

[Passed Both Houses]

[First Reprint]

ASSEMBLY, No. 2416

STATE OF NEW JERSEY

INTRODUCED OCTOBER 7, 1996

**By Assemblymen DeCROCE, FELICE, Assemblywoman Heck
and Senator Bark**

1 AN ACT concerning ¹[aviation and] expenditures from the Airport
2 Safety Fund,¹ amending P.L.1983, c.264 and 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

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ATC committee amendments adopted February 3, 1997.

1 these airports, through acquisition or other means.

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

6 (6) The long term stability and viability of unrestricted public use
7 airports are greatly dependent upon the economic stability and vitality
8 of the aviation enterprises which are located within them.

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

12 b. The Legislature therefore finds and declares that it is in the
13 public interest to establish an Airport Safety Fund, impose a two cent
14 per gallon tax on fuel distributed to general aviation airports, and
15 authorize the Commissioner of Transportation to establish assistance
16 programs to improve the safety and economic vitality of general
17 aviation airports, to promote aviation safety and education, and to
18 provide for the promotion of aeronautics.

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

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

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

27 3. As used in this act:

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

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

30 c. "Fund" means the Airport Safety Fund, as established in section
31 4 of this act.

32 d. "Treasurer" means the State Treasurer.

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

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

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

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

46 i. "Aviation enterprise" means any business or enterprise which is

1 principally located within a New Jersey unrestricted public use airport
2 where the commissioner has determined such business or enterprise
3 has a direct economic or operational benefit to the airport.

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

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

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

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

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

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

30 e. Any revenues credited to the fund but not appropriated to the
31 department shall remain in the fund exclusively for the purposes set
32 forth in this act.

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

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

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

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

43 9. The commissioner is hereby authorized to [provide assistance to
44 general aviation airports]expend monies from the Airport Safety Fund
45 established by section 4 of the "New Jersey Airport Safety Act of
46 1983," P.L.1983, c.264 (C.6:1-92), for the following purposes:

- 1 a. To provide grants to publicly and privately owned, unrestricted,
2 public use airports to obtain federal funds for airport assistance. The
3 commissioner is authorized to provide up to 50% of the required local
4 match; except that the commissioner is authorized to provide up to
5 100% of the required local match, when he deems that an emergency
6 situation exists.
- 7 b. To provide grants or loans, or both, to publicly owned and
8 private, unrestricted, public use airports for safety projects, including
9 but not limited to engineering, planning, construction and
10 rehabilitation of lighting, runways, aprons, airport approach aids and
11 obstruction removals.
- 12 c. To provide grants or loans, or both, to publicly owned airports
13 or counties or municipalities to acquire airports or lands, rights in land
14 and easements, including aviation easements necessary for clear zones
15 or clear areas, which are owned, controlled or operated, or to be
16 owned, controlled or operated by municipalities, counties or other
17 political subdivisions of this State.
- 18 d. To acquire lands or rights in lands adjacent to privately owned,
19 public use airports, which are found necessary for airport or air safety
20 purposes, and while retaining title to that land or rights in land, the
21 commissioner may lease those lands or rights to airports or airport
22 authorities for use in the furtherance of airport, air safety, or air
23 transportation purposes. The commissioner shall establish terms in
24 any such lease so as to protect the State's interest in the promotion of
25 aviation and the State's investment in lands and property.
- 26 e. To provide loans to unrestricted public use airports and New
27 Jersey based aviation enterprises, ¹in amounts not to exceed \$200,000
28 per loan, ¹for such specific purposes and on such terms and conditions
29 as may be determined by the commissioner pursuant to this subsection.
30 Loans pursuant to this subsection may be provided for revenue or
31 nonrevenue generating capital construction, capital development, or
32 equipment acquisition purposes. In providing such loans, the
33 commissioner shall establish loan security terms so as to protect the
34 State's interests. ¹Loans shall not be provided pursuant to this
35 subsection to airports or enterprises for the purpose of expanding,
36 preparing for an expansion or completing an expansion of the physical
37 capabilities of the airport, including but not limited to expansion of the
38 runways, to support a greater number of flights or larger aircraft than
39 that which the airport is able to handle within the safety parameters
40 applicable to that airport at the time of the loan application, except
41 that a loan may be provided to restore the physical capabilities of an
42 airport, which capabilities have been reduced as a result of insufficient
43 maintenance and repair, to the capabilities that existed when the
44 airport was in a state of full repair and fully maintained.¹
- 45 f. To establish, operate, or provide any program or activity which
46 promotes aviation safety, promotes aviation education, or provides for

1 the promotion of aeronautics. In no fiscal year shall the amount of
2 moneys expended pursuant to this subsection exceed 10 percent of the
3 total amount of moneys appropriated in that fiscal year to the Airport
4 Safety Fund, established in the General Fund pursuant to section 4 of
5 P.L.1983, c.264 (C.6:1-92).

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

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

10 15. Each year a nonlapsing sum of money shall be appropriated
11 from funds held in the Special Transportation Fund, established
12 pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21), and credited
13 to the Airport Safety Fund, established in the General Fund pursuant
14 to section 4 of P.L.1983, c.264 (C.6:1-92), for use for any [capital]
15 purpose pursuant to the "New Jersey Airport Safety Act of 1983,"
16 P.L.1983, c.264 (C.6:1-89 et al.) and that sum shall be included in the
17 annual report of projects prepared pursuant to section 22 of P.L.1984,
18 c.73 (C.27:1B-22). Funds so appropriated shall no longer be subject
19 to the provisions and limitations of ¹[this]¹ chapter ¹1B of Title 27 of
20 the Revised Statutes¹, but instead shall be subject to the provisions
21 and limitations of P.L.1983, c.264 (C.6:1-89 et al.).

22 (cf: P.L.1995, c.108, s.15)

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24 6. This act shall take effect immediately.

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