

[Second Reprint]  
ASSEMBLY, No. 2560

STATE OF NEW JERSEY

INTRODUCED DECEMBER 9, 1996

By Assemblymen DeCROCE, GIBSON,  
Asselta, Bucco and Assemblywoman Heck

1 AN ACT concerning transportation projects, amending and  
2 supplementing Title 27 of the Revised Statutes.

3

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

6

7 1. (New Section) The Legislature finds and declares that:

8 a. A safe and efficient transportation system is essential to the  
9 economic and social well-being of the State and its people, and is a  
10 sound economic investment opportunity for both private and public  
11 resources.

12 b. The use of public-private transportation initiatives would  
13 enhance the ability of the State to provide a safe and efficient  
14 transportation system through use of alternate funding sources and  
15 private sector efficiencies; supplement the State's transportation  
16 resources in order to allow the State to use its limited resources for  
17 other needed projects; and encourage and promote business and  
18 employment opportunities for the citizens of New Jersey.

19

20 2. (New Section) As used in this act:

21 "Commissioner" means the Commissioner of Transportation.

22 "Corporation" means the New Jersey Transit Corporation.

23 "Department" means the Department of Transportation.

24 "Demonstration project" means a transportation project selected by  
25 the commissioner pursuant to section 3 of this act.

26 "Developer" means a public or private entity or consortia thereof  
27 selected by the public partner from among proposers to develop a  
28 demonstration project.

29 "Intelligent transportation systems" means the equipment, facilities,  
30 property, information management and communications resources

**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:**

<sup>1</sup> Assembly ATC committee amendments adopted January 9, 1997.

<sup>2</sup> Assembly AAP committee amendments adopted March 3, 1997.

1 which are necessary or desirable for the advancement, management, or  
2 operation of a multi-modal transportation network.

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

13 "Public partner" means the Department of Transportation or the  
14 New Jersey Transit Corporation, as the case may be.

15 "Public transportation project" means, in connection with public  
16 transportation service, passenger stations, shelters and terminals,  
17 automobile parking facilities, ramps, track connections, signal systems,  
18 power systems, information and communication systems, roadbeds,  
19 transit lanes or rights of way, equipment storage and servicing  
20 facilities, bridges, grade crossings, rail cars, locomotives, motorbuses  
21 and other motor vehicles, maintenance and garage facilities, revenue  
22 handling equipment and any other equipment, facility or property  
23 useful for or related to the provision of public transportation service.

24 "Transportation project" means, in addition to public highways and  
25 public transportation projects, any equipment, facility or property  
26 useful or related to the provision of any ground, waterborne or air  
27 transportation for the movement of people and goods.

28

29 3. (New Section) a. Commencing with the fiscal year beginning  
30 after the effective date of this act and for the next four succeeding  
31 fiscal years, the commissioner is authorized to select up to seven  
32 transportation projects from the list of transportation projects <sup>2</sup>for  
33 which monies have been appropriated<sup>2</sup> in the annual appropriations  
34 acts for those five fiscal years to serve as demonstration projects. <sup>2</sup>No  
35 more than seven demonstration projects shall be selected by the  
36 commissioner pursuant to this act.<sup>2</sup>

37 b. Selection by the commissioner of demonstration projects  
38 pursuant to subsection a. of this section which are public  
39 transportation projects shall be made with the approval of the board  
40 of the corporation.

41 c. If a transportation project is not listed in the annual  
42 appropriations acts, the commissioner may submit that project as a  
43 demonstration project to the Legislature for approval. The  
44 commissioner shall make the submission to the Legislature to the  
45 President of the Senate and the Speaker of the General Assembly on  
46 a day when both houses are meeting. The President and the Speaker

1 shall cause the date of submission to be entered upon the Senate  
2 Journal and the Minutes of the General Assembly, respectively. Unless  
3 the project as described in the submission is disapproved by adoption  
4 of a concurrent resolution to this effect by the affirmative vote of a  
5 majority of the authorized membership of both houses within the time  
6 period prescribed in this subsection, the project shall be deemed  
7 approved and the public partner shall be authorized to undertake the  
8 project. The time period shall commence on the day of submission and  
9 expire on the forty-fifth day after submission or for a house not  
10 meeting on the forty-fifth day, on the next meeting day of that house.

11

12 4. (New Section) a. <sup>1</sup>A<sup>1</sup> public partner is authorized to solicit  
13 proposals in the five fiscal years after the effective date of this act, as  
14 provided in subsection a. of section 3 of this act, from developers to  
15 plan, design, construct, equip, operate, finance, improve and maintain,  
16 or any combination thereof, demonstration projects selected by the  
17 commissioner pursuant to section 3 of this act.

18 b. A public partner shall select proposals for negotiation of  
19 <sup>2</sup>[public-private]<sup>2</sup> demonstration project agreements based on the  
20 overall benefit to the State, the qualifications and financial strength of  
21 the proposer, the proposer's responsiveness to the public partner's  
22 requirements, the total project cost to be incurred by the public  
23 partner, the nature of project financing, the revenues to be generated  
24 by the project on behalf of and in support of the State, the impact of  
25 any direct or indirect user fees and any other evaluation criteria the  
26 public partner deems appropriate. The public partner shall negotiate  
27 with one or more proposers to reach <sup>2</sup>[an] a project<sup>2</sup> agreement in the  
28 best interests of the State.

29 c. Any power possessed by a public partner pursuant to this act or  
30 any other act or any function performed by the department or the  
31 corporation, as the case may be, with respect to transportation  
32 projects may be used by that public partner to facilitate the  
33 <sup>2</sup>[development] planning, designing<sup>2</sup>, construction, equipment,  
34 financing, improvement,<sup>2</sup> maintenance and operation <sup>2</sup>, or any  
35 combination thereof,<sup>2</sup> of demonstration projects selected pursuant to  
36 this act. <sup>2</sup>[Agreements] Project agreements<sup>2</sup> entered into pursuant to  
37 this act may provide for full reimbursement to the State for services  
38 rendered by the public partner or other State entities or agencies or for  
39 the provision of revenues generated to the State. The public partner  
40 is authorized to enter into financing, funding, and credit agreements on  
41 such terms as the commissioner deems favorable to the State to  
42 promote the purposes of this act. <sup>2</sup>All credit agreements entered into  
43 by the public partner pursuant to this act shall be subject to  
44 concurrence by the State Treasurer.<sup>2</sup>

45 d. <sup>2</sup>[An] A project<sup>2</sup> agreement entered into pursuant to this act  
46 shall provide for a public involvement and information process to

1 apply to each demonstration project. The purpose of the public  
2 involvement and information process shall be to disseminate and  
3 provide information about the demonstration project to the public,  
4 prospective project users, and the residents of communities affected  
5 by the project, and to establish a formal means by which interested  
6 persons may comment upon the project and make suggestions.

7 <sup>1</sup>e. Upon entering into a project agreement pursuant to this act, the  
8 public partner shall publish a notice in a newspaper circulating in the  
9 county in which the demonstration project will be located describing  
10 the project and the responsibilities of the developer and the public  
11 partner with respect to the project. If a demonstration project will be  
12 located in more than one county or have a regional impact, the notice  
13 shall also be published in a publication circulating in the region in  
14 which the demonstration project will be located.<sup>1</sup>

15

16 5. (New Section) a. The department's financial participation in  
17 any demonstration project undertaken pursuant to this act shall be  
18 subject to legislative appropriation. The corporation's financial  
19 participation in any demonstration project undertaken pursuant to this  
20 act shall be subject to the availability of funds. Participation by a  
21 public partner may take the form of loans or such other financial credit  
22 arrangements as may be appropriate to advance an approved project.  
23 Agreements entered into pursuant to this act <sup>2</sup>to facilitate such  
24 participation<sup>2</sup> shall provide <sup>2</sup>that<sup>2</sup> such loans or other credit  
25 arrangements made by the public partner shall yield a reasonable return  
26 and be amortized over the term of such agreement, or such lesser  
27 period as may be agreed to by the parties.

28 b. <sup>2</sup>[Agreements] A project agreement<sup>2</sup> entered into pursuant to  
29 this act shall provide for the allocation of ownership, leasehold, and  
30 other property interests in demonstration projects.

31 c. The <sup>2</sup>project<sup>2</sup> agreement may authorize the developer to set and  
32 impose rents, fares or user fees for use of a facility constructed by it  
33 and may require that over the term of the agreement, the rent, fare or  
34 fee revenues received by the developer be applied to repayment of the  
35 developer's capital outlay costs, interest expense, costs associated with  
36 operations, fare or user fee collection, facility management,  
37 reimbursement of the State's project review and oversight costs,  
38 repayment of loans, revenues to the State, technical and law  
39 enforcement services, and a reasonable return on investment to the  
40 developer.

41 d. The <sup>2</sup>project<sup>2</sup> agreement shall specify the manner in which rents,  
42 fares or user fees are to be established or revised, the procedures for  
43 receiving public comment on the establishment or revision of fares or  
44 user fees, including the holding of a public hearing thereon, and the  
45 procedures by which the public partner shall oversee the establishment  
46 or revision of fares or user fees.

1       6. (New Section) <sup>2</sup>[Demonstration projects constructed by and  
2 leased by a developer pursuant to this act shall, from the  
3 commencement of operation, be deemed to be a part of the State  
4 highway system for purposes of the enforcement of traffic and other  
5 applicable laws or a part of the State public transportation system for  
6 the purposes of enforcement of all applicable laws, as the case may  
7 be.] Traffic and other laws applicable on the State transportation  
8 system shall be enforceable, as appropriate, on demonstration projects  
9 constructed by and leased by a developer pursuant to this act.<sup>2</sup>  
10

11       7. (New Section) a. <sup>2</sup>[Transportation] Demonstration<sup>2</sup> projects  
12 selected pursuant to this act shall be designed, constructed, operated  
13 and maintained in accordance with all applicable environmental  
14 requirements and all other applicable State and federal laws and  
15 regulations necessary to the protection of the public health, safety and  
16 welfare.

17       b. Unless determined otherwise by the corporation, in its sole  
18 discretion, the plans and specifications for each demonstration project  
19 shall comply with the corporation's standards for public transportation  
20 projects.

21       c. Unless determined otherwise by the commissioner, in his sole  
22 discretion, the plans and specifications for each transportation project  
23 other than public transportation projects shall comply with the  
24 department's standards for <sup>2</sup>[State]<sup>2</sup> transportation projects.  
25

26       8. (New Section) All absolute and qualified immunities and  
27 defenses provided to public entities and public employees by the "New  
28 Jersey Tort Claims Act," N.J.S.59:1-1 et seq., the "New Jersey  
29 Contractual Liability Act," N.J.S.59:13-1 et seq., and any other law  
30 shall apply to all interests held and activities performed by the  
31 department, the corporation and other State agencies in connection  
32 with the demonstration projects <sup>2</sup>[authorized] selected<sup>2</sup> pursuant to  
33 this act.  
34

35       9. (New Section) a. The public partner may agree to defend and  
36 indemnify any person, who, pursuant to a written agreement with the  
37 public partner entered into in accordance with this act, designs,  
38 constructs, operates, maintains, leases or otherwise holds an interest  
39 in a demonstration project, against claims, causes of action, demands,  
40 costs or judgements against that person arising as a direct result of the  
41 design, construction, interest, operation, or maintenance of that  
42 demonstration project. The public partner is authorized to reach  
43 agreements to defend and indemnify a person upon the terms and  
44 limitations the public partner deems reasonable and appropriate.

45       b. A determination by the public partner to defend and indemnify  
46 pursuant to this section does not bar, reduce, limit or affect any

1 remedies which the public partner may have to enforce the agreement  
2 between the public partner and the developer to assert a claim for  
3 damages to which the public partner may be entitled arising out of the  
4 developer's failure to perform the agreement, or for the recovery of  
5 funds expended for the defense of the developer if the defense was  
6 undertaken in response to a claim or cause of action brought against  
7 the developer which is proven to have arisen from gross negligence,  
8 willful misconduct, fraud, intentional tort, bad faith or criminal  
9 conduct.

10 c. No one other than the person operating, maintaining, leasing or  
11 otherwise holding an interest in the demonstration project pursuant to  
12 an agreement with the public partner has the right to enforce any  
13 agreement for defense or indemnification between that person and the  
14 public partner.

15

16 10. Section 5 of P.L.1966, c.301 (C.27:1A-5) is amended to read  
17 as follows:

18 5. The commissioner, as head of the department, shall have all of  
19 the functions, powers and duties heretofore vested in the State  
20 Highway Commissioner and shall, in addition to the functions, powers  
21 and duties vested in him by this act or by any other law:

22 (a) Develop and maintain a comprehensive master plan for all  
23 modes of transportation development, with special emphasis on public  
24 transportation. Such plan shall be revised and updated at least every  
25 five years;

26 (b) Develop and promote programs to foster efficient and  
27 economical transportation services in the State;

28 (c) Prepare plans for the preservation, improvement and expansion  
29 of the public transportation system, with special emphasis on the  
30 coordination of transit modes and the use of rail rights of way,  
31 highways and public streets for public transportation purposes;

32 (d) Enter into contracts with the New Jersey Transit Corporation  
33 for the provision and improvement of public transportation services;

34 (e) Coordinate the transportation activities of the department with  
35 those of other public agencies and authorities;

36 (f) Cooperate with interstate commissions and authorities, State  
37 departments, councils, commissions and other State agencies, with  
38 appropriate federal agencies, and with interested private individuals  
39 and organizations in the coordination of plans and policies for the  
40 development of air commerce and air facilities;

41 (g) Make an annual report to the Governor and the Legislature on  
42 the department's operations, and render such other reports as the  
43 Governor shall from time to time request or as may be required by law;

44 (h) Promulgate regulations providing for the charging of and  
45 setting the amount of fees for certain services performed by and  
46 permits issued by the department, including but not limited to the

1 following:

2 (1) Providing copies of documents prepared by or in the custody  
3 of the department;

4 (2) Aeronautics permits;

5 (3) Right-of-way permits;

6 (4) Traffic signal control systems;

7 (i) Develop and promote programs for the preservation,  
8 improvement and expansion of freight railroads, with special emphasis  
9 on the use of rail rights of way for the purpose of providing rail freight  
10 service;

11 (j) Develop and promote a program to ensure the safety and  
12 continued operation of aviation facilities in New Jersey; [and]

13 (k) Enter into agreements with a public or private entity or  
14 consortia thereof to provide for the development of demonstration  
15 projects through the use of public-private partnerships pursuant to  
16 sections 1 through 9 of P.L. 19 .c. (C. ) (now before the  
17 Legislature as this bill); and

18 (l) Do any and all things necessary, convenient or desirable to  
19 effectuate the purposes of P.L.1966, c.301 (C.27:1A-1 et seq.) and to  
20 exercise the powers given and granted in that act.

21 (cf: P.L.1986, c.56, s.1)

22

23 11. Section 2 of P.L.1986, c.56 (C.27:1A-5.1) is amended to read  
24 as follows:

25 2. The commissioner, pursuant to subsection (i) of section 5 of  
26 P.L.1966, c.301 (C.27:1A-5), may:

27 a. Plan, design, construct, equip, operate, improve and maintain,  
28 either directly or by contract with any public or private entity, a  
29 railroad, subway, street traction or electric railway, or connecting  
30 roadways and facilities for the purpose of carrying freight in this State  
31 or between in this State and points in other states;

32 b. Acquire by purchase, condemnation, lease, gift or otherwise, on  
33 terms and conditions and in the manner he deems proper, any land or  
34 property, real or personal, tangible or intangible, which he may  
35 determine is reasonably necessary for the purposes of this section;

36 c. Lease as lessor, sell or otherwise dispose of, on terms and  
37 conditions which he may prescribe as appropriate, real and personal  
38 property, including tangible or intangible property and consumable  
39 goods; or any interest therein, to any public or private entity in the  
40 exercise of his powers and the performance of his duties under this  
41 section, and may, in order to provide or encourage adequate and  
42 efficient rail freight service, lease or otherwise permit the use or  
43 occupancy of property without cost or at a nominal rental;

44 d. Upon declaration by him that there are no other prospects for  
45 competitive bidding, make, negotiate or award any purchase, contract

1 or agreement pursuant to this section without advertisement.  
2 (cf: P.L.1986, c.56, c.2)

3

4 12. Section 5 of P.L.1979, c.150 (C.27:25-5) is amended to read  
5 as follows:

6 5. In addition to the powers and duties conferred upon it elsewhere  
7 in this act, the corporation may do all acts necessary and reasonably  
8 incident to carrying out the objectives of this act, including but not in  
9 limitation thereof the following:

10 a. Sue and be sued;

11 b. Have an official seal and alter the same at pleasure;

12 c. Make and alter bylaws for its organization and internal  
13 management and for the conduct of its affairs and business;

14 d. Maintain an office at such place or places within the State as it  
15 may determine;

16 e. Adopt, amend and repeal such rules and regulations as it may  
17 deem necessary to effectuate the purposes of this act, which shall have  
18 the force and effect of law; it shall publish the same and file them in  
19 accordance with the "Administrative Procedure Act," P.L.1968, c.410  
20 (C.52:14B-1 et seq.) with the Director of the Office of Administrative  
21 Law;

22 f. Call to its assistance and avail itself of the service of such  
23 employees of any federal, State, county or municipal department or  
24 agency as it may require and as may be available to it for said purpose;

25 g. Apply for, accept and expend money from any federal, State,  
26 county or municipal agency or instrumentality and from any private  
27 source; comply with federal statutes, rules and regulations, and qualify  
28 for and receive all forms of financial assistance available under federal  
29 law to assure the continuance of, or for the support or improvement  
30 of public transportation and as may be necessary for that purpose to  
31 enter into agreements, including federally required labor protective  
32 agreements;

33 h. Plan, design, construct, equip, operate, improve and maintain,  
34 either directly or by contract with any public or private entity, public  
35 transportation services, capital equipment and facilities or any parts or  
36 functions thereof, and other transportation projects, or any parts or  
37 functions thereof, which may be funded under section 3 of the federal  
38 Urban Mass Transportation Act of 1964, P.L.88-365 (49 U.S.C.  
39 {1602}), or any successor or additional federal act having substantially  
40 the same or similar purposes or functions; the operation of the  
41 facilities of the corporation, by the corporation or any public or private  
42 entity, may include appropriate and reasonable limitations on  
43 competition in order that maximum service may be provided most  
44 efficiently to the public;

45 i. Apply for and accept, from appropriate regulatory bodies,  
46 authority to operate public transportation services where necessary;

- 1       j. Purchase, lease as lessee, or otherwise acquire, own, hold,  
2 improve, use and otherwise deal in and with real or personal property,  
3 or any interest therein, from any public or private entity, wherever  
4 situated;
- 5       k. Lease as lessor, sell or otherwise dispose of on terms which the  
6 corporation may prescribe, real and personal property, including  
7 tangible or intangible property and consumable goods, or any interest  
8 therein, to any public or private entity, in the exercise of its powers  
9 and the performance of its duties under this act. In order to provide  
10 or encourage adequate and efficient public transportation service, the  
11 corporation may lease or otherwise permit the use or occupancy of  
12 property without cost or at a nominal rental;
- 13       l. Restrict the rights of persons to enter upon or construct any  
14 works in or upon any property owned or leased by the corporation,  
15 except under such terms as the corporation may prescribe; perform or  
16 contract for the performance of all acts necessary for the management,  
17 maintenance and repair of real or personal property leased or  
18 otherwise used or occupied pursuant to this act;
- 19       m. Establish one or more operating divisions as deemed necessary.  
20 Upon the establishment of an operating division, there shall be  
21 established a geographically coincident advisory committee to be  
22 appointed by the Governor with the advice and consent of the Senate.  
23 The committee shall consist of county and municipal government  
24 representatives and concerned citizens, in the number and for such  
25 terms as may be fixed by the corporation, and shall advise the  
26 corporation as to the public transportation service provided in the  
27 operating division. At least two members of each advisory committee  
28 shall be public transportation riders, including but not limited to urban  
29 transit users and suburban commuters as appropriate. One public  
30 member from the board of corporation shall serve as a liaison to each  
31 advisory committee;
- 32       n. Set and collect fares and determine levels of service for service  
33 provided by the corporation either directly or by contract including,  
34 but not limited to, such reduced fare programs as deemed appropriate  
35 by the corporation; revenues derived from such service may be  
36 collected by the corporation and shall be available to the corporation  
37 for use in furtherance of any of the purposes of this act;
- 38       o. Set and collect rentals, fees, charges or other payments from the  
39 lease, use, occupancy or disposition of properties owned or leased by  
40 the corporation; such revenues shall be available to the corporation for  
41 use in furtherance of any of the purposes of this act;
- 42       p. Deposit corporate revenues in interest bearing accounts or in the  
43 State of New Jersey Cash Management Fund established pursuant to  
44 section 1 of P.L.1977, c.28 (C.52:18A-90.4);
- 45       q. Delegate to subordinate officers of the corporation such powers  
46 and duties as the corporation shall deem necessary and proper to carry

1 out the purposes of this act;

2 r. Procure and enter into contracts for any type of insurance and  
3 indemnify against loss or damage to property from any cause,  
4 including loss of use and occupancy, against death or injury of any  
5 person, against employees' liability, against any act of any member,  
6 officer, employee or servant of the corporation, whether part-time,  
7 full-time, compensated or noncompensated, in the performance of the  
8 duties of his office or employment or any other insurable risk. In  
9 addition, the corporation may carry its own liability insurance;

10 s. Promote the use of public transportation services, coordinate  
11 ticket sales and passenger information and sell, lease or otherwise  
12 contract for advertising in or on the equipment or facilities of the  
13 corporation;

14 t. Adopt and maintain employee benefit programs for employees of  
15 the corporation including, but not limited to, pension, deferred  
16 compensation, medical disability, and death benefits, and which  
17 programs may utilize insurance contracts, trust funds, and any other  
18 appropriate means of providing the stipulated benefits, and may  
19 involve new plans or the continuation of plans previously established  
20 by entities acquired by the corporation;

21 u. Own, vote, and exercise all other rights incidental to the  
22 ownership of shares of the capital stock of any incorporated entity  
23 acquired by the corporation pursuant to the powers granted by this  
24 act;

25 v. Enter into any and all agreements or contracts, execute any and  
26 all instruments, and do and perform any and all acts or things  
27 necessary, convenient or desirable for the purposes of the corporation,  
28 or to carry out any power expressly or implicitly given in this act;  
29 [and,]

30 w. Notwithstanding the provisions of section 17 of P.L.1979, c.150  
31 (C.27:25-17) or any other law to the contrary, (1) issue operating  
32 grant anticipation notes which shall be secured and retired from  
33 operating assistance grants authorized under section 9 of the federal  
34 Urban Mass Transportation Act of 1964, P.L.88-365 (49 U.S.C.  
35 {1602), or any successor or additional federal act having substantially  
36 the same or similar purposes or functions and (2) issue capital grant  
37 anticipation notes which shall be secured and retired from capital  
38 assistance grants authorized under section 3 or section 9 of the federal  
39 Urban Mass Transportation Act of 1964, P.L.88-365 (49 U.S.C.  
40 {1602), or any successor or additional federal act having substantially  
41 the same or similar purposes or functions. As used in this subsection,  
42 "operating grant anticipation notes" or "capital grant anticipation  
43 notes" (hereafter referred to as "notes") means credit obligations  
44 issued in anticipation of these grants. The notes shall be authorized by  
45 a resolution or resolutions of the corporation, and may be issued in  
46 one or more series and shall bear the date, or dates, bear interest at the

1 rate or rates of interest per annum, be in the denomination or  
2 denominations, be in the form, carry the conversion or registration  
3 privileges, have the rank or priority, be executed in such manner as the  
4 resolution or resolutions require. The notes may be sold at public or  
5 private sale at the price or prices and in the manner that the  
6 corporation determines. The notes of the corporation, the sale or  
7 transfer thereof, and the income derived therefrom by the purchasers  
8 of the notes, shall, at all times, be free from taxation for State or local  
9 purposes, under any law of the State or any political subdivision  
10 thereof. Notes may be issued under the provisions of P.L.1979, c.150  
11 (C.27:25-1 et seq.) without obtaining the consent of any department,  
12 division, commission, board, bureau or agency of the State, and  
13 without any other proceedings, conditions, or things which are  
14 specifically required by P.L.1979, c.150 (C.27:25-1 et seq.). The  
15 notes issued pursuant to P.L.1979, c.150 (C.27:25-1 et seq.) shall not  
16 in any way create or constitute any indebtedness, liability or obligation  
17 of the State or of any political subdivision thereof or of the  
18 corporation, except as provided herein.

19 The notes shall be payable solely from (1) note proceeds, to the  
20 extent not disbursed to the corporation, (2) grant payments if, as, and  
21 when received from the federal government, and (3) investment  
22 earnings on note proceeds, to the extent not disbursed to the  
23 corporation. Each note shall contain on its face a statement to the  
24 effect that the corporation is obligated to pay the principal thereof or  
25 the interest thereon only from these grants to the corporation and from  
26 the proceeds of the notes and investment earnings on the proceeds of  
27 the notes, to the extent not disbursed to the corporation, and that  
28 neither the faith and credit nor the taxing power of the State or of any  
29 political subdivision thereof or of the corporation is pledged to the  
30 payment of the principal and interest on these notes. Neither the  
31 members of the corporation's board nor any person executing the  
32 transactions are personally liable on those notes nor are they otherwise  
33 liable for their actions; and,

34 x. Enter into agreements with a public or private entity or consortia  
35 thereof to provide for the development of demonstration projects  
36 through the use of public-private partnerships pursuant to sections 1  
37 through 9 of P.L. 19 .c. (C. ) (now before the Legislature as this  
38 bill).

39 (cf: P.L.1989, c.130, s.1)

40

41 13. Section 12 of P.L.1995, c.108 (C.27:1B-21.5) is amended to  
42 read as follows:

43 12. a. Notwithstanding the provisions of any other law to the  
44 contrary, the commissioner is authorized to enter into agreements with  
45 public or private entities or consortia thereof for the loan of federal  
46 funds appropriated to the department for the purpose of financing all,

1 or a portion of, the costs incurred for the planning, acquisition,  
2 engineering, construction, reconstruction, repair and rehabilitation of  
3 a transportation project by that public or private entity or consortia  
4 thereof.

5 b. The commissioner, with the approval of the State Treasurer,  
6 shall establish rules and regulations governing the qualifications of the  
7 applicants, the application procedures, the criteria for awarding loans,  
8 and the standards for establishing the amount, terms and conditions of  
9 each loan. The rules and regulations shall provide that the term of the  
10 loan agreement shall be [no longer than five years and that the loan  
11 shall be secured by appropriate collateral or guarantees]consistent with  
12 terms and conditions as provided by applicable federal law.

13 c. Loans granted pursuant to this section shall be considered an  
14 investment or reinvestment of Special Transportation Fund funds  
15 within the meaning of subsection a. of section 21 of P.L.1984, c.73  
16 (C.27:1B-21). Payments of interest and principal on loans granted  
17 pursuant to this section shall be credited to a special subaccount of the  
18 Special Transportation Fund and may be used for financing authorized  
19 projects. Monies appropriated from the special subaccount pursuant  
20 to this section shall be in addition to the total State amount authorized  
21 to be appropriated in a fiscal year pursuant to section 8 of P.L.1987,  
22 c.460 (C.27:1B-21.1).

23 d. Each loan made pursuant to this section shall require the specific  
24 approval of the Joint Budget Oversight Committee , except for those  
25 loans agreed to by the commissioner as part of an agreement for a  
26 demonstration project approved pursuant to P.L. 19 , c. (C. )(now  
27 before the Legislature as this bill) . The Chairman of the Joint Budget  
28 Oversight Committee may request periodic reports from the  
29 commissioner on the status of any or all loans. The commissioner shall  
30 provide reports so requested on a timely basis.

31 e. Transportation projects which are the subject of a loan  
32 agreement entered into pursuant to this section shall be included in the  
33 annual report of proposed projects prepared pursuant to section 22 of  
34 P.L.1984, c.73 (C.27:1B-22) for the fiscal year in which the loan  
35 amount for those projects is to be appropriated.

36 (cf: P.L.1995, c.108, s.12)

37  
38 14. This act shall take effect immediately.  
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44 Authorizes development of seven public-private transportation  
demonstration projects over next five fiscal years.