

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2416

STATE OF NEW JERSEY

DATED: MARCH 20, 1997

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2416 (1R).

Assembly Bill No. 2416 (1R) authorizes the Commissioner of Transportation to expend monies from the Airport Safety Fund (ASF) to provide loans in amounts not exceeding \$200,000 to unrestricted public use airports and New Jersey based aviation enterprises. Loans may be provided for revenue or nonrevenue generating capital construction, capital development, or equipment acquisition purposes, however, loans could not be provided for projects that would expand the physical capability of an airport to handle more flights or larger aircraft. An "aviation enterprise" is defined as any business or enterprise which is principally located within a New Jersey unrestricted public use airport where the commissioner has determined such business or enterprise has a direct economic or operational benefit to the airport.

The bill additionally provides that the commissioner may expend monies from the ASF to establish, operate or provide any program or activity which promotes aviation safety, aviation education or provides for the promotion of aeronautics. However, the amount of monies expended for these purposes cannot exceed in a fiscal year 10 percent of the total amount of monies appropriated in that fiscal year to the ASF.

Finally, the bill specifies that appropriations from the Special Transportation Fund to the ASF will be nonlapsing and removes the restriction that these funds be used for capital purposes only.

The ASF was established in 1983 and is financed by certain taxes on the sale of aviation fuels and fees imposed by Title 6 of the Revised Statutes, statutes that regulate aviation in this State.

Anticipated revenue from these sources is \$850,000 for Fiscal Year 1997. As part of the reauthorized Transportation Trust Fund, the ASF can expect to be augmented with funds from the trust fund on an annual basis; \$10 million was appropriated in Fiscal Year 1997. These State funds, along with matching federal aviation money, are currently used for grants and loans to publicly and privately owned airports for various improvements, and safety and land acquisition programs.

This bill is identical to Senate Bill No.1408 (2R).

FISCAL IMPACT:

This bill was not certified as requiring a fiscal note since it will not have an impact on State expenditures or revenues. The bill provides additional purposes for which loans and expenditures from the ASF can be made by the Commissioner of Transportation. The bill places certain limits, described above, on the amounts which may be loaned or expended for these new purposes.