

SENATE, No. 2352

STATE OF NEW JERSEY
217th LEGISLATURE

INTRODUCED JUNE 9, 2016

Sponsored by:

Senator SAMUEL D. THOMPSON

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Revises “New Jersey Transportation Trust Fund Authority Act” and increases the motor fuels tax.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the New Jersey Transportation Trust Fund
2 Authority increasing the motor fuels tax, and amending various
3 parts of the statutory law.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 3 of P.L.1984, c.73 (C.27:1B-3) is amended to read as
9 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 as amended and supplemented.

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
18 the act and includes prior bonds and transportation program bonds.

19 "Circle of Mobility" means an essential group of related transit
20 projects that include (1) the New Jersey Urban Core Project, as
21 defined in section 3031 of the "Intermodal Surface Transportation
22 Efficiency Act of 1991," Pub.L.102-240, and consisting of the
23 following elements: Secaucus Transfer, Kearny Connection,
24 Waterfront Connection, Northeast Corridor Signal System, Hudson
25 River Waterfront Transportation System, Newark-Newark
26 International Airport-Elizabeth Transit Link, a rail connection
27 between Penn Station Newark and Broad Street Station, Newark,
28 New York Penn Station Concourse, and the equipment needed to
29 operate revenue service associated with improvements made by the
30 project, and (2) the modification and reconstruction of the West
31 Shore Line in Bergen County connected to Allied
32 Junction/Secaucus Transfer Meadowlands Rail Center; the
33 construction of a rail station and associated components at the
34 Meadowlands Sports Complex; the modification and reconstruction
35 of the Susquehanna and Western Railway, as defined and provided
36 in section 3035 (a) of the "Intermodal Surface Transportation
37 Efficiency Act of 1991"; the modification and reconstruction of the
38 Lackawanna Cutoff Commuter Rail Line connecting Morris, Sussex
39 and Warren Counties to the North Jersey Transportation Rail
40 Centers; and commuter rail service in the central New Jersey region
41 terminating at the proposed Lakewood Transportation Center in
42 Ocean County or other location, as determined by the Board of the
43 New Jersey Transit Corporation, pursuant to a resolution of the
44 board providing for the achievement of a consensus among the
45 interested parties as to the direction of the proposed rail line;

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 provided, however, that this 2000 amendatory act shall not be
2 construed as affecting any priorities which may have been assigned
3 to any other project in the Circle of Mobility.

4 **【d.】** "Commissioner" means the Commissioner of
5 Transportation.

6 **【e.】** "Department" means the Department of Transportation.

7 **【f.】** "Federal aid highway" means any highway within the State
8 in connection with which the State receives payment or
9 reimbursement from the federal government under the terms of
10 Title 23, United States Code or any amendment, successor, or
11 replacement thereof, for the purposes contained in the act.

12 **【g.】** "Federal government" means the United States of America,
13 and any **【officer】office**, department, board, commission, bureau,
14 division, corporation, agency or instrumentality thereof.

15 **【h.】** "South Jersey Transportation Authority" means the public
16 corporation created by section 4 of P.L.1991, c.252 (C.27:25A-4) or
17 its successor.

18 **【i.】** "New Jersey Highway Authority" means the public
19 corporation created by section 4 of P.L.1952, c.16 (C.27:12B-4) or
20 its successor.

21 **【j.】** "New Jersey Turnpike Authority" means the public
22 corporation created by section 3 of P.L.1948, c.454 (C.27:23-3) or
23 its successor.

24 **【k.】** "Notes" means the notes issued by the authority pursuant to
25 the act.

26 "Permitted maintenance" means, in relation to public
27 transportation projects and transportation projects, direct costs of
28 work necessary for preserving or maintaining the useful life of
29 public transportation projects and transportation projects
30 respectively, provided the work performed is associated with the
31 acquisition, installation and rehabilitation of components which are
32 not included in the normal operating maintenance of equipment and
33 facilities or replaced on a scheduled basis. The work shall ensure
34 the useful life of the public transportation project or transportation
35 project for not less than five years and shall not include routine
36 maintenance or inspection of equipment and facilities that is
37 conducted on a scheduled basis. This definition shall not apply to
38 the term "maintenance" as used in the definition of "public
39 highways." In relation to public highways, "permitted
40 maintenance" means the direct costs of work necessary for
41 preserving or maintaining the useful life of public highways,
42 provided the work is not associated with the regular and routine
43 maintenance of public highways and their components. The work
44 shall ensure the useful life of the transportation project for not less
45 than five years.

46 "Prior bonds" means bonds issued pursuant to the authorization
47 contained in P.L.1995, c.108 and P.L.2006, c.3 and any bonds
48 issued to refund such prior bonds.

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

12 **[m.]** "Public transportation project" means, in connection with
13 public transportation service, passenger stations, shelters and
14 terminals, automobile parking facilities, ferries and ferry facilities,
15 including capital projects for ferry terminals, approach roadways,
16 pedestrian accommodations, parking, docks, and other necessary
17 land-side improvements, ramps, track connections, signal systems,
18 power systems, information and communication systems, roadbeds,
19 transit lanes or rights of way, equipment storage, pedestrian
20 walkways and bridges connecting to passenger stations and
21 servicing facilities, bridges, grade crossings, rail cars, locomotives,
22 motorbuses and other motor vehicles, maintenance and garage
23 facilities, revenue handling equipment and any other equipment,
24 facility or property useful for or related to the provision of public
25 transportation service.

26 "South Jersey Transportation Authority" means the public
27 corporation created by section 4 of P.L.1991, c.252 (C.27:25A-4) or
28 its successor.

29 **[n.]** "State agency" means any **[officer]**office, department,
30 board, commission, bureau, division, agency or instrumentality of
31 the State.

32 **[o.]** "Toll road authorities" means and includes the New Jersey
33 Turnpike Authority, the New Jersey Highway Authority, or its
34 successor, and the South Jersey Transportation Authority.

35 "Transportation program bonds" means bonds issued by the
36 authority pursuant to the authorization contained in P.L.2012, c.13,
37 and P.L. , c. (C.) (pending before the Legislature as this
38 bill), and any bonds issued to refund such transportation program
39 bonds.

40 **[p.]** "Transportation project" means, in addition to public
41 highways and public transportation projects, any equipment, facility
42 or property useful or related to the provision of any ground,
43 waterborne or air transportation for the movement of people and
44 goods including rail freight infrastructure, which equipment,
45 facility, or property may be acquired by purchase or lease.

46 **[q.]** "Transportation system" means public highways, public
47 transportation projects, other transportation projects, and all other

1 surface, airborne and waterborne methods of transportation for the
2 movement of people and goods.

3 [r. "Permitted maintenance" means, in relation to public
4 transportation projects, direct costs of work necessary for
5 preserving or maintaining the useful life of public transportation
6 projects, provided the work performed is associated with the
7 acquisition, installation and rehabilitation of components which are
8 not included in the normal operating maintenance of equipment and
9 facilities or replaced on a scheduled basis. The work shall ensure
10 the useful life of the project for not less than five years and shall not
11 include routine maintenance or inspection of equipment and
12 facilities that is conducted on a scheduled basis. This definition
13 shall not apply to the term "maintenance" as used in subsection l. of
14 this section. For purposes of this subsection, "permitted
15 maintenance" means, in relation to public highways, the direct costs
16 of work necessary for preserving or maintaining the useful life of
17 public highways, provided the work is not associated with the
18 regular and routine maintenance of public highways and their
19 components. The work shall ensure the useful life of the project for
20 not less than five years.

21 s. "Circle of Mobility" means an essential group of related
22 transit projects that include (1) the New Jersey Urban Core Project,
23 as defined in section 3031 of the "Intermodal Surface
24 Transportation Efficiency Act of 1991," Pub.L.102-240, and
25 consisting of the following elements: Secaucus Transfer, Kearny
26 Connection, Waterfront Connection, Northeast Corridor Signal
27 System, Hudson River Waterfront Transportation System, Newark-
28 Newark International Airport-Elizabeth Transit Link, a rail
29 connection between Penn Station Newark and Broad Street Station,
30 Newark, New York Penn Station Concourse, and the equipment
31 needed to operate revenue service associated with improvements
32 made by the project, and (2) the modification and reconstruction of
33 the West Shore Line in Bergen County connected to Allied
34 Junction/Secaucus Transfer Meadowlands Rail Center; the
35 construction of a rail station and associated components at the
36 Meadowlands Sports Complex; the modification and reconstruction
37 of the Susquehanna and Western Railway, as defined and provided
38 in section 3035 (a) of the "Intermodal Surface Transportation
39 Efficiency Act of 1991"; the modification and reconstruction of the
40 Lackawanna Cutoff Commuter Rail Line connecting Morris, Sussex
41 and Warren Counties to the North Jersey Transportation Rail
42 Centers; and commuter rail service in the central New Jersey region
43 terminating at the proposed Lakewood Transportation Center in
44 Ocean County or other location, as determined by the Board of the
45 New Jersey Transit Corporation, pursuant to a resolution of the
46 board providing for the achievement of a consensus among the
47 interested parties as to the direction of the proposed rail line;
48 provided, however, that this 2000 amendatory act shall not be

1 construed as affecting any priorities which may have been assigned
2 to any other project in the Circle of Mobility.

3 t. "Prior bonds" means bonds issued pursuant to the
4 authorization contained in P.L.1995, c.108 and P.L.2006, c.3 and
5 any bonds issued to refund such prior bonds.

6 u. "Transportation program bonds" means bonds issued
7 pursuant to the authorization contained in P.L.2012, c.13, and any
8 bonds issued to refund such transportation program bonds. **】**

9 (cf: P.L.2012, c.13, s.1)

10

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

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

34 b. Except as may be otherwise expressly provided in the act or
35 by the authority:

36 (1) Every issue of bonds or notes shall be general obligations
37 payable out of any revenues or funds of the authority, subject only
38 to any agreements with the holders of particular bonds or notes
39 pledging any particular revenues or funds. The authority may
40 provide the security and payment provisions for its bonds or notes
41 as it may determine, including (without limiting the generality of
42 the foregoing) bonds or notes as to which the principal and interest
43 are payable from and secured by all or any portion of the revenues
44 of and payments to the authority, and other moneys or funds as the
45 authority shall determine, provided that for transportation program
46 bonds or notes issued in anticipation of such transportation program
47 bonds, only revenues dedicated pursuant to the New Jersey
48 Constitution, including Article VIII, Section II, paragraph 4, and

1 deposited into the "Transportation Trust Fund Account -
2 Subaccount for Debt Service for Transportation Program Bonds,"
3 may be used for such payment;

4 (2) In addition, the authority may issue notes, in anticipation of
5 the issuance of the bonds, provided that the issuance of such notes
6 shall be subject to the bonding limitations as provided in subsection
7 i. of this section, and the payment of such notes if issued in
8 anticipation of the issuance of transportation program bonds shall
9 be paid solely from revenues dedicated pursuant to the New Jersey
10 Constitution, including Article VIII, Section II, paragraph 4, and
11 deposited into the "Transportation Trust Fund Account -
12 Subaccount for Debt Service for Transportation Program Bonds."
13 The authority may also issue notes in anticipation of the receipt of
14 appropriations, grants, reimbursements or other funds, including
15 without limitation grants from the federal government for federal
16 aid highways or public transportation systems, the principal of or
17 interest on which, or both, shall be payable out of the proceeds of
18 appropriations, grants, reimbursements or other funds, including
19 without limitation grants from the federal government for federal
20 aid highways or public transportation systems. Such notes shall not
21 be subject to the bonding limitations as provided in subsection i. of
22 this section; and

23 (3) The authority may also enter into bank loan agreements,
24 lines of credit and other security agreements as authorized pursuant
25 to subsection h. of section 6 of P.L.1984, c.73 (C.27:1B-6) and
26 obtain for or on its behalf letters of credit in each case for the
27 purpose of securing its bonds, notes or other obligations or to
28 provide direct payment of any costs which the authority is
29 authorized to pay by this act and to secure repayment of any
30 borrowings under the loan agreement, line of credit, letter of credit
31 or other security agreement by its bonds, notes or other obligations
32 or the proceeds thereof or by any or all of the revenues of and
33 payments to the authority or by any appropriation, grant or
34 reimbursement to be received by the authority and other moneys or
35 funds as the authority shall determine, provided that for any such
36 agreements entered into in connection with transportation program
37 bonds issued pursuant to the authorization contained in subsection i.
38 of this section, or notes issued in anticipation of such transportation
39 program bonds, only revenues dedicated pursuant to the New Jersey
40 Constitution, including Article VIII, Section II, paragraph 4, and
41 deposited into the "Transportation Trust Fund Account -
42 Subaccount for Debt Service for Transportation Program Bonds,"
43 may be used for such payment.

44 c. Whether or not the bonds and notes are of the form and
45 character as to be negotiable instruments under the terms of Title
46 12A, Commercial Transactions, New Jersey Statutes, the bonds and
47 notes are hereby made negotiable instruments within the meaning of
48 and for all the purposes of Title 12A of the New Jersey Statutes.

1 d. Bonds or notes of the authority shall be authorized by a
2 resolution or resolutions of the authority and may be issued in one
3 or more series and shall bear the date, or dates, mature at the time
4 or times, bear interest at the rate or rates of interest per annum, be
5 in the denomination or denominations, be in the form, carry the
6 conversion or registration privileges, have the rank or priority, be
7 executed in the manner, be payable from the sources, in the medium
8 of payment, at the place or places within or without the State, and
9 be subject to the terms of redemption (with or without premium) as
10 the resolution or resolutions may provide. Bonds or notes may be
11 further secured by a trust indenture between the authority and a
12 corporate trustee within or without the State. All other obligations
13 of the authority shall be authorized by resolution containing terms
14 and conditions as the authority shall determine.

15 e. Bonds, notes or other obligations of the authority may be
16 sold at public or private sale at a price or prices and in a manner as
17 the authority shall determine, either on a negotiated or on a
18 competitive basis. Every bond, or refunding bond, issued on or
19 after the effective date of P.L.2006, c.3 (C.27:1B-22.2 et al.) shall
20 mature and be paid no later than 31 years from the date of the
21 issuance of that bond or refunding bond.

22 f. Bonds or notes may be issued and other obligations incurred
23 under the provisions of the act without obtaining the consent of any
24 department, division, commission, board, bureau or agency of the
25 State, other than the approval as required by subsection a. of this
26 section, and without any other proceedings or the happening of any
27 other conditions or other things than those proceedings, conditions
28 or things which are specifically required by the act.

29 g. Bonds, notes and other obligations of the authority issued or
30 incurred under the provisions of the act shall not be in any way a
31 debt or liability of the State or of any political subdivision thereof
32 other than the authority and shall not create or constitute any
33 indebtedness, liability or obligation of the State or of any political
34 subdivision or be or constitute a pledge of the faith and credit of the
35 State or of any political subdivision, but all bonds, notes and
36 obligations, unless funded or refunded by bonds, notes or other
37 obligations of the authority, shall be payable solely from revenues
38 or funds pledged or available for their payment as authorized in the
39 act. Each bond, note or other obligation shall contain on its face a
40 statement to the effect that the authority is obligated to pay the
41 principal thereof or the interest thereon only from revenues or funds
42 of the authority, and for transportation program bonds and
43 agreements securing such transportation program bonds only from
44 revenues dedicated pursuant to the New Jersey Constitution,
45 including Article VIII, Section II, paragraph 4, and deposited into
46 the "Transportation Trust Fund Account - Subaccount for Debt
47 Service for Transportation Program Bonds," and that neither the
48 State nor any political subdivision thereof is obligated to pay the

1 principal or interest and that neither the faith and credit nor the
2 taxing power of the State or any political subdivision thereof is
3 pledged to the payment of the principal of or the interest on the
4 bonds, notes or other obligations. For the purposes of this
5 subsection, political subdivision does not include the authority.

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

12 i. The authority shall minimize debt incurrence by first relying
13 on appropriations and other revenues available to the authority
14 before incurring debt secured by State revenues to meet its statutory
15 purposes. Commencing with the fiscal year beginning July 1, 1995
16 and ending within the fiscal year beginning July 1, 2005, the
17 authority shall not incur debt in any fiscal year in excess of
18 \$650,000,000, except that if that permitted amount of debt, or any
19 portion thereof, is not incurred in a fiscal year it may be incurred in
20 a subsequent fiscal year. Commencing with the fiscal year
21 beginning July 1, 2006 and ending with the fiscal year beginning on
22 July 1, 2010, the authority shall not incur debt for any fiscal year in
23 excess of \$1,600,000,000, reduced in each of those fiscal years by
24 the amount by which the appropriation of State funds to the
25 Transportation Trust Fund Account for that fiscal year shall exceed
26 \$895,000,000; provided, however, that if a portion of that permitted
27 amount of debt, less any reduction as provided above, is not
28 incurred in a fiscal year, an amount not greater than the unused
29 portion may be incurred in a subsequent fiscal year in addition to
30 the amount otherwise permitted. Debt permitted for the fiscal year
31 beginning July 1, 2006 may be incurred prior to July 1, 2006. The
32 authority shall not issue transportation program bonds in excess of
33 \$1,247,000,000 for the fiscal year beginning July 1, 2012, in excess
34 of \$849,200,000 for the fiscal year beginning July 1, 2013, in
35 excess of \$735,300,000 for the fiscal year beginning July 1, 2014,
36 and in excess of \$626,800,000 for the fiscal year beginning July 1,
37 2015, except that (1) if that permitted amount of transportation
38 program bonds, or any portion thereof, is not incurred in a fiscal
39 year, it may be issued in a subsequent fiscal year and (2) 30 percent
40 of the permitted amount of transportation program bonds for a fiscal
41 year may be issued in the fiscal year preceding such fiscal year
42 provided that (a) any transportation program bonds issued pursuant
43 to this paragraph shall be deducted from the authorization for the
44 fiscal year from which it was taken, and (b) the proceeds of any
45 such transportation program bonds shall not be encumbered until
46 the fiscal year from which the deduction of the authorization was
47 taken pursuant to this paragraph. Transportation program bonds
48 authorized to be issued for the fiscal year beginning July 1, 2012

1 may be issued prior to July 1, 2012. Commencing with the fiscal
2 year beginning July 1, 2016, and in each subsequent fiscal year
3 thereafter, the authority shall not issue transportation program
4 bonds in excess of \$1,400,000,000 per year. Any increase in this
5 limitation shall only occur if so provided for by law. In computing
6 the foregoing limitation as to the amount of bonds the authority may
7 issue, the authority may exclude any bonds, notes or other
8 obligations, including subordinated obligations of the authority,
9 issued for refunding purposes. The payment of debt service on
10 transportation program bonds and any agreements issued in
11 connection with such transportation program bonds shall be paid
12 solely from revenues dedicated pursuant to the New Jersey
13 Constitution, including Article VIII, Section II, paragraph 4, and
14 deposited into the "Transportation Trust Fund Account -
15 Subaccount for Debt Service for Transportation Program Bonds."

16 j. Upon the decision by the authority to issue refunding bonds
17 pursuant to this section, and prior to the sale of those bonds, the
18 authority shall transmit to the Joint Budget Oversight Committee, or
19 its successor, a report that a decision has been made, reciting the
20 basis on which the decision was made, including an estimate of the
21 debt service savings to be achieved and the calculations upon which
22 the authority relied when making the decision to issue refunding
23 bonds. The report shall also disclose the intent of the authority to
24 issue and sell the refunding bonds at public or private sale and the
25 reasons therefor.

26 k. The Joint Budget Oversight Committee, or its successor,
27 shall have authority to approve or disapprove the sale of refunding
28 bonds as included in each report submitted in accordance with
29 subsection j. of this section. The committee shall approve or
30 disapprove the sale of refunding bonds within 10 business days
31 after physical receipt of the report. The committee shall notify the
32 authority in writing of the approval or disapproval as expeditiously
33 as possible.

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

38 m. Within 30 days after the sale of the refunding bonds, the
39 authority shall notify the Joint Budget Oversight Committee, or its
40 successor, of the result of that sale, including the prices and terms,
41 conditions and regulations concerning the refunding bonds, and the
42 actual amount of debt service savings to be realized as a result of
43 the sale of refunding bonds.

44 n. The Joint Budget Oversight Committee, or its successor,
45 shall, however, review all information and reports submitted in
46 accordance with this section and may, on its own initiative, make
47 observations and recommendations to the authority or to the
48 Legislature, or both, as it deems appropriate.

1 o. No refunding bonds shall be issued unless the authority shall
2 first determine that the present value of the aggregate principal of
3 and interest on the refunding bonds is less than the present value of
4 the aggregate principal of and interest on the outstanding bonds to
5 be refinanced, except that, for the purposes of this limitation,
6 present value shall be computed using a discount rate equal to the
7 yield of those refunding bonds, and yield shall be computed using
8 an actuarial method based upon a 360-day year with semiannual
9 compounding and upon the prices paid to the authority by the initial
10 purchasers of those refunding bonds.

11 (cf: P.L.2012, c.13, s.3)

12

13 3. Section 20 of P.L.1984, c.73 (27:1B-20) is amended to read
14 as follows

15 20. There is hereby established in the General Fund an account
16 entitled "Transportation Trust Fund Account," which shall consist
17 of two subaccounts entitled: "Transportation Trust Fund Account -
18 Subaccount for Debt Service for Prior Bonds" and "Transportation
19 Trust Fund Account - Subaccount for Debt Service for
20 Transportation Program Bonds." During the fiscal year beginning
21 July 1, 1984 and during each succeeding fiscal year in which the
22 authority has bonds, notes or other obligations outstanding, the
23 treasurer shall credit to the "Transportation Trust Fund Account -
24 Subaccount for Debt Service for Prior Bonds" a portion of the
25 revenues derived from the following, as determined by the
26 treasurer, and to the "Transportation Trust Fund Account -
27 Subaccount for Debt Service for Transportation Program Bonds"
28 only revenues derived under subsection a. of this section and from
29 the petroleum products gross receipts and sales tax as set forth in
30 subsection d. of this section:

31 a. An amount equivalent to **【the】** all revenue derived from
32 **【\$0.105 per gallon from】** the collection of the tax imposed on the
33 sale of motor fuels pursuant to chapter 39 of Title 54 of the Revised
34 Statutes, as provided in Article VIII, Section II, paragraph 4 of the
35 State Constitution**【**, provided, however, such amount during any
36 fiscal year shall not be less than \$483,000,000**】**;

37 b. (Deleted by amendment, P.L.2000, c.73).

38 c. An amount equivalent to moneys received by the State in
39 accordance with contracts entered into with toll road authorities or
40 other State agencies, provided that effective with the fiscal year
41 beginning July 1, 1988 the amount so credited shall not be less than
42 \$24,500,000.00 in any fiscal year.

43 The treasurer shall also credit to the "Transportation Trust Fund
44 Account - Subaccount for Debt Service for Prior Bonds," in
45 accordance with a contract between the treasurer and the authority,
46 an amount equivalent to the sum of the revenues due from the
47 increase of fees for motor vehicle registrations collected pursuant to
48 the amendment to R.S.39:3-20 made by section 32 of P.L.1984,

1 c.73 [and from the increase in the tax on diesel fuels imposed
2 pursuant to the amendment to R.S.54:39-27 made by section 35 of
3 P.L.1984, c.73 and by P.L.1987, c.460, and as amended by section
4 18 of P.L.1992, c.23, and repealed by section 56 of P.L.2010, c.22
5 and now imposed pursuant to section 3 of P.L.2010, c.22 (C.54:39-
6 103)], provided that the total amount credited during the fiscal year
7 beginning July 1, 1984 shall not be less than \$20,000,000.00 and
8 that the total amount credited during the fiscal year beginning July
9 1, 1985 and during every fiscal year thereafter shall not be less than
10 \$30,000,000.00.

11 In addition to the amounts credited to the account by this
12 section[,] : commencing with the fiscal year beginning July 1, 1995
13 and every fiscal year thereafter, there shall be appropriated from the
14 General Fund such additional amounts as are necessary to carry out
15 the provisions of this act and beginning July 1, 2000 the fees
16 collected pursuant to subsection a. of section 68 of P.L.1990, c.8
17 (C.17:33B-63) shall be credited to the account for the purposes of
18 this act, provided, however, the amount credited from such fees
19 during any fiscal year shall not be less than \$60,000,000.

20 d. In addition to the amount credited in subsection a. of this
21 section, beginning January 1 following approval by the voters an
22 amount equivalent to the revenue derived from the tax imposed on
23 the sale of petroleum products pursuant to P.L.1990, c.42
24 (C.54:15B-1 et seq.), provided, however, such amount shall not be
25 less than \$100,000,000 in the period January 1 through June 30
26 following approval by the voters and shall not be less than
27 \$200,000,000 in any fiscal year through the fiscal year commencing
28 July 1, 2015; and in the fiscal year commencing July 1, 2016, an
29 amount equivalent to all revenue derived from the sale of petroleum
30 products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) and in
31 each year thereafter; the fiscal year commencing July 1, 2001 and
32 for each fiscal year thereafter an amount equivalent to the revenue
33 derived from the tax imposed under the "Sales and Use Tax Act,"
34 P.L.1966, c.30 (C.54:32B-1 et seq.) on the sale of new motor
35 vehicles, provided, however, that such amount shall not be less than
36 \$200,000,000 for the fiscal year commencing July 1, 2003 and for
37 each fiscal year thereafter, as provided in Article VIII, Section II,
38 paragraph 4 of the State Constitution.

39 No later than the fifth business day of the month following the
40 month in which a credit has been made, the treasurer shall pay to
41 the authority, for its purposes as provided herein, the amounts then
42 credited to the "Transportation Trust Fund Account - Subaccount
43 for Debt Service for Prior Bonds" and "Transportation Trust Fund
44 Account - Subaccount for Debt Service for Transportation Program
45 Bonds," provided that the payments to the authority shall be subject
46 to and dependent upon appropriations being made from time to time
47 by the Legislature of the amounts thereof for the purposes of the
48 act, and further provided that the revenues deposited into the

1 "Transportation Trust Fund Account - Subaccount for Debt Service
2 for Transportation Program Bonds" shall consist solely of revenues
3 which are dedicated pursuant to the New Jersey Constitution,
4 including Article VIII, Section II, paragraph 4, and subsections a,
5 and d. of this section.

6 (cf: P.L.2012, c.13, s.5)
7

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

10 8. a. Commencing with the report of the commissioner, as may
11 be amended, required to be submitted pursuant to section 22 of
12 P.L.1984, c.73 (C.27:1B-22) on or before March 1, 2006 and on
13 each succeeding March 1 thereafter through March 1, 2015, the
14 annual amount so reported by the commissioner for proposed
15 projects shall not exceed \$1,600,000,000 exclusive of federal funds,
16 and beginning with the report due March 1, 2016 the amount so
17 reported by the commissioner for proposed projects shall not exceed
18 \$1,800,000,000, and each succeeding year thereafter the amount so
19 reported by the commissioner for proposed projects shall not exceed
20 \$1,800,000,000 plus an additional \$50,000,000 increase each year
21 thereafter.

22 b. For the fiscal year beginning on July 1, 2006 and for each
23 fiscal year thereafter through the fiscal year beginning on July 1,
24 2011, the total annual amount authorized to be appropriated from
25 the revenues and other nonfederal funds of the New Jersey
26 Transportation Trust Fund Authority for the projects listed in the
27 appropriations act pursuant to section 21 of P.L.1984, c.73
28 (C.27:1B-21) shall not exceed \$1,600,000,000, all amounts
29 exclusive of federal funds. The total amount authorized to be
30 appropriated from the revenues and other nonfederal funds of the
31 New Jersey Transportation Trust Fund Authority for the projects
32 listed in the appropriations act pursuant to section 21 of P.L.1984,
33 c.73 (C.27:1B-21) shall not exceed: \$1,247,000,000 for the fiscal
34 year beginning on July 1, 2012; \$1,224,000,000 for the fiscal year
35 beginning on July 1, 2013; \$1,225,000,000 for the fiscal year
36 beginning on July 1, 2014; and \$1,247,000,000 for the fiscal year
37 beginning on July 1, 2015. The total amount authorized to be
38 appropriated from the revenues and other nonfederal funds of the
39 New Jersey Transportation Trust Fund Authority for the projects
40 listed in the appropriations act pursuant to section 21 of P.L.1984,
41 c.73 (C.27:1B-21) shall not exceed \$1,800,000,000 in the fiscal
42 year beginning on July 1, 2016 and in each subsequent fiscal year
43 the amount shall not exceed \$1,800,000,000 plus an additional
44 \$50,000,000 increase each year thereafter.

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

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

47 e. The State Auditor shall provide for a unified annual audit of
48 expenditures from the "Special Transportation Fund," established

1 by section 21 of P.L.1984, c.73 (C.27:1B-21), in order to determine
2 that these funds are expended for costs eligible for funding from the
3 authority and in a manner consistent with appropriations made by
4 the Legislature. The findings of such audits shall be transmitted to
5 the presiding officer of each House of the Legislature, and to the
6 Chair of the Senate Budget and Appropriations Committee, the
7 Senate Transportation Committee, the Assembly Appropriations
8 Committee, and the Assembly Transportation and Communications
9 Committee or their successors.

10 f. The State Auditor shall review bond issuances of the
11 authority and report to the Joint Budget Oversight Committee and
12 to the members of the Senate Budget and Appropriations
13 Committee and the Assembly Appropriations Committee, or their
14 successors, on the status of the bonds of the authority and projects
15 financed from the proceeds of the bonds. The report shall include
16 the investment status of all unexpended bond proceeds and provide
17 a description of any bond issues expected during a fiscal year,
18 including type of issue, estimated amount of bonds to be issued and
19 the expected month of sale.

20 (cf: P.L.2012, c.13, s.7)

21

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

24 22. The commissioner shall prepare and submit the following
25 reports to the Governor, the Legislature, and the Financial Policy
26 Review Board, established pursuant to section 6 of P.L.2006, c.3
27 (C.27:1B-22.2) under the terms set forth below: a Transportation
28 Master Plan, a Statewide Capital Investment Strategy, an Annual
29 Transportation Capital Program, a Transportation Trust Fund
30 Authority Financial Plan, and a Five-Year Capital Plan.

31 a. To the end that the transportation system of the State shall
32 be planned in an orderly and efficient manner and that the
33 Legislature shall be advised of the nature and extent of public
34 highways, public transportation projects and other transportation
35 projects contemplated to be financed under this act, the department
36 shall submit a master plan, as provided in subsection (a) of section
37 5 of P.L.1966, c.301 (C.27:1A-5). Notwithstanding the provisions
38 of that act, the plan shall be for a period of five years and shall be
39 submitted to the Commission on Capital Budgeting and Planning,
40 the Chairman of the Senate Transportation Committee and the
41 Chairman of the Assembly Transportation and Communications
42 Committee, or their successors, and the Legislative Budget and
43 Finance Officer, and the metropolitan planning organizations, on or
44 before March 1, 2001, and at five-year intervals thereafter. The
45 master plan shall set the direction for the department's overall
46 Capital Investment Strategy and subsequent annual Transportation
47 Capital Programs submitted to the Legislature for approval pursuant
48 to this section. This master plan shall, to the extent practicable,

1 conform to all federal requirements for Statewide transportation
2 planning.

3 b. The Department of Transportation, in conjunction with the
4 New Jersey Transit Corporation, the New Jersey Turnpike
5 Authority, and the South Jersey Transportation Authority, shall
6 prepare a "Statewide Capital Investment Strategy" for at least a
7 five-year period which shall contain, at a minimum, a statement of
8 the goals of the department, the corporation, and the toll road
9 authorities in major selected policy areas and the means by which
10 the goals are to be attained during that period, using quantitative
11 measures where appropriate. The Statewide Capital Investment
12 Strategy may be updated and submitted no later than March 1 of
13 each year. The Statewide Capital Investment Strategy shall provide
14 for a multi-modal, intermodal, seamless, technologically advanced,
15 and secure transportation system. It shall recommend investment
16 for major program categories, set overall goals for investment in the
17 State's infrastructure, and develop program targets and performance
18 measures. It may rely on infrastructure management systems as
19 developed by the department to assess bridge conditions, pavement
20 conditions, bridge, traffic and pedestrian safety, traffic congestion
21 and public transit facilities. With respect to pavement conditions,
22 the department shall set as a priority the utilization of efficient cost-
23 effective materials and treatments as stated in section 9 of
24 P.L.2000, c.73 (C.27:1B-21.22). In the event that there exist
25 appropriate circumstances for the use of micro-surfacing and cold-
26 in-place recycling, the department shall establish as a special
27 priority the use of these materials and surface treatments. The goals
28 of the Capital Investment Strategy shall include, but not be limited
29 to, reduction of vehicular and pedestrian accidents, reduction in the
30 backlog of projects, including one-half of the structurally deficient
31 bridge repair projects and pavement deficiencies, and an increase in
32 lane miles of bicycle paths, with a goal of constructing an additional
33 1,000 lane miles of bicycle paths in five years to reduce traffic
34 congestion and for recreational uses. The construction of bicycle
35 and pedestrian lanes, paths and facilities shall be subject to no
36 stricter environmental requirements than are provided pursuant to
37 federal law and regulations for such lanes, paths and facilities,
38 notwithstanding the provisions to the contrary of State law and
39 regulations, including State Executive Order No. 215 of 1989. With
40 respect to the New Jersey Transit Corporation, the Statewide
41 Capital Investment Strategy shall deal with the corporation's overall
42 goal to keep the public transportation system in a state of good
43 repair and, more specifically, in the area of bus transportation,
44 present a strategy and a preliminary timetable for the replacement
45 of the current diesel bus fleet with a fleet of buses which have
46 reduced emission of air pollutants. The corporation shall consider
47 the feasibility of buses with improved pollution controls and that
48 reduce particulate emissions and buses powered by fuel other than

1 conventional diesel fuel, such as compressed natural gas vehicles,
2 hybrid vehicles, fuel cell vehicles, biodiesel vehicles, vehicles
3 operated on ultra low sulfur fuel, and vehicles operated on any other
4 bus fuel approved by the United States Environmental Protection
5 Agency[, and the like]. The corporation may consider as part of its
6 strategy, cooperative efforts with bus manufacturers, and the
7 solicitation of federal support, in developing a "clean bus" with air
8 pollution controls superior to currently available technology. For
9 the fiscal year beginning July 1, 2007 and each fiscal year
10 thereafter, all buses purchased by the New Jersey Transit
11 Corporation shall be buses with improved pollution controls and
12 that reduce particulate emissions, or buses powered by fuel other
13 than conventional diesel fuel, such as compressed natural gas
14 vehicles, hybrid vehicles, fuel cell vehicles, biodiesel vehicles,
15 vehicles operated on ultra low sulfur fuel, or vehicles operated on
16 any other bus fuel approved by the United States Environmental
17 Protection Agency[, and the like]. In the event that the corporation
18 is not able to meet the bus purchase requirements set forth in this
19 section with respect to any fiscal year, prior to the commencement
20 of the fiscal year, the board of the corporation shall by resolution
21 submit a report to the Legislature detailing its inability to meet the
22 requirements and the reasons therefor and shall submit the report to
23 the Senate and General Assembly when both houses are in session,
24 including therein a request to be exempted from the bus purchase
25 requirements of this section with regard to the fiscal year in
26 question. The President of the Senate and the Speaker of the
27 General Assembly shall cause the date of submission to be entered
28 upon the Senate Journal and the Minutes of the General Assembly.
29 If a joint resolution approving the exemption is passed by the
30 Legislature and signed by the Governor prior to the commencement
31 of the fiscal year in question, the corporation shall be exempt from
32 the requirements for that fiscal year.

33 In the fiscal year beginning on July 1, 2007 and in each fiscal
34 year thereafter, in the year prior to the year in which final
35 engineering is anticipated to start on any project which extends the
36 reach of the New Jersey Transit rail or light rail system, the New
37 Jersey Transit Corporation shall be required to identify and include
38 in the annual Statewide Capital Investment Strategy the required
39 State financial assistance to support operation of the incremental
40 service for the first three years and the projected fare box recovery
41 ratio at the commencement of the fourth year of operation of each
42 project.

43 The Statewide Capital Investment Strategy shall also detail the
44 planned investment of capital funds for public transportation
45 projects of companies other than the New Jersey Transit
46 Corporation engaged in the business of providing motor bus
47 transportation. The Statewide Capital Investment Strategy shall
48 demonstrate that such investment adequately addresses the finding

1 in section 2 of P.L.1979, c.150 (C.27:25-2) that in the provision of
2 public transportation services it is desirable to encourage to the
3 maximum extent feasible the participation of private enterprise.

4 c. On or before March 1 of each year, the commissioner shall
5 submit a report of general project categories and proposed projects
6 thereunder to be financed in the ensuing fiscal year, including
7 therewith a description of the projects, the county or counties within
8 which they are to be located, a distinction between State and local
9 projects, and the amount estimated to be expended on each project.
10 This report shall be known as the "Annual Transportation Capital
11 Program" for the upcoming fiscal year. It shall include proposed
12 projects of both the Department of Transportation and the New
13 Jersey Transit Corporation. The program shall be consistent with,
14 and reflective of, the goals and priorities of the Capital Investment
15 Strategy and the program shall include an explanation which
16 demonstrates how it is consistent with, and reflective of, the goals
17 and priorities.

18 d. On or before March 1 of each year, the commissioner shall
19 also submit a "Transportation Trust Fund Authority Financial Plan"
20 designed to implement the financing of the proposed projects. The
21 financial plan shall contain an enumeration of the bonds, notes or
22 other obligations of the authority which the authority intends to
23 issue, including the amounts thereof and the conditions therefor.
24 The financial plan shall set forth a complete operating and financial
25 statement covering the authority's proposed operations during the
26 ensuing fiscal year, including amounts of income from all sources,
27 including but not limited to the proceeds of bonds, notes or other
28 obligations to be issued, as well as interest earned. In addition, the
29 plan shall contain proposed amounts to be appropriated and
30 expended, as well as amounts for which the department anticipates
31 to obligate during the ensuing fiscal year for any future
32 expenditures.

33 e. The Statewide Capital Investment Strategy, the Annual
34 Transportation Capital Program, and the Transportation Trust Fund
35 Authority Financial Plan shall be submitted to the Senate and
36 General Assembly. Within 45 days of the receipt thereof, the
37 Senate or the General Assembly may object in writing to the
38 commissioner in regard to any project or projects in the Annual
39 Transportation Capital Program it disapproves or which it is of the
40 opinion should be modified or added to or any additional or
41 alternative projects considered or in regard to any element of the
42 financial plan. The commissioner shall consider the objections and
43 recommendations and resubmit the report within 10 days,
44 containing therein any modifications based upon the commissioner's
45 consideration of the objections or recommendations.

46 f. In order that the Legislature shall be advised of the nature
47 and extent of public highways, public transportation projects, and
48 other transportation projects contemplated to be financed under this

1 act, the commissioner shall submit annually, together with the
2 Annual Transportation Capital Program, a Five-Year Capital Plan,
3 which shall set forth projects and programs anticipated to be funded
4 over the five-year period. The Five-Year Capital Plan shall, to the
5 extent practicable, conform to all federal requirements for Statewide
6 transportation capital programming.
7 (cf: P.L.2006, c.3, s.5)

8
9 6. Section 6 of P.L.2006, c.3 (27:1B-22.2) is amended to read as
10 follows:

11 6. There is hereby created in the Executive Branch of the State
12 Government, a body corporate and politic, with corporate
13 succession, to be known as the Financial Policy Review Board. For
14 the purpose of complying with the provisions of Article V, Section
15 IV, paragraph 1 of the New Jersey Constitution, the board is hereby
16 allocated within the Department of Transportation, but,
17 notwithstanding that allocation, the board shall be independent of
18 any supervision or control by the department or by any body or
19 officer thereof. The board is hereby constituted as an
20 instrumentality of the State exercising public and essential
21 governmental functions, and the exercise by the board of the powers
22 conferred by this act shall be deemed and held to be an essential
23 governmental function of the State.

24 The board shall be comprised of five public members with
25 experience in transportation finance and policy. The Governor shall
26 appoint three of the members with the advice and consent of the
27 Senate. The remaining members shall be appointed by the
28 Governor as follows: one upon the joint recommendation of the
29 President of the Senate and the Minority Leader of the Senate, and
30 one upon the joint recommendation of the Speaker of the General
31 Assembly and the Minority leader of the General Assembly. Each
32 member shall serve for a four-year term and shall serve until the
33 member's successor is appointed and qualified; provided, however,
34 that in order to achieve non-concurrent terms, of the members first
35 appointed pursuant to this section, two members appointed by the
36 Governor shall serve for four years; while the two members
37 appointed upon the joint recommendation of the President of the
38 Senate and the Minority Leader of the Senate and upon the joint
39 recommendation of the Speaker of the General Assembly and the
40 Minority Leader of the General Assembly shall serve for three years
41 each, and the remaining member appointed by the Governor shall
42 serve for two years. The Financial Policy Review Board shall be
43 deemed to be constituted immediately upon appointment and
44 qualification in the manner provided in this section of at least three
45 members.

46 The purpose of the board is to assure fiscal discipline through
47 evaluating the financing of transportation and preparing an annual
48 State of Condition of Transportation Financing certification. The

1 certification shall ensure that the financing and expenditures of the
2 New Jersey Transportation Trust Fund Authority (the "authority")
3 adhere to certain standards. The standards are: a. The bonding
4 limitation as provided in subsection i. of section 9 of P.L.1984, c.73
5 (C.27:1B-9). b. For the fiscal year commencing July 1, 2007, the
6 amount expended from the revenues and other funds of the
7 authority for permitted maintenance shall not exceed the amount
8 expended for permitted maintenance in the fiscal year commencing
9 July 1, 2006. c. The total amount authorized to be appropriated
10 from the revenues and other funds of the authority for project costs
11 commencing with the fiscal year beginning July 1, 2007 through the
12 fiscal year beginning July 1, 2015 shall not exceed \$1,600,000,000
13 annually, and for the fiscal year beginning July 1, 2016 shall not
14 exceed \$1,800,000,000, and for each subsequent fiscal year the
15 amount shall not exceed \$1,800,000,000 plus an additional
16 \$50,000,000 increase each year thereafter.

17 Commencing with the fiscal year beginning July 1, 2007, the
18 board shall submit to the Governor, the Legislature, and the
19 commissioner on an annual basis the State of Condition of
20 Transportation Financing certification as to the requirements of
21 subsection a. of this section referencing therein a certification with
22 regard to subsections b. and c. of this section to the extent feasible,
23 given the other provisions of this section. The certifications shall
24 be based on the board's review of the State's fiscal year final
25 expenditures from the preceding fiscal year, including bonding and
26 expenditures from the annual independent audit of the authority,
27 and the amount of authority funds programmed for permitted
28 maintenance. If the capital program and its financing are found to
29 be in compliance, the first annual certification required by this
30 paragraph shall be submitted by February 1, 2008, after the
31 certification is concurred with by the members of the authority, and
32 by February 1 of each year thereafter. The board shall advise the
33 commissioner and the authority on February 1, 2008 and on each
34 succeeding February 1, if the board finds that the authority is not in
35 compliance with the bonding requirements as provided in
36 subsection a. of the section, and that a corrective action plan is
37 needed. The authority shall submit a corrective action plan that
38 would reduce its future bond sales to offset the amount of excess
39 bonding or to reduce future debt service payments, or both, as the
40 case may be. Upon approval of the corrective action plan by the
41 board, the certification shall be issued with certain conditions. The
42 Annual Transportation Capital Program submitted to the Legislature
43 for the forthcoming year shall be in compliance with the provisions
44 of the corrective action plan. If the board does not approve the
45 corrective action plan, the authority shall submit a financial plan
46 showing bonding only for existing projects, noting that no bonds
47 shall be issued for new projects shown in the department's Annual
48 Transportation Capital Program. The board shall advise the

1 commissioner on February 1, 2008 and on each succeeding
2 February 1, if the board finds that the Department of Transportation
3 has exceeded the limitation for the amount of authority funds spent
4 on permitted maintenance pursuant to subsection b. of this section,
5 or for the amount authorized to be appropriated for project costs
6 pursuant to subsection c. of this section and that a corrective action
7 plan is needed. The department shall submit a corrective action
8 plan that would offset the excess amount spent, or the excess
9 amount appropriated, in the prior year with less funding for
10 permitted maintenance or for projects, as the case may be, in the
11 proposed capital budget request. Upon approval of the corrective
12 action plan by the board, a certification as to these matters shall be
13 issued with certain conditions. The Annual Transportation Capital
14 Program submitted to the Legislature for the forthcoming year shall
15 be in compliance with the provisions of the corrective action plan.
16 If the board does not approve the corrective action plan, the
17 authority shall submit a financial plan showing bonding only for
18 existing projects, noting that no bonds shall be issued for new
19 projects shown in the department's Annual Transportation Capital
20 Program.

21 (cf: P.L.2006, c.3, s.6)

22

23 7. Section 25 of P.L.1984, c.73 (27:1B-25) is amended to read
24 as follows:

25 25. a. Notwithstanding the provisions of subtitle 4 of Title 27 of
26 the Revised Statutes and P.L.1946, c.301 (C.27:15A-1 et seq.), the
27 commissioner may, pursuant to appropriations or authorizations
28 being made from time to time by the Legislature according to law,
29 allocate to counties and municipalities funds for the planning,
30 acquisition, engineering, construction, reconstruction, repair,
31 resurfacing and rehabilitation of public highways and the planning,
32 acquisition, engineering, construction, reconstruction, repair,
33 maintenance and rehabilitation of public transportation projects and
34 of other transportation projects which a county or municipality may
35 be authorized by law to undertake.

36 b. The commissioner shall, pursuant to appropriations or
37 authorizations being made from time to time by the Legislature
38 according to law, allocate at his discretion State aid to counties and
39 municipalities for transportation projects, except that the amount to
40 be appropriated for this program shall be 10[~~%~~]percent of the total
41 amount appropriated for the total county and municipal aid
42 programs. This State aid shall be set aside prior to any formula
43 allocations provided for in subsections c., d., and e. of this section.

44 c. The commissioner shall, pursuant to appropriations or
45 authorizations being made from time to time by the Legislature
46 according to law and pursuant to the provisions of subsections b.
47 and d. of this section, allocate State aid to municipalities for public

1 highways under their jurisdiction. The amount to be appropriated
2 shall be allocated on the basis of the following distribution factor:

$$3 \qquad \qquad \qquad \text{Pc} \qquad \qquad \text{Cm}$$

$$4 \qquad \text{DF} = \qquad \frac{\quad}{\text{Ps}} \qquad + \qquad \frac{\quad}{\text{Sm}}$$

6 where, DF equals the distribution factor

7 Pc equals county population

8 Ps equals State population

9 Cm equals municipal road mileage within the county

10 Sm equals municipal road mileage within the State.

11 After the amount of aid has been allocated based on the above
12 formula, the commissioner shall determine priority for the funding
13 of municipal projects within each county, based upon criteria
14 relating to volume of traffic, safety considerations, growth
15 potential, readiness to obligate funds, and local taxing capacity. In
16 addition to the above criteria used in determining priority of
17 funding of municipal projects in each county, the commissioner
18 shall consider whether a project is intended to remedy hazardous
19 conditions as identified for the purposes of providing transportation
20 pursuant to N.J.S.18A:39-1.2 for school pupils or to improve
21 pedestrian safety.

22 For the purposes of this subsection, (1) "population" means the
23 official population count as reported by the New Jersey Department
24 of Labor and Workforce Development; and (2) "municipal road
25 mileage" means that road mileage under the jurisdiction of
26 municipalities, as determined by the department.

27 d. There shall be appropriated at least \$175,000,000 for the
28 fiscal year commencing July 1, 2006 through the fiscal year
29 commencing July 1, 2015, and in the fiscal year commencing July
30 1, 2016, the amount appropriated shall be 11 percent of the amount
31 authorized to be appropriated from the revenues and other
32 nonfederal funds of the New Jersey Transportation Trust Fund
33 Authority for the projects listed in the appropriations act pursuant to
34 section 21 of P.L.1984, c.73 (C.27:1B-21) and for each fiscal year
35 thereafter, for the purposes provided herein and in subsections b.,
36 c., and e. of this section. (1) Of that appropriation, the
37 commissioner shall allocate \$5,000,000.00 as State aid to any
38 municipality qualifying for aid pursuant to the provisions of
39 P.L.1978, c.14 (C.52:27D-178 et seq.). The commissioner shall
40 allocate the aid to each municipality in the same proportion that the
41 municipality receives aid under P.L.1978, c.14. (2) The remaining
42 amount of the appropriation shall be allocated pursuant to the
43 provisions of subsection c. of this section

44 e. The commissioner may, pursuant to appropriations or
45 authorizations being made from time to time by the Legislature
46 according to law, allocate additional funding to the Local County
47 Aid Program for public highway projects, in accordance with a
48 formula similar to that provided for in subsection c. of this section,

1 except that Cm equals road mileage under county jurisdiction and
2 Sm equals total county road mileage within the State.

3 (cf: P.L.2012, c.13, s.9)

4

5 8. Section 3 of P.L.2010, c.22 (54:39-103) is amended to read as
6 follows:

7 3. a. A tax is imposed on fuel used or consumed in this State as
8 follows:

9 (1) Motor fuel:

10 (a) at the rate of 10.5 cents per gallon in each State fiscal year
11 through the State fiscal year beginning on July 1, 2015; at the rate
12 of 21.5 cents per gallon for the State fiscal year beginning on July
13 1, 2016, which rate shall increase by an additional 2 cents per
14 gallon in each subsequent State fiscal year for:

15 gasoline and
16 blended fuel that contains gasoline or that is intended for use
17 as gasoline;

18 (b) at the rate of 13.5 cents per gallon in each State fiscal
19 year through the State fiscal year beginning on July 1, 2015; at the
20 rate of 24.5 cents per gallon for the State fiscal year beginning on
21 July 1, 2016, which rate shall increase by an additional 2 cents per
22 gallon in each subsequent State fiscal year for:

23 diesel fuel,
24 blended fuel that contains diesel fuel or that is
25 intended for use as diesel fuel, and
26 kerosene;

27 (2) Liquefied Petroleum Gas:

28 at the rate of one-half of the tax imposed under
29 subsection a. of this section on gasoline **], or 5.25 cents per gallon**];

30 (3) Aviation gasoline:

31 at the rate of **[10.5 cents per gallon]** the tax imposed
32 under subsection a. of this section on gasoline.

33 b. In addition to the tax, if any, imposed pursuant to subsection
34 a. of this section a tax is imposed on aviation fuel for distribution to
35 a general aviation airport at the rate of 2 cents per gallon.

36 c. The taxes imposed by this section are imposed on the
37 consumer, but shall be precollected pursuant to the terms of the
38 "Motor Fuel Tax Act," P.L.2010, c.22 (C.54:39-101 et seq.), for the
39 facility and convenience of the consumer.

40 (cf: P.L.2010, c.79, s.2)

41

42 9. This act shall take effect on July 1, 2016.

43

44

45

STATEMENT

46

47 This bill amends the "New Jersey Transportation Trust Fund
48 Authority Act of 1984" to make changes necessary to permanently

1 support the State's Capital Transportation Program beginning with
2 Fiscal Year 2017.

3 This bill provides the Transportation Trust Fund Authority
4 (authority) with \$1.4 billion per year in bonding authorization
5 beginning with FY 2017 and continuing in perpetuity. The bill
6 allows for an annual transportation capital program size of \$1.8
7 billion in FY 2017 and then increases the authorized program size
8 by \$50 million per year in perpetuity; this represents an increase
9 from the \$1.6 billion program authorization level that has been
10 appropriated each year since FY 2007. The bill also anticipates the
11 resources necessary to support \$400 million of "pay-as-you-go"
12 funding, which is funding available for projects that does not rely
13 on debt or non-State resources in FY 2017, with the ability for that
14 amount to increase by at least \$50 million per year in each
15 subsequent fiscal year. In the previous four years, the amount of
16 "pay-as-you-go" support averaged less than \$10 million per year.

17 The bill incorporates statutory language which dedicates all
18 revenues from the Motor Fuels Tax and the Petroleum Products
19 Gross Receipts Tax to the Transportation Trust Fund. This
20 language mirrors language amending the State Constitution
21 proposed in ACR 1 of 2015 that is scheduled to appear as a ballot
22 questions in the November 2016 general election, and would
23 constitutionally dedicate these revenues in addition to the statutory
24 dedication that is provided for in this bill.

25 This bill increases the tax on motor fuels. The amount of the
26 increase in the motor fuels tax is eleven cents per gallon in State
27 fiscal year 2017 and then by an additional two cents per gallon in
28 every subsequent State fiscal year. The tax on gasoline, aviation
29 fuel, and blended fuel containing gasoline increases from 10.5 cents
30 per gallon to 21.5 cents per gallon in FY 2017 and then increases by
31 an additional two cents per gallon every year thereafter. The tax on
32 diesel fuel and blended fuel containing diesel increases from 13.5
33 cents per gallon to 24.5 cents per gallon in FY 2017 and then
34 increases by an additional two cents per gallon every year
35 thereafter. The rate on liquefied petroleum gas is half of the rate on
36 gasoline and would increase from 5.25 cents per gallon to 10.75
37 cents per gallon in FY 2017 and then increases by an additional one
38 cent per gallon every year thereafter. This increase provides
39 approximately \$550 million in additional funding in FY 2017 and
40 will provide for approximately \$100 million per year in additional
41 funding each year thereafter. This additional revenue will provide
42 the State with the ability to increase the size of the State
43 transportation capital program without relying on borrowing. It will
44 also provide additional revenues that the State can use to reduce
45 borrowing below the statutorily authorized \$1.4 billion per year,
46 because the \$100 million of additional annual revenue projected
47 from a two cents per gallon annual increase in the motor fuels tax is

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1 greater than the \$50 million per year annual growth in authorized
2 annual appropriations for the State transportation capital program.

3 The bill also sets the size of the local aid program at 11 percent
4 of the total State transportation capital program size. Under current
5 law, the local aid program is set at \$175 million which is
6 approximately 11 percent of the current \$1.6 billion State
7 transportation capital program. This will allow the local aid
8 program to grow proportionately with the increase in size of the
9 State transportation capital program.