

ASSEMBLY, No. 2416

STATE OF NEW JERSEY

INTRODUCED OCTOBER 7, 1996

By Assemblymen DeCROCE and FELICE

1 AN ACT concerning aviation and amending P.L.1983, c.264 and
2 P.L.1995, c.108.

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

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7 1. Section 2 of P.L.1983, c.264 (C.6:1-90) is amended to read as
8 follows:

9 2. a. The Legislature finds and declares that:

10 (1) New Jersey's public use, general aviation airports are an integral
11 part of the State's transportation network and promote mobility and
12 economic activities of common public benefit. These public use,
13 general aviation transportation facilities are deteriorating and must be
14 improved as to safety and their economic vitality in order to realize
15 their full public benefit.

16 (2) There is a growing need to upgrade the safety of general
17 aviation airports, which require such improvements and equipment as
18 radar, instrument landing aids and weather-reporting equipment to
19 enable them to safely handle modern general aviation aircraft.

20 (3) Many publicly owned, general aviation airports are unable to
21 obtain all of the federal funds available to them for airport
22 development because they are unable to raise money for their local
23 matching requirements.

24 (4) Many privately owned, public use, general aviation airports
25 which are essential to the State's economic development are in danger
26 of conversion to nonaviation uses, and it is in the public interest to
27 provide State assistance to county and municipal efforts to preserve
28 these airports, through acquisition or other means.

29 (5) Users of general aviation airports have contributed substantial
30 amounts to the State treasury through fees and fuel taxes, and this
31 money should henceforth be used to establish an airport assistance
32 program.

33 (6) The long term stability and viability of unrestricted public use
34 airports are greatly dependent upon the economic stability and vitality

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

Matter underlined thus is new matter.

1 of the aviation enterprises which are located within them.

2 (7) It is in the public interest for the Department of Transportation
3 to undertake activities which promote aviation safety, promote
4 aviation education, and provide for the promotion of aeronautics.

5 b. The Legislature therefore finds and declares that it is in the
6 public interest to establish an Airport Safety Fund, impose a two cent
7 per gallon tax on fuel distributed to general aviation airports, and
8 authorize the Commissioner of Transportation to establish assistance
9 programs to improve the safety and economic vitality of general
10 aviation airports, to promote aviation safety and education, and to
11 provide for the promotion of aeronautics.

12 c. The Legislature also declares that, inasmuch as federal
13 authorities already register aircraft, it is deemed appropriate to cease
14 the State registration of New Jersey based aircraft, which is currently
15 administered at a net loss.

16 (cf: P.L.1983, c.264, s.2)

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18 2. Section 3 of P.L.1983, c.264 (C.6:1-91) is amended to read as
19 follows:

20 3. As used in this act:

21 a. "Commissioner" means the Commissioner of Transportation.

22 b. "Department" means the Department of Transportation.

23 c. "Fund" means the Airport Safety Fund, as established in section
24 4 of this act.

25 d. "Treasurer" means the State Treasurer.

26 e. "Unrestricted public use airport" means any facility for the
27 take-off and landing of aircraft, either publicly or privately owned,
28 that does not have restrictive covenants on operational use by the
29 general public for reasons other than safety.

30 f. "General aviation airport" means any area of land or water, or
31 both, used or made available for the landing and take-off of civil
32 aircraft, and which has further been determined by the Commissioner
33 of Transportation not to be an international airport either by
34 classification or service characteristics.

35 g. "Turbine fuel" means any liquid or gaseous substance used by
36 jet and turbo-shaft aircraft for the propulsion of aircraft through the
37 air, as determined by the Commissioner of Transportation.

38 h. "Director" means the Director of the Division of Taxation.

39 i. "Aviation enterprise" means any business or enterprise which is
40 principally located within a New Jersey unrestricted public use airport
41 where the commissioner has determined such business or enterprise
42 has a direct economic or operational benefit to the airport.

43 (cf: P.L.1983, c.264, s.3)

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45 3. Section 4 of P.L.1983, c.264 (C.6:1-92) is amended to read as
46 follows:

1 4. a. There is established in the general fund a separate special
2 account to be known as the "Airport Safety Fund." Notwithstanding
3 any provisions of law to the contrary and except as otherwise
4 provided in this act, revenues from the taxes imposed on the sale of
5 fuel used in aircraft, pursuant to chapter 39 of Title 54 of the Revised
6 Statutes, revenues from the taxes imposed on the sale of aircraft fuels
7 sold for distribution to general aviation airports, pursuant to this act,
8 and fees imposed under Title 6 of the Revised Statutes shall be
9 credited to the fund.

10 b. Moneys shall be appropriated from the fund, notwithstanding the
11 provisions of P.L.1976, c.67 (C.52:9H-5 et seq.).

12 c. Moneys in the fund shall be appropriated to the department only
13 for those aviation purposes which the department is empowered to
14 undertake pursuant to this act or under Title 6 and Title 27.

15 d. All revenues generated by the taxes imposed on the sale of
16 aircraft fuels, pursuant to chapter 39 of Title 54 of the Revised
17 Statutes; the taxes imposed on the sale of aircraft fuels sold for
18 distribution to general aviation airports, pursuant to this act, and fees
19 imposed under the provisions of Title 6 of the Revised Statutes shall
20 be collected and invested by the Treasurer pursuant to law. Earnings
21 received from the investment or deposit of revenues in the fund shall
22 be paid into and become part of the fund.

23 e. Any revenues credited to the fund but not appropriated to the
24 department shall remain in the fund exclusively for the purposes set
25 forth in this act.

26 f. The Director of the Division of Budget and Accounting is
27 empowered to transfer funds from the fund as may be necessary in
28 order to compensate the Division of Taxation for the cost incurred in
29 administering the tax provisions in this act.

30 g. Monies paid back to the State pursuant to loans made from the
31 fund shall be paid back into and become part of the fund.

32 (cf: P.L.1983, c.264, s.4)

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34 4. Section 9 of P.L.1983, c.264 (C.6:1-93) is amended to read as
35 follows:

36 9. The commissioner is hereby authorized to [provide assistance to
37 general aviation airports] expend monies from the Airport Safety Fund
38 established by section 4 of the "New Jersey Airport Safety Act of
39 1983," P.L.1983, c.264 (C.6:1-92), for the following purposes:

40 a. To provide grants to publicly and privately owned, unrestricted,
41 public use airports to obtain federal funds for airport assistance. The
42 commissioner is authorized to provide up to 50% of the required local
43 match; except that the commissioner is authorized to provide up to
44 100% of the required local match, when he deems that an emergency
45 situation exists.

46 b. To provide grants or loans, or both, to publicly owned and

1 private, unrestricted, public use airports for safety projects, including
2 but not limited to engineering, planning, construction and
3 rehabilitation of lighting, runways, aprons, airport approach aids and
4 obstruction removals.

5 c. To provide grants or loans, or both, to publicly owned airports
6 or counties or municipalities to acquire airports or lands, rights in land
7 and easements, including aviation easements necessary for clear zones
8 or clear areas, which are owned, controlled or operated, or to be
9 owned, controlled or operated by municipalities, counties or other
10 political subdivisions of this State.

11 d. To acquire lands or rights in lands adjacent to privately owned,
12 public use airports, which are found necessary for airport or air safety
13 purposes, and while retaining title to that land or rights in land, the
14 commissioner may lease those lands or rights to airports or airport
15 authorities for use in the furtherance of airport, air safety, or air
16 transportation purposes. The commissioner shall establish terms in
17 any such lease so as to protect the State's interest in the promotion of
18 aviation and the State's investment in lands and property.

19 e. To provide loans to unrestricted public use airports and New
20 Jersey based aviation enterprises, for such specific purposes and on
21 such terms and conditions as may be determined by the commissioner
22 pursuant to this subsection. Loans pursuant to this subsection may be
23 provided for revenue or nonrevenue generating capital construction,
24 capital development, or equipment acquisition purposes. In providing
25 such loans, the commissioner shall establish loan security terms so as
26 to protect the State's interests.

27 f. To establish, operate, or provide any program or activity which
28 promotes aviation safety, promotes aviation education, or provides for
29 the promotion of aeronautics. In no fiscal year shall the amount of
30 moneys expended pursuant to this subsection exceed 10 percent of the
31 total amount of moneys appropriated in that fiscal year to the Airport
32 Safety Fund, established in the General Fund pursuant to section 4 of
33 P.L.1983, c.264 (C.6:1-92).

34 (cf: P.L.1983, c.264, s.9)

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36 5. Section 15 of P.L.1995, c.108 (C.27:1B-21.8) is amended to
37 read as follows:

38 15. Each year a nonlapsing sum of money shall be appropriated
39 from funds held in the Special Transportation Fund, established
40 pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21), and credited
41 to the Airport Safety Fund, established in the General Fund pursuant
42 to section 4 of P.L.1983, c.264 (C.6:1-92), for use for any [capital]
43 purpose pursuant to the "New Jersey Airport Safety Act of 1983,"
44 P.L.1983, c.264 (C.6:1-89 et al.) and that sum shall be included in the
45 annual report of projects prepared pursuant to section 22 of P.L.1984,
46 c.73 (C.27:1B-22). Funds so appropriated shall no longer be subject

1 to the provisions and limitations of this chapter, but instead shall be
2 subject to the provisions and limitations of P.L.1983, c.264 (C.6:1-89
3 et seq.).
4 (cf: P.L.1995, c.108, s.15)

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6 6. This act shall take effect immediately.

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STATEMENT

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11 This bill permits loans to be made by the Commissioner of
12 Transportation from the Airport Safety Fund, established pursuant to
13 P.L.1983, c.264 (C.6:1-89 et seq.), to unrestricted public use airports
14 and aviation enterprises for capital and equipment purposes and
15 provides funding for the promotion of aviation safety, aviation
16 education and the promotion of aeronautics.

17 An aviation enterprise is defined as any business or enterprise which
18 is principally located within a New Jersey unrestricted public use
19 airport where the commissioner has determined such business or
20 enterprise has a direct economic or operational benefit to the airport.

21 Loans may be provided for either revenue or nonrevenue generating
22 capital construction, capital development or equipment acquisition
23 purposes.

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28 Permits loans to be made from Airport Safety Fund to aviation
29 enterprises and certain airports for capital and related purposes, and
30 permits certain other expenditures.