

# SENATE, No. 239

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## STATE OF NEW JERSEY 218th LEGISLATURE

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PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

**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**

Introduced Pending Technical Review by Legislative Counsel.



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  
 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 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.

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

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

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

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

32    **【n.】** "State agency" means any **【officer】**office, department,  
33    board, commission, bureau, division, agency or instrumentality of  
34    the State.

35    **【o.】** "Toll road authorities" means and includes the New Jersey  
36    Turnpike Authority, the New Jersey Highway Authority, or its  
37    successor, and the South Jersey Transportation Authority.

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

43    **【p.】** "Transportation project" means, in addition to public  
44    highways and public transportation projects, any equipment, facility  
45    or property useful or related to the provision of any ground,  
46    waterborne or air transportation for the movement of people and

1 goods including rail freight infrastructure, which equipment,  
2 facility, or property may be acquired by purchase or lease.

3 **【q.】** "Transportation system" means public highways, public  
4 transportation projects, other transportation projects, and all other  
5 surface, airborne and waterborne methods of transportation for the  
6 movement of people and goods.

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

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

1 New Jersey Transit Corporation, pursuant to a resolution of the  
2 board providing for the achievement of a consensus among the  
3 interested parties as to the direction of the proposed rail line;  
4 provided, however, that this 2000 amendatory act shall not be  
5 construed as affecting any priorities which may have been assigned  
6 to any other project in the Circle of Mobility.

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

10 u. "Transportation program bonds" means bonds issued  
11 pursuant to the authorization contained in P.L.2012, c.13, and any  
12 bonds issued to refund such transportation program bonds.】  
13 (cf: P.L.2012, c.13, s.1)  
14

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

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

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

40 (1) Every issue of bonds or notes shall be general obligations  
41 payable out of any revenues or funds of the authority, subject only  
42 to any agreements with the holders of particular bonds or notes  
43 pledging any particular revenues or funds. The authority may  
44 provide the security and payment provisions for its bonds or notes  
45 as it may determine, including (without limiting the generality of  
46 the foregoing) bonds or notes as to which the principal and interest  
47 are payable from and secured by all or any portion of the revenues  
48 of and payments to the authority, and other moneys or funds as the

1 authority shall determine, provided that for transportation program  
2 bonds or notes issued in anticipation of such transportation program  
3 bonds, only revenues dedicated pursuant to the New Jersey  
4 Constitution, including Article VIII, Section II, paragraph 4, and  
5 deposited into the "Transportation Trust Fund Account -  
6 Subaccount for Debt Service for Transportation Program Bonds,"  
7 may be used for such payment;

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

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

- 1       c. Whether or not the bonds and notes are of the form and  
2 character as to be negotiable instruments under the terms of Title  
3 12A, Commercial Transactions, New Jersey Statutes, the bonds and  
4 notes are hereby made negotiable instruments within the meaning of  
5 and for all the purposes of Title 12A of the New Jersey Statutes.
- 6       d. Bonds or notes of the authority shall be authorized by a  
7 resolution or resolutions of the authority and may be issued in one  
8 or more series and shall bear the date, or dates, mature at the time  
9 or times, bear interest at the rate or rates of interest per annum, be  
10 in the denomination or denominations, be in the form, carry the  
11 conversion or registration privileges, have the rank or priority, be  
12 executed in the manner, be payable from the sources, in the medium  
13 of payment, at the place or places within or without the State, and  
14 be subject to the terms of redemption (with or without premium) as  
15 the resolution or resolutions may provide. Bonds or notes may be  
16 further secured by a trust indenture between the authority and a  
17 corporate trustee within or without the State. All other obligations  
18 of the authority shall be authorized by resolution containing terms  
19 and conditions as the authority shall determine.
- 20       e. Bonds, notes or other obligations of the authority may be  
21 sold at public or private sale at a price or prices and in a manner as  
22 the authority shall determine, either on a negotiated or on a  
23 competitive basis. Every bond, or refunding bond, issued on or  
24 after the effective date of P.L.2006, c.3 (C.27:1B-22.2 et al.) shall  
25 mature and be paid no later than 31 years from the date of the  
26 issuance of that bond or refunding bond.
- 27       f. Bonds or notes may be issued and other obligations incurred  
28 under the provisions of the act without obtaining the consent of any  
29 department, division, commission, board, bureau or agency of the  
30 State, other than the approval as required by subsection a. of this  
31 section, and without any other proceedings or the happening of any  
32 other conditions or other things than those proceedings, conditions  
33 or things which are specifically required by the act.
- 34       g. Bonds, notes and other obligations of the authority issued or  
35 incurred under the provisions of the act shall not be in any way a  
36 debt or liability of the State or of any political subdivision thereof  
37 other than the authority and shall not create or constitute any  
38 indebtedness, liability or obligation of the State or of any political  
39 subdivision or be or constitute a pledge of the faith and credit of the  
40 State or of any political subdivision, but all bonds, notes and  
41 obligations, unless funded or refunded by bonds, notes or other  
42 obligations of the authority, shall be payable solely from revenues  
43 or funds pledged or available for their payment as authorized in the  
44 act. Each bond, note or other obligation shall contain on its face a  
45 statement to the effect that the authority is obligated to pay the  
46 principal thereof or the interest thereon only from revenues or funds  
47 of the authority, and for transportation program bonds and  
48 agreements securing such transportation program bonds only from



1 revenues dedicated pursuant to the New Jersey Constitution,  
2 including Article VIII, Section II, paragraph 4, and deposited into  
3 the "Transportation Trust Fund Account - Subaccount for Debt  
4 Service for Transportation Program Bonds," and that neither the  
5 State nor any political subdivision thereof is obligated to pay the  
6 principal or interest and that neither the faith and credit nor the  
7 taxing power of the State or any political subdivision thereof is  
8 pledged to the payment of the principal of or the interest on the  
9 bonds, notes or other obligations. For the purposes of this  
10 subsection, political subdivision does not include the authority.

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

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

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

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

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

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

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

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

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

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

17  
18 3. Section 20 of P.L.1984, c.73 (27:1B-20) is amended to read  
19 as follows

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

36 a. An amount equivalent to **【the】** all revenue derived from  
37 **【\$0.105 per gallon from】** the collection of the tax imposed on the  
38 sale of motor fuels pursuant to chapter 39 of Title 54 of the Revised  
39 Statutes, as provided in Article VIII, Section II, paragraph 4 of the  
40 State Constitution**【**, provided, however, such amount during any  
41 fiscal year shall not be less than \$483,000,000**】**;

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

43 c. An amount equivalent to moneys received by the State in  
44 accordance with contracts entered into with toll road authorities or  
45 other State agencies, provided that effective with the fiscal year  
46 beginning July 1, 1988 the amount so credited shall not be less than  
47 \$24,500,000.00 in any fiscal year.

1       The treasurer shall also credit to the "Transportation Trust Fund  
2   Account - Subaccount for Debt Service for Prior Bonds," in  
3   accordance with a contract between the treasurer and the authority,  
4   an amount equivalent to the sum of the revenues due from the  
5   increase of fees for motor vehicle registrations collected pursuant to  
6   the amendment to R.S.39:3-20 made by section 32 of P.L.1984,  
7   c.73 [and from the increase in the tax on diesel fuels imposed  
8   pursuant to the amendment to R.S.54:39-27 made by section 35 of  
9   P.L.1984, c.73 and by P.L.1987, c.460, and as amended by section  
10   18 of P.L.1992, c.23, and repealed by section 56 of P.L.2010, c.22  
11   and now imposed pursuant to section 3 of P.L.2010, c.22 (C.54:39-  
12   103)], provided that the total amount credited during the fiscal year  
13   beginning July 1, 1984 shall not be less than \$20,000,000.00 and  
14   that the total amount credited during the fiscal year beginning July  
15   1, 1985 and during every fiscal year thereafter shall not be less than  
16   \$30,000,000.00.

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

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

45       No later than the fifth business day of the month following the  
46   month in which a credit has been made, the treasurer shall pay to  
47   the authority, for its purposes as provided herein, the amounts then  
48   credited to the "Transportation Trust Fund Account - Subaccount

1 for Debt Service for Prior Bonds" and "Transportation Trust Fund  
2 Account - Subaccount for Debt Service for Transportation Program  
3 Bonds," provided that the payments to the authority shall be subject  
4 to and dependent upon appropriations being made from time to time  
5 by the Legislature of the amounts thereof for the purposes of the  
6 act, and further provided that the revenues deposited into the  
7 "Transportation Trust Fund Account - Subaccount for Debt Service  
8 for Transportation Program Bonds" shall consist solely of revenues  
9 which are dedicated pursuant to the New Jersey Constitution,  
10 including Article VIII, Section II, paragraph 4, and subsections a.  
11 and d. of this section.  
12 (cf: P.L.2012, c.13, s.5)

13

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

16 8. a. Commencing with the report of the commissioner, as may  
17 be amended, required to be submitted pursuant to section 22 of  
18 P.L.1984, c.73 (C.27:1B-22) on or before March 1, 2006 and on  
19 each succeeding March 1 thereafter through March 1, 2015, the  
20 annual amount so reported by the commissioner for proposed  
21 projects shall not exceed \$1,600,000,000 exclusive of federal funds,  
22 and beginning with the report due March 1, 2016 the amount so  
23 reported by the commissioner for proposed projects shall not exceed  
24 \$1,800,000,000, and each succeeding year thereafter the amount so  
25 reported by the commissioner for proposed projects shall not exceed  
26 \$1,800,000,000 plus an additional \$50,000,000 increase each year  
27 thereafter.

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

1 the amount shall not exceed \$1,800,000,000 plus an additional  
2 \$50,000,000 increase each year thereafter.

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

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

5 e. The State Auditor shall provide for a unified annual audit of  
6 expenditures from the "Special Transportation Fund," established  
7 by section 21 of P.L.1984, c.73 (C.27:1B-21), in order to determine  
8 that these funds are expended for costs eligible for funding from the  
9 authority and in a manner consistent with appropriations made by  
10 the Legislature. The findings of such audits shall be transmitted to  
11 the presiding officer of each House of the Legislature, and to the  
12 Chair of the Senate Budget and Appropriations Committee, the  
13 Senate Transportation Committee, the Assembly Appropriations  
14 Committee, and the Assembly Transportation and Communications  
15 Committee or their successors.

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

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

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

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

37 a. To the end that the transportation system of the State shall  
38 be planned in an orderly and efficient manner and that the  
39 Legislature shall be advised of the nature and extent of public  
40 highways, public transportation projects and other transportation  
41 projects contemplated to be financed under this act, the department  
42 shall submit a master plan, as provided in subsection (a) of section  
43 5 of P.L.1966, c.301 (C.27:1A-5). Notwithstanding the provisions  
44 of that act, the plan shall be for a period of five years and shall be  
45 submitted to the Commission on Capital Budgeting and Planning,  
46 the Chairman of the Senate Transportation Committee and the  
47 Chairman of the Assembly Transportation and Communications  
48 Committee, or their successors, and the Legislative Budget and

1 Finance Officer, and the metropolitan planning organizations, on or  
2 before March 1, 2001, and at five-year intervals thereafter. The  
3 master plan shall set the direction for the department's overall  
4 Capital Investment Strategy and subsequent annual Transportation  
5 Capital Programs submitted to the Legislature for approval pursuant  
6 to this section. This master plan shall, to the extent practicable,  
7 conform to all federal requirements for Statewide transportation  
8 planning.

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

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

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



- 1       The Statewide Capital Investment Strategy shall also detail the  
2       planned investment of capital funds for public transportation  
3       projects of companies other than the New Jersey Transit  
4       Corporation engaged in the business of providing motor bus  
5       transportation. The Statewide Capital Investment Strategy shall  
6       demonstrate that such investment adequately addresses the finding  
7       in section 2 of P.L.1979, c.150 (C.27:25-2) that in the provision of  
8       public transportation services it is desirable to encourage to the  
9       maximum extent feasible the participation of private enterprise.
- 10      c. On or before March 1 of each year, the commissioner shall  
11      submit a report of general project categories and proposed projects  
12      thereunder to be financed in the ensuing fiscal year, including  
13      therewith a description of the projects, the county or counties within  
14      which they are to be located, a distinction between State and local  
15      projects, and the amount estimated to be expended on each project.  
16      This report shall be known as the "Annual Transportation Capital  
17      Program" for the upcoming fiscal year. It shall include proposed  
18      projects of both the Department of Transportation and the New  
19      Jersey Transit Corporation. The program shall be consistent with,  
20      and reflective of, the goals and priorities of the Capital Investment  
21      Strategy and the program shall include an explanation which  
22      demonstrates how it is consistent with, and reflective of, the goals  
23      and priorities.
- 24      d. On or before March 1 of each year, the commissioner shall  
25      also submit a "Transportation Trust Fund Authority Financial Plan"  
26      designed to implement the financing of the proposed projects. The  
27      financial plan shall contain an enumeration of the bonds, notes or  
28      other obligations of the authority which the authority intends to  
29      issue, including the amounts thereof and the conditions therefor.  
30      The financial plan shall set forth a complete operating and financial  
31      statement covering the authority's proposed operations during the  
32      ensuing fiscal year, including amounts of income from all sources,  
33      including but not limited to the proceeds of bonds, notes or other  
34      obligations to be issued, as well as interest earned. In addition, the  
35      plan shall contain proposed amounts to be appropriated and  
36      expended, as well as amounts for which the department anticipates  
37      to obligate during the ensuing fiscal year for any future  
38      expenditures.
- 39      e. The Statewide Capital Investment Strategy, the Annual  
40      Transportation Capital Program, and the Transportation Trust Fund  
41      Authority Financial Plan shall be submitted to the Senate and  
42      General Assembly. Within 45 days of the receipt thereof, the  
43      Senate or the General Assembly may object in writing to the  
44      commissioner in regard to any project or projects in the Annual  
45      Transportation Capital Program it disapproves or which it is of the  
46      opinion should be modified or added to or any additional or  
47      alternative projects considered or in regard to any element of the  
48      financial plan. The commissioner shall consider the objections and

1 recommendations and resubmit the report within 10 days,  
2 containing therein any modifications based upon the commissioner's  
3 consideration of the objections or recommendations.

4 f. In order that the Legislature shall be advised of the nature  
5 and extent of public highways, public transportation projects, and  
6 other transportation projects contemplated to be financed under this  
7 act, the commissioner shall submit annually, together with the  
8 Annual Transportation Capital Program, a Five-Year Capital Plan,  
9 which shall set forth projects and programs anticipated to be funded  
10 over the five-year period. The Five-Year Capital Plan shall, to the  
11 extent practicable, conform to all federal requirements for Statewide  
12 transportation capital programming.

13 (cf: P.L.2006, c.3, s.5)

14  
15 6. Section 6 of P.L.2006, c.3 (27:1B-22.2) is amended to read as  
16 follows:

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

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

1 deemed to be constituted immediately upon appointment and  
2 qualification in the manner provided in this section of at least three  
3 members.

4 The purpose of the board is to assure fiscal discipline through  
5 evaluating the financing of transportation and preparing an annual  
6 State of Condition of Transportation Financing certification. The  
7 certification shall ensure that the financing and expenditures of the  
8 New Jersey Transportation Trust Fund Authority (the "authority")  
9 adhere to certain standards. The standards are: a. The bonding  
10 limitation as provided in subsection i. of section 9 of P.L.1984, c.73  
11 (C.27:1B-9). b. For the fiscal year commencing July 1, 2007, the  
12 amount expended from the revenues and other funds of the  
13 authority for permitted maintenance shall not exceed the amount  
14 expended for permitted maintenance in the fiscal year commencing  
15 July 1, 2006. c. The total amount authorized to be appropriated  
16 from the revenues and other funds of the authority for project costs  
17 commencing with the fiscal year beginning July 1, 2007 through the  
18 fiscal year beginning July 1, 2015 shall not exceed \$1,600,000,000  
19 annually, and for the fiscal year beginning July 1, 2016 shall not  
20 exceed \$1,800,000,000, and for each subsequent fiscal year the  
21 amount shall not exceed \$1,800,000,000 plus an additional  
22 \$50,000,000 increase each year thereafter.

23 Commencing with the fiscal year beginning July 1, 2007, the  
24 board shall submit to the Governor, the Legislature, and the  
25 commissioner on an annual basis the State of Condition of  
26 Transportation Financing certification as to the requirements of  
27 subsection a. of this section referencing therein a certification with  
28 regard to subsections b. and c. of this section to the extent feasible,  
29 given the other provisions of this section. The certifications shall  
30 be based on the board's review of the State's fiscal year final  
31 expenditures from the preceding fiscal year, including bonding and  
32 expenditures from the annual independent audit of the authority,  
33 and the amount of authority funds programmed for permitted  
34 maintenance. If the capital program and its financing are found to  
35 be in compliance, the first annual certification required by this  
36 paragraph shall be submitted by February 1, 2008, after the  
37 certification is concurred with by the members of the authority, and  
38 by February 1 of each year thereafter. The board shall advise the  
39 commissioner and the authority on February 1, 2008 and on each  
40 succeeding February 1, if the board finds that the authority is not in  
41 compliance with the bonding requirements as provided in  
42 subsection a. of the section, and that a corrective action plan is  
43 needed. The authority shall submit a corrective action plan that  
44 would reduce its future bond sales to offset the amount of excess  
45 bonding or to reduce future debt service payments, or both, as the  
46 case may be. Upon approval of the corrective action plan by the  
47 board, the certification shall be issued with certain conditions. The  
48 Annual Transportation Capital Program submitted to the Legislature

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

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

28  
29 7. Section 25 of P.L.1984, c.73 (27:1B-25) is amended to read  
30 as follows:

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

42 b. The commissioner shall, pursuant to appropriations or  
43 authorizations being made from time to time by the Legislature  
44 according to law, allocate at his discretion State aid to counties and  
45 municipalities for transportation projects, except that the amount to  
46 be appropriated for this program shall be 10percent of the total  
47 amount appropriated for the total county and municipal aid

1 programs. This State aid shall be set aside prior to any formula  
2 allocations provided for in subsections c., d., and e. of this section.

3 c. The commissioner shall, pursuant to appropriations or  
4 authorizations being made from time to time by the Legislature  
5 according to law and pursuant to the provisions of subsections b.  
6 and d. of this section, allocate State aid to municipalities for public  
7 highways under their jurisdiction. The amount to be appropriated  
8 shall be allocated on the basis of the following distribution factor:

$$9 \qquad \qquad \qquad \text{Pc} \qquad \qquad \text{Cm} \\ 10 \qquad \text{DF} = \qquad \frac{\quad}{\text{Ps}} \qquad + \qquad \frac{\quad}{\text{Sm}} \\ 11 \qquad \qquad \qquad \text{Ps} \qquad \qquad \text{Sm}$$

12 where, DF equals the distribution factor

13 Pc equals county population

14 Ps equals State population

15 Cm equals municipal road mileage within the county

16 Sm equals municipal road mileage within the State.

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

28 For the purposes of this subsection, (1) "population" means the  
29 official population count as reported by the New Jersey Department  
30 of Labor and Workforce Development; and (2) "municipal road  
31 mileage" means that road mileage under the jurisdiction of  
32 municipalities, as determined by the department.

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

1 amount of the appropriation shall be allocated pursuant to the  
2 provisions of subsection c. of this section

3 e. The commissioner may, pursuant to appropriations or  
4 authorizations being made from time to time by the Legislature  
5 according to law, allocate additional funding to the Local County  
6 Aid Program for public highway projects, in accordance with a  
7 formula similar to that provided for in subsection c. of this section,  
8 except that Cm equals road mileage under county jurisdiction and  
9 Sm equals total county road mileage within the State.

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

11

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

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

16 (1) Motor fuel:

17 (a) at the rate of 10.5 cents per gallon in each State fiscal year  
18 through the State fiscal year beginning on July 1, 2015; at the rate  
19 of 21.5 cents per gallon for the State fiscal year beginning on July  
20 1, 2016, which rate shall increase by an additional 2 cents per  
21 gallon in each subsequent State fiscal year for:

22 gasoline and

23 blended fuel that contains gasoline or that is intended for use  
24 as gasoline;

25 (b) at the rate of 13.5 cents per gallon in each State fiscal  
26 year through the State fiscal year beginning on July 1, 2015; at the  
27 rate of 24.5 cents per gallon for the State fiscal year beginning on  
28 July 1, 2016, which rate shall increase by an additional 2 cents per  
29 gallon in each subsequent State fiscal year for:

30 diesel fuel,

31 blended fuel that contains diesel fuel or that is  
32 intended for use as diesel fuel, and

33 kerosene;

34 (2) Liquefied Petroleum Gas:

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

37 (3) Aviation gasoline:

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

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

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

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

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

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#### STATEMENT

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6       This bill amends the “New Jersey Transportation Trust Fund  
7 Authority Act of 1984” to make changes necessary to permanently  
8 support the State’s Capital Transportation Program beginning with  
9 Fiscal Year 2017.

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

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

32       This bill increases the tax on motor fuels. The amount of the  
33 increase in the motor fuels tax is eleven cents per gallon in State  
34 fiscal year 2017 and then by an additional two cents per gallon in  
35 every subsequent State fiscal year. The tax on gasoline, aviation  
36 fuel, and blended fuel containing gasoline increases from 10.5 cents  
37 per gallon to 21.5 cents per gallon in FY 2017 and then increases by  
38 an additional two cents per gallon every year thereafter. The tax on  
39 diesel fuel and blended fuel containing diesel increases from 13.5  
40 cents per gallon to 24.5 cents per gallon in FY 2017 and then  
41 increases by an additional two cents per gallon every year  
42 thereafter. The rate on liquefied petroleum gas is half of the rate on  
43 gasoline and would increase from 5.25 cents per gallon to 10.75  
44 cents per gallon in FY 2017 and then increases by an additional one  
45 cent per gallon every year thereafter. This increase provides  
46 approximately \$550 million in additional funding in FY 2017 and  
47 will provide for approximately \$100 million per year in additional  
48 funding each year thereafter. This additional revenue will provide

1 the State with the ability to increase the size of the State  
2 transportation capital program without relying on borrowing. It will  
3 also provide additional revenues that the State can use to reduce  
4 borrowing below the statutorily authorized \$1.4 billion per year,  
5 because the \$100 million of additional annual revenue projected  
6 from a two cents per gallon annual increase in the motor fuels tax is  
7 greater than the \$50 million per year annual growth in authorized  
8 annual appropriations for the State transportation capital program.

9 The bill also sets the size of the local aid program at 11 percent  
10 of the total State transportation capital program size. Under current  
11 law, the local aid program is set at \$175 million which is  
12 approximately 11 percent of the current \$1.6 billion State  
13 transportation capital program. This will allow the local aid  
14 program to grow proportionately with the increase in size of the  
15 State transportation capital program.