

[Second Reprint]  
**SENATE, No. 2863**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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INTRODUCED AUGUST 27, 2018

**Sponsored by:**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**Senator STEPHEN M. SWEENEY**

**District 3 (Cumberland, Gloucester and Salem)**

**Co-Sponsored by:**

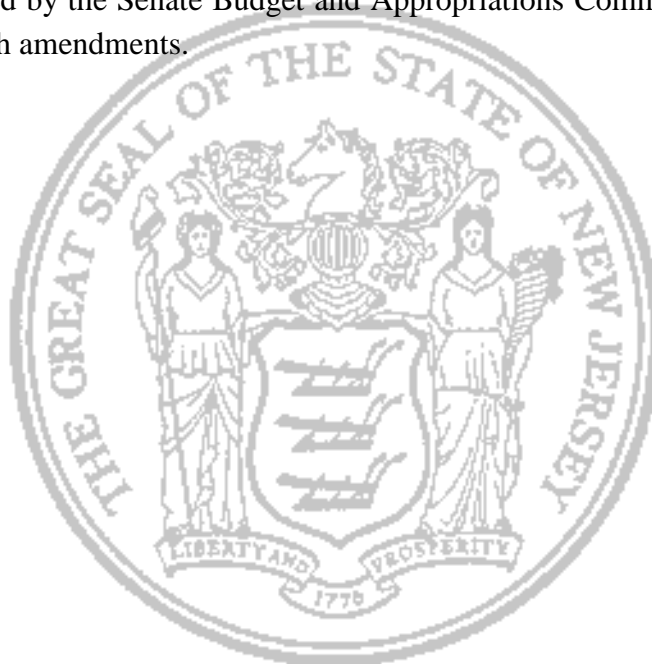
**Senators Oroho, Addiego and Singleton**

**SYNOPSIS**

Revises requirements for grant recipients of Transportation Trust Fund Authority local aid program.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on March 18, 2019, with amendments.



**(Sponsorship Updated As Of: 3/26/2019)**

1 AN ACT concerning transportation projects funded through the local  
 2 aid program, amending P.L.1995, c.108, and supplementing Title  
 3 27 of the Revised Statutes.

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

7  
 8 1. Section 9 of P.L.1995, c.108 (C.27:1B-25.1) is amended to  
 9 read as follows:

10 9. <sup>1</sup>a.<sup>1</sup> Aid to counties and municipalities administered by the  
 11 department may, at the discretion of the commissioner, be disbursed  
 12 to any individual county or municipality on a grant basis or on a  
 13 cost reimbursement basis. <sup>2</sup>The department shall notify a county or  
 14 municipality of the aid allotted to that county or municipality for  
 15 the year and shall execute an agreement with the county or  
 16 municipality concerning the project for which the aid is allotted to  
 17 that county or municipality within 90 days from the date that the  
 18 department notifies the county or municipality of that year's  
 19 allotment.<sup>2</sup>

20 Distribution of the portion of the grant provided initially to a  
 21 county or municipality may be contingent on its performance in  
 22 spending prior grants. Failure to award construction or other  
 23 approved contracts for 100 percent of a county's allotment within  
 24 three years of notification by the department of that year's  
 25 allotment, or failure to award construction or other approved  
 26 contracts for any percentage of a county's allotment within one year  
 27 <sup>1</sup>[of notification by the department of that year's] <sup>2</sup>[following the  
 28 date the county receives the first payment of the<sup>1</sup>] of notification by  
 29 the department of that year's<sup>2</sup> allotment, shall result in the allotment  
 30 being immediately rescinded or the funds returned to the  
 31 department, as applicable, or in the event such funds are not  
 32 immediately returned, deducted by the department from future  
 33 allocations of aid to such county <sup>1</sup>, except as provided in subsection  
 34 b. of this section<sup>1</sup>. Any such funds may be reallocated by the  
 35 commissioner on a grant basis or a cost reimbursement basis to such  
 36 other counties or municipalities as the commissioner shall so  
 37 determine. Failure to award construction or other approved  
 38 contracts for 100 percent of a municipality's allotment within two  
 39 years of notification by the department of that year's allotment, or  
 40 failure to award construction or other approved contracts for any  
 41 percentage of a municipality's allotment within one year <sup>1</sup>[of  
 42 notification by the department of that year's] <sup>2</sup>[following the date  
 43 the municipality receives the first payment of the<sup>1</sup>] of notification  
 44 by the department of that year's<sup>2</sup> allotment, shall result in that

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate STR committee amendments adopted December 10, 2018.

<sup>2</sup>Senate SBA committee amendments adopted March 18, 2019.

1 year's allocation being immediately rescinded <sup>1</sup>, except as provided  
2 in subsection b. of this section<sup>1</sup>. Any such funds may be reallocated  
3 by the commissioner on a grant basis or a cost reimbursement basis  
4 to such other counties or municipalities as the commissioner shall  
5 determine.

6 <sup>1</sup>b. An allotment provided to a county or municipality shall be  
7 rescinded, returned, or deducted from future allocations as a result  
8 of a county's or municipality's failure to award construction or  
9 other approved contracts for any amount of the allotment within one  
10 year of <sup>2</sup>[receiving the first payment of the] notification by the  
11 department of that year's<sup>2</sup> allotment as provided in subsection a. of  
12 this section, except that this one-year requirement shall be extended  
13 if a designated financial officer for the county or municipality  
14 certifies to the department that the project will not begin  
15 construction during the required time frame due to one of the  
16 following exceptions:

17 (1) the allotment will be aggregated with future funds for the  
18 purpose of completing a specific project;

19 (2) a permit needed for completion of the project has not been  
20 issued due to a delay in the permitting process;

21 (3) the acquisition of an interest in State-owned land needed to  
22 complete the project is delayed due to the divestment of a deed  
23 restriction;

24 (4) the project requires a utility to be relocated; or

25 (5) a catastrophic event occurs and results in a declaration of a  
26 state of emergency. The commissioner shall determine which  
27 events are considered catastrophic for purposes of this paragraph.

28 c. A designated financial officer for a county or municipality  
29 submitting a certification pursuant to subsection b. of this section  
30 shall provide proof that the project meets one or more of the  
31 exceptions provided in subsection b. of this section and shall certify  
32 that a construction or other approved contract will be awarded  
33 promptly upon resolution of the cause of the delay. The  
34 commissioner shall determine the proof necessary to claim an  
35 exception under subsection b. of this section; provided that:

36 (1) if a designated financial officer certifies that the allotment  
37 will be aggregated with future funds for the purpose of completing a  
38 specific project, the designated financial officer shall provide to the  
39 department the specific project for which the allotment will be used  
40 and an expected timeline for completion of the project. The  
41 allotment shall not be aggregated until the department approves  
42 such aggregation;

43 (2) if a designated financial officer certifies that a permit needed  
44 for the completion of a project has not been issued due to a delay in  
45 the permitting process, the designated financial officer shall provide  
46 to the department the specific permit application number; or

1       (3) if a designated financial officer certifies that acquisition of  
2 an interest in State-owned land is delaying the completion of a  
3 project due to the divestment of a deed restriction, the designated  
4 financial officer shall provide to the department the block and lot  
5 designation of such land.<sup>1</sup>

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

7  
8       2. (New section) <sup>1</sup>**[a.]**<sup>1</sup> All appropriations or authorizations  
9 made by the Legislature and allocated by the commissioner, under  
10 the local aid program, pursuant to section 25 of P.L.1984, c.73  
11 (C.27:1B-25), shall include the following limitations on grant  
12 recipients:

13       <sup>1</sup>**[(1)] a.**<sup>1</sup> local government entity grant recipients shall be  
14 prohibited from using local aid program funds to support the work  
15 of any local government entity's employees on any <sup>1</sup>construction<sup>1</sup>  
16 projects funded, in whole or in part, out of funds from the local aid  
17 program;

18       <sup>1</sup>**[(2)] b.**<sup>1</sup> the construction contracts for all projects funded, in  
19 whole or in part, out of funds from the local aid program shall be  
20 made and awarded in accordance with the "Local Public Contracts  
21 Law," P.L.1971, c.198 (C.40A:11-1 et seq.);

22       <sup>1</sup>**[(3)] c.**<sup>1</sup> for all projects funded, in whole or in part, out of  
23 funds from the local aid program, each bidder on a construction  
24 contract <sup>1</sup>valued at more than \$500,000<sup>1</sup> shall be prequalified by the  
25 New Jersey Department of Transportation; and,

26       <sup>1</sup>**[(4)] d.**<sup>1</sup> a grant recipient under the local aid program shall be  
27 permitted to expend up to 10 percent of its aid allotment in the  
28 fiscal year beginning July 1, 2018 for design purposes, and up to  
29 five percent of its aid allotment in the fiscal year beginning July 1,  
30 2019 and every fiscal year thereafter for such purposes.

31  
32       3. This act shall take effect immediately