation, maintenance,
33 preservation, repair and rehabilitation of a transportation project
34 by that entity. The commissioner, with the approval of the State
35 Treasurer, would establish regulations setting application
36 procedures, the criteria for awarding loans, and the standards for
37 establishing loan amounts, terms and conditions. The bill
38 establishes detailed requirements for loan approval and
39 disposition of the repaid principal and interest.

40 In respect to aviation projects, the bill provides that a sum
41 shall be annually appropriated to the Airport Safety Fund from
42 the Special Transportation Fund for use for capital expenditures
43 as prescribed by the "New Jersey Airport Safety Act of 1983,"
44 (C.6:1-89 et seq.).

45 Additional provisions deal with the treatment of indirect costs,
46 the closing of Trust Fund Authority accounts and multi-year
47 project contracts. In the case of multi-year project contracts,
48 approval of the Joint Budget Oversight Committee is required in
49 the case of contemplated appropriations for a transportation
50 program in excess of \$100 million in any fiscal year.

51 This bill repeals sections 3 and 5 of P.L.1992, c.10
52 (C.27:1B-21.2) which deal with Trust Fund Authority
53 project-related State costs and maintenance costs.

1

2

3 Revises "New Jersey Transportation Trust Fund Authority Act of
4 1984"; changes dedication of monies to Trust Fund Account.

ASSEMBLY TRANSPORTATION
AND COMMUNICATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 99

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 11, 1995

The Assembly Transportation and Communications Committee favorably reports Assembly Bill No. 99 with committee amendments.

As amended, this bill provides for the continued financing of the capital needs of the State's transportation system by the New Jersey Transportation Trust Fund Authority. Sources of funding for the State transportation system include constitutionally dedicating an additional 6.5 cents of the existing motor fuels tax over a period of four fiscal years. This legislation is linked with Assembly Concurrent Resolution 9 of 1995 or the Senate Committee Substitute for Senate Concurrent Resolution No. 2 of 1995 which amend the constitution to increase the dedication of the motor fuels tax revenue for transportation funding and makes that dedication permanent.

This bill eliminates the existing statutory "sunset" of the Transportation Trust Fund Authority and provides that the authority shall continue until dissolved by act of the Legislature. The "life" of the original authority was 22 years. Elimination of the "sunset" will permit the authority to continue to serve the transportation financing needs of the people of New Jersey.

The bill increases the size of the annual transportation program to \$700,000,000 from the current statutory maximum of \$565,000,000. This statutory maximum applies to appropriations from nonfederal funds.

Although the bill continues the role of the Trust Fund Authority as the capital funding mechanism for transportation projects, the bill permits the authority to fund the operating costs of New Jersey Transit in any fiscal year to the extent that federal operating funds are reduced below the level allocated in the previous fiscal year, subject to approval therefor provided in the annual appropriations act.

The bill eliminates the cap on the amount of bonds the authority may have outstanding. New bonds issued by the authority may have technical maturities of up to 21 years, resulting in a practical bond maturity of 20 years. Bond maturities of up to this length are consistent with the useful life spans of many of the infrastructure projects financed by the Transportation Trust Fund Authority. In place of existing provisions of law requiring a test before bonds may be issued, the bill provides an annual "cap" of \$700 million on bond issuances, except that if the maximum cap is not reached in any fiscal year, the difference between the cap and the actual amount issued may be applied to subsequent fiscal years. This limitation would go into effect on the 90th day following the enactment of this bill into law, and could only be increased if so provided for by law.

Revenue sources allocated to the Transportation Trust Fund Authority in the bill include the existing 2.5 cent per gallon constitutional dedication of motor fuels taxes and anticipate a constitutional dedication, in place of the current statutory dedication, of an additional 4.5 cents of the motor fuels tax as of July 1, 1996, and further anticipate an additional dedication of 1 cent as of July 1, 1998, and 1 cent as of July 1, 1999, making for a total dedication of 9 cents. Existing Toll Road Authority contributions will continue at a level of \$24.5 million annually; existing heavy truck/diesel fees will continue at a level of \$30 million annually; and State revenues in the form of annual appropriations from the General Fund will also provide a revenue stream to the Transportation Trust Fund Authority. The bill specifies that revenues credited to the General Fund from the extension of the existing JUA Fair Act motor vehicle registration fees are to be available for the purposes of the Transportation Trust Fund. This total revenue stream will be used, in combination with Federal funds, to fund an annually appropriated transportation program.

The bill continues the current practice of providing that funds shall be appropriated on an individual project basis.

Local aid funds, under this bill, could be distributed by the Commissioner of Transportation on a grant or reimbursement basis.

The bill reduces the additional registration fees imposed by the JUA Fair Act for noncommercial trucks and other motor vehicles by at least 50 percent as of the year 2000, the reduction being phased in commencing with calendar year 1997, and removes the December 31, 1996 "sunset" for the collection of those fees. The bill further provides that after January 1, 1997 these fees shall be remitted to the General Fund and shall be available for the purposes of the Transportation Trust Fund.

The bill also provides that any federal transportation funds which become available to the State which have not already been appropriated to the Department of Transportation in the annual appropriations act shall be deemed appropriated to the department and may, subject to approval by the Joint Budget Oversight Committee and the State Treasurer, be expended for any purpose for which such funds are qualified.

Additional provisions of the bill permit the commissioner to make loans of federal funds to private or public entities for financing the planning, acquisition, engineering, construction, reconstruction, operation, maintenance, preservation, repair and rehabilitation of a transportation project by that entity. The commissioner, with the approval of the State Treasurer, would establish regulations setting application procedures, the criteria for awarding loans, and the standards for establishing loan amounts, terms and conditions. The bill establishes detailed requirements for loan approval and disposition of the repaid principal and interest.

In respect to aviation projects, the bill provides that a sum shall be annually appropriated to the Airport Safety Fund from the Special Transportation Fund for use for capital expenditures as prescribed by the "New Jersey Airport Safety Act of 1983," (C.6:1-89 et seq.).

Additional provisions deal with the treatment of indirect costs, the closing of Trust Fund Authority accounts and multi-year project contracts. In the case of multi-year project contracts, approval of the Joint Budget Oversight Committee is required in

the case of contemplated appropriations for a transportation project in excess of \$100 million in any fiscal year.

Since the size of the transportation program had not been determined at the time the Commissioner of Transportation submitted the report of proposed projects for the fiscal year beginning July 1, 1995, the bill requires the commissioner to submit a report of proposed projects for a \$700,000,000 program within 10 days of enactment or by June 15, 1995, whichever is sooner.

Finally, the bill repeals sections 3 and 5 of P.L.1992, c.10 (C.27:1B-21.2) which deal with Trust Fund Authority project-related State costs and maintenance costs.

The committee amendments restore language providing that the authority may not finance resurfacing of highways by department personnel where that resurfacing would require more than 150,000 tons of bituminous concrete in any calendar year.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 99

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 15, 1995

The Assembly Appropriations Committee reports favorably Assembly Bill No. 99(1R) with committee amendments.

Assembly Bill No. 99 (1R), as amended, provides for the continued financing of the capital needs of the State's transportation system by the New Jersey Transportation Trust Fund Authority. Sources of funding for the State transportation system include the constitutional dedication of an additional 6.5 cents of the existing motor fuels tax over a period of four fiscal years. This legislation is linked with the Assembly Concurrent Resolution No. 9 (1R) of 1995 which amends the constitution to increase the dedication of the motor fuels tax revenue for transportation funding and makes that dedication permanent.

This bill eliminates the existing statutory "sunset" of the Transportation Trust Fund Authority and provides that the authority will continue until dissolved by an act of the Legislature.

The bill increases the size of the annual transportation program to \$700,000,000 from the current statutory maximum of \$565,000,000. This statutory maximum applies to appropriations from nonfederal funds.

Although the bill continues the role of the Trust Fund Authority as the capital funding mechanism for transportation projects, it permits the authority to fund the operating costs of New Jersey Transit in any fiscal year to the extent that federal operating funds are reduced below the level allocated in the previous fiscal year, subject to approval provided in the annual appropriations act.

The bill eliminates the cap on the amount of bonds the authority may have outstanding. New bonds issued by the authority may have technical maturities of up to 21 years, resulting in a practical bond maturity of 20 years. Bond maturities of up to this length are consistent with the useful life spans of many of the infrastructure projects financed by the Transportation Trust Fund Authority. In place of existing provisions of law requiring a test before bonds may be issued, the bill provides an annual "cap" of \$700 million on bond issuances, except that if the maximum cap is not reached in any fiscal year, the difference between the cap and the actual amount issued may be applied to subsequent fiscal years.

Revenue sources allocated to the Transportation Trust Fund Authority in the bill include the existing 2.5 cents per gallon constitutional dedication of motor fuels taxes and the anticipated constitutional dedication of an additional 4.5 cents of the motor fuels tax as of July 1, 1996, an additional dedication of 1 cent as of July 1, 1998, and 1 cent as of July 1, 1999, for a total

dedication of 9 cents. Existing Toll Road Authority contributions will continue at a level of \$24.5 million annually; existing heavy truck/diesel fees will continue at a level of \$30 million annually; and State revenues in the form of annual appropriations from the General Fund will also provide a revenue stream to the Transportation Trust Fund Authority. The bill specifies that revenues credited to the General Fund from the extension of the existing JUA Fair Act motor vehicle registration fee surcharges are to be available for the purposes of the Transportation Trust Fund. This total revenue stream will be used, in combination with Federal funds, to fund an annually appropriated transportation program.

The bill reduces the additional registration fees imposed by the JUA Fair Act for noncommercial trucks and other motor vehicles by at least 50 percent as of the year 2000, the reduction being phased in commencing with calendar year 1997, and removes the December 31, 1996 "sunset" for the collection of those fees. The bill further provides that after January 1, 1997 these fees shall be remitted to the General Fund and shall be available for the purposes of the Transportation Trust Fund.

The bill also provides that any federal transportation funds which become available to the State and that have not already been appropriated to the Department of Transportation in the annual appropriations act are to be deemed appropriated to the department and may, subject to approval by the Joint Budget Oversight Committee and the State Treasurer, be expended for any purpose for which such funds are qualified.

Additional provisions of the bill permit the Commissioner of Transportation to make loans of federal funds to private or public entities for financing the planning, acquisition, engineering, construction, reconstruction, operation, maintenance, preservation, repair and rehabilitation of a transportation project by that entity.

The bill provides that a sum is to be annually appropriated to the Airport Safety Fund from the Special Transportation Fund for use for capital expenditures as prescribed by the "New Jersey Airport Safety Act of 1983," (C.6:1-89 et seq.).

Since the size of the transportation program had not been determined at the time the Commissioner of Transportation submitted the report of proposed projects for the fiscal year beginning July 1, 1995, the bill requires the commissioner to submit a report of proposed projects for a \$700,000,000 program within 10 days of enactment of this bill or by June 15, 1995, whichever is sooner.

Finally, the bill repeals sections 3 and 5 of P.L.1992, c.10 (C.27:1B-21.2) which deal with Trust Fund Authority project-related State costs and maintenance costs.

As amended this bill is identical to Senate Bill No. 3 Scs (1R).

FISCAL IMPACT

In addition to the current constitutional dedication of 2.5 cents per gallon of the motor fuels tax to the Transportation Trust Fund (TTF), companion legislation pending as SCR-2/ACR-9 would increase the portion of that tax constitutionally dedicated to the TTF to 7.0 cents per gallon in FY1997 and FY1998, to 8.0 cents per gallon in FY1999, and to 9.0 cents per gallon in FY2000 and annually thereafter. As a consequence of this phase-in of motor fuels revenue, the motor fuels tax would contribute no less

than \$100 million to the TTF in FY1996, \$280 million in FY1997 and FY1998, \$320 million in FY1999 and \$360 million in FY2000 and annually thereafter.

Further, the TTF would also receive financial support from certain vehicle registration fees that would be collected beginning on January 1, 1997. At present such fees are to be remitted to the New Jersey Auto Insurance Guaranty Fund until December 31, 1996. Subsequent to December 31, 1996, these fees would be continued and remitted to the General Fund of the State at so much of the fees as required for transportation projects would be credited to the TTF. The amount to be collected from the continuation of these vehicle registration fees would decline annually over a period of years until January 1, 2000, at which time the fee imposed would be no more than 50 percent of the fee imposed on January 1, 1997.

It is estimated that the vehicle registration fees would provide \$60 million to the General Fund in FY1997 based on six months of collection, i.e. January 1, 1997 to June 30, 1997, and then increase to \$102 million in CY1998 because of 12 months of fee collection before declining incrementally each year until CY2000 when annual collections are estimated to total \$60 million. From these annual collections, the TTF would receive a portion of the collected amount until CY2000 when all such collections would be credited to the TTF.

There are no changes to the toll road contractual contributions to the TTF on the amount to be credited from certain truck registration fees and fiscal taxes.

Any amount needed by the TTF that exceeds the revenue available from the specifically noted funding sources would be provided from the General Fund of the State. At present, it is anticipated that the General Fund would provide \$42 million to the TTF in FY1996, no amount in FY1997 and FY1998, \$57 million in FY1999, and \$51 million in FY2000.

COMMITTEE AMENDMENTS:

The amendments require the approval of the Joint Budget Oversight Committee for the issuance of refunding bonds.

LEGISLATIVE FISCAL ESTIMATE TO

[SECOND RPRINT]

ASSEMBLY, No. 99

STATE OF NEW JERSEY

DATED: May 24, 1995

Assembly Bill No. 99 (2R) of 1995 provides for the continued financing of the capital needs of the State transportation system by the New Jersey Transportation Trust Fund Authority. In addition, this legislation is linked to a proposed constitutional amendment, Assembly Concurrent Resolution No. 9(1R) of 1995, which, upon voter approval, would constitutionally dedicate an additional 6.5 cents of the existing motor fuels tax over a period of four fiscal years for the State transportation system.

Currently, 2.5 cents per gallon of the motor fuels tax is constitutional dedicated to the Transportation Trust Fund (TTF). Pending legislation, ACR-9(1R), would increase the portion of that tax constitutionally dedicated to the TTF to 7.0 cents per gallon in FY 1997 and FY 1998, to 8.0 cents per gallon in FY 1999, and to 9.0 cents per gallon in FY 2000 and annually thereafter. As a result of this additional dedication, the motor fuels tax would contribute no less than \$100 million to the TTF in FY 1996, \$280 million in FY 1997 and FY 1998, \$320 million in FY 1999 and \$360 million in FY 2000 and annually thereafter.

Further, beginning on January 1, 1997, the TTF would receive additional financial support from certain currently existing vehicle registration fees that would be collected beginning on January 1, 1997. At present such fees are to be remitted to the New Jersey Auto Insurance Guaranty Fund until December 31, 1996. Subsequent to December 31, 1996, these fees would be continued and remitted to the General Fund of the State and such amount of the fees as is required for transportation projects would be credited to the TTF. However, the amount to be collected from the continuation of these vehicle registration fees would decline annually over a period of years until January 1, 2000, at which time the fee imposed would be no more than 50 percent of the fee imposed on January 1, 1997.

It is estimated that the vehicle registration fees would provide \$60 million to the General Fund in FY 1997 based on six months of collection, (i.e. January 1, 1997 to June 30, 1997), and then increase to \$102 million in FY 1998 for a full 12 month collection period before declining incrementally each year until annual collections level off to an estimated \$60 million. Since these registration fees are reduced incrementally on January 1 of each calendar year until January 1, 2000, each fiscal year would have a collection rate that is greater during the July to December period than the January to June period because each January 1 registration fees would be reduced and collected at a declining, incremental rate. From these annual collections, the TTF would receive a portion of the collected amount until FY 1999, when all such collections would be credited to the TTF.

There are no changes to the annual toll road contractual contributions of \$24.5 million to the TTF or the annual \$30 million amount to be credited from certain truck registration fees and diesel taxes.

Any amount needed by the TTF that exceeds the revenue available from the specifically noted funding sources would be provided from the General Fund of the State. At present, it is anticipated that the General Fund would provide \$42 million to the TTF in FY 1996, no amount in FY 1997 and FY 1998, \$57 million in FY 1999, and \$51 million in FY 2000.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.



OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001
Contact: RITA MANNO
777-2600

TRENTON, N.J. 08625
Release: TUESDAY,
MAY 30, 1995

Governor Whitman renews Transportation Trust Fund

Governor Christie Whitman today joined with legislative, business and transportation leaders as she signed the New Jersey Transportation Trust Fund bill into law, renewing the multi-billion dollar source of funding for highway and public transit construction projects.

The renewed trust fund will provide \$3.5 billion in state funding over the next five years starting on July 1, 1995. The renewed trust fund will allow hundreds of transportation projects to be built, generating an estimated 250,000 construction jobs.

The legislation signed by the Governor today will accomplish this without raising a dollar in new taxes. The amount of revenue from the existing gas tax that is Constitutionally dedicated to the fund - now 2.5 cents - will gradually rise to 8 cents.

"By renewing the trust fund, we are providing the tools for renewal of our state's highways and public transit system," Governor Whitman said. "The flow of materials, goods and people throughout our state is as essential as the flow of blood through our bodies. Continued investment in our transportation system is essential in retaining and attracting businesses and the bi-partisan support the renewal bill received underscores this fact."

The renewed trust fund boosts funding for local road and bridge projects from \$100 million to \$130 million annually, in addition to funding work on the state's 2,300 miles of highway and NJ Transit's bus and rail network.

"The 21st century begins today, as we move forward with transportation investments that will serve residents for decades to come," Transportation Commissioner Frank J. Wilson said. "The highways and bridges constructed in the 1950s and 1960s need rebuilding and replacement, and the renewed trust fund will allow this vital work to go forward."

Wilson noted that the NJDOT also is working with new technology to ease congestion for motorists.

"Computerized traffic signals are already helping to reduce congestion and more of this 'Smart Highway' technology will be funded through the trust fund," Wilson noted.

Congestion relief also will be achieved through the revitalization of the state's public transit system.

"We're moving from bringing a patchwork of rail lines back from the brink into forging a unified system through the construction of new links and connections," the commissioner noted. "That will reduce congestion and improve air quality."

The trust fund provides matching funds to federal transportation grants for major construction projects and rail and bus purchases. Originally created in 1984, the fund has generated \$6.5 billion to date.

The signing ceremony was held at the work site for the Secaucus Transfer, a project that will link NJ Transit's rail lines. It will permit riders from the Main, Bergen County, Pascack Valley and Port Jervis lines to trains traveling on the Northeast Corridor. It will shorten ride times to and from Manhattan, and will allow passengers to travel to many points within New Jersey that they cannot reach by train now.

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