

[Passed Both Houses]

[Third Reprint]

**ASSEMBLY, No. 2560**

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**STATE OF NEW JERSEY**

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INTRODUCED DECEMBER 9, 1996

**By Assemblymen DeCROCE, GIBSON, Asselta, Bucco,  
Assemblywoman Heck, Senators Ciesla, Cardinale and Cafiero**

1     **AN ACT** concerning transportation projects, amending <sup>3</sup>P.L.1966,  
2     c.301, P.L.1986, c.56, P.L.1979, c.150 and P.L.1995, c.108<sup>3</sup> and  
3     supplementing Title 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. (New section) The Legislature finds and declares that:

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

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

20

21    2. (New section) As used in this act:

22    "Commissioner" means the Commissioner of Transportation.

23    "Corporation" means the New Jersey Transit Corporation.

24    "Department" means the Department of Transportation.

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

**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.

<sup>3</sup> Senate SBA committee amendments adopted May 8, 1997.

1 "Developer" means a public or private entity or consortia thereof  
2 selected by the public partner from among proposers to develop a  
3 demonstration project.

4 "Intelligent transportation systems" mean the equipment, facilities,  
5 property, information management and communications resources  
6 which are necessary or desirable for the advancement, management, or  
7 operation of a multi-modal transportation network.

8 <sup>3</sup>"Project agreement" or "demonstration project agreement" means  
9 a contract or agreement entered into by the commissioner with a  
10 developer providing the terms and conditions under which the  
11 developer shall undertake a demonstration project.<sup>3</sup>

12 "Public highways" means public roads, streets, expressways,  
13 freeways, parkways, motorways and boulevards, including bridges,  
14 tunnels, overpasses, underpasses, interchanges, rest areas, express bus  
15 roadways, bus pullouts and turnarounds, park-ride facilities, traffic  
16 circles, grade separations, intelligent transportation systems, traffic  
17 control devices, the elimination or improvement of crossings of  
18 railroads and highways, whether at grade or not at grade, and any  
19 facilities, equipment, property, rights of way, easements and interests  
20 therein needed for the construction, improvement and maintenance of  
21 highways or intelligent transportation systems.

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

24 "Public transportation project" means, in connection with public  
25 transportation service, passenger stations, shelters and terminals,  
26 automobile parking facilities, ramps, track connections, signal systems,  
27 power systems, information and communication systems, roadbeds,  
28 transit lanes or rights of way, equipment storage and servicing  
29 facilities, bridges, grade crossings, rail cars, locomotives, motorbuses  
30 and other motor vehicles, maintenance and garage facilities, revenue  
31 handling equipment and any other equipment, facility or property  
32 useful for or related to the provision of public transportation service.

33 "Transportation project" means, in addition to public highways and  
34 public transportation projects, any equipment, facility or property  
35 useful or related to the provision of any ground, waterborne or air  
36 transportation for the movement of people and goods.

37

38 3. (New section) a. Commencing with the fiscal year beginning  
39 after the effective date of this act and for the next four succeeding  
40 fiscal years, the commissioner is authorized to select up to seven  
41 transportation projects from the list of transportation projects <sup>2</sup>for  
42 which monies have been appropriated<sup>2</sup> in the annual appropriations  
43 acts for those five fiscal years to serve as demonstration projects. <sup>2</sup>No  
44 more than seven demonstration projects shall be selected by the  
45 commissioner pursuant to this act.<sup>2</sup>

46 b. Selection by the commissioner of demonstration projects

1 pursuant to subsection a. of this section which are public  
2 transportation projects shall be made with the approval of the board  
3 of the corporation.

4 c. If a transportation project is not listed in the annual  
5 appropriations acts, the commissioner may submit that project as a  
6 demonstration project to the Legislature for approval. The  
7 commissioner shall make the submission to the Legislature to the  
8 President of the Senate and the Speaker of the General Assembly on  
9 a day when both houses are meeting. The President and the Speaker  
10 shall cause the date of submission to be entered upon the Senate  
11 Journal and the Minutes of the General Assembly, respectively. Unless  
12 the project as described in the submission is disapproved by adoption  
13 of a concurrent resolution to this effect by the affirmative vote of a  
14 majority of the authorized membership of both houses within the time  
15 period prescribed in this subsection, the project shall be deemed  
16 approved and the public partner shall be authorized to undertake the  
17 project. The time period shall commence on the day of submission and  
18 expire on the forty-fifth day after submission or for a house not  
19 meeting on the forty-fifth day, on the next meeting day of that house.

20 <sup>3</sup>d. Notwithstanding the provisions of this section to the contrary,  
21 demonstration projects shall be subject to the approval of the Joint  
22 Budget Oversight Committee or its successor.<sup>3</sup>

23

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

30 b. A public partner shall select proposals for negotiation of  
31 <sup>2</sup>[public-private]<sup>2</sup> demonstration project agreements based on the  
32 overall benefit to the State, the qualifications and financial strength of  
33 the proposer, the proposer's responsiveness to the public partner's  
34 requirements, the total project cost to be incurred by the public  
35 partner, the nature of project financing, the revenues to be generated  
36 by the project on behalf of and in support of the State, the impact of  
37 any direct or indirect user fees and any other evaluation criteria the  
38 public partner deems appropriate. The public partner shall negotiate  
39 with one or more proposers to reach <sup>2</sup>[an] a project<sup>2</sup> agreement in the  
40 best interests of the State <sup>3</sup>,except that in the event that a private  
41 developer, private entity or private consortia benefits from the use of  
42 public monies for the construction of a demonstration project pursuant  
43 to this act, the project agreement with the developer shall provide that  
44 any construction contract entered into by the developer, a private  
45 entity or private consortia, to effectuate the agreement shall conform  
46 to those requirements concerning advertisement, pre-qualification, bid

1 and award provided for by law for construction contracts entered into  
2 by the department or corporation, as the case may be<sup>3</sup>.

3 c. Any power possessed by a public partner pursuant to this act or  
4 any other act or any function performed by the department or the  
5 corporation, as the case may be, with respect to transportation  
6 projects may be used by that public partner to facilitate the  
7 <sup>2</sup>[development] planning, designing <sup>2</sup>; construction, equipment,  
8 financing, improvement, <sup>2</sup> maintenance and operation <sup>2</sup>, or any  
9 combination thereof, <sup>2</sup> of demonstration projects selected pursuant to  
10 this act. <sup>2</sup>[Agreements] Project agreements <sup>2</sup> entered into pursuant to  
11 this act may provide for full reimbursement to the State for services  
12 rendered by the public partner or other State entities or agencies or for  
13 the provision of revenues generated to the State. The public partner  
14 is authorized to enter into financing, funding, and credit agreements on  
15 such terms as the commissioner deems favorable to the State to  
16 promote the purposes of this act. <sup>2</sup>All credit agreements entered into  
17 by the public partner pursuant to this act shall be subject to  
18 concurrence by the State Treasurer. <sup>2</sup>

19 d. <sup>2</sup>[An] A project <sup>2</sup> agreement entered into pursuant to this act  
20 shall provide for a public involvement and information process to  
21 apply to each demonstration project. The purpose of the public  
22 involvement and information process shall be to disseminate and  
23 provide information about the demonstration project to the public,  
24 prospective project users, and the residents of communities affected  
25 by the project, and to establish a formal means by which interested  
26 persons may comment upon the project and make suggestions.

27 <sup>1</sup>e. Upon entering into a project agreement pursuant to this act, the  
28 public partner shall publish a notice in a newspaper circulating in the  
29 county in which the demonstration project will be located describing  
30 the project and the responsibilities of the developer and the public  
31 partner with respect to the project. If a demonstration project will be  
32 located in more than one county or have a regional impact, the notice  
33 shall also be published in a publication circulating in the region in  
34 which the demonstration project will be located. <sup>1</sup>

35  
36 5. (New section) a. The department's financial participation in any  
37 demonstration project undertaken pursuant to this act shall be subject  
38 to legislative appropriation. The corporation's financial participation  
39 in any demonstration project undertaken pursuant to this act shall be  
40 subject to the availability of funds. Participation by a public partner  
41 may take the form of loans or such other financial credit arrangements  
42 as may be appropriate to advance an approved project. Agreements  
43 entered into pursuant to this act <sup>2</sup>to facilitate such participation <sup>2</sup> shall  
44 provide <sup>2</sup>that <sup>2</sup> such loans or other credit arrangements made by the  
45 public partner shall yield a reasonable return and be amortized over the  
46 term of such agreement, or such lesser period as may be agreed to by

1 the parties.

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

5 c. The <sup>2</sup>project<sup>2</sup> agreement may authorize the developer to set and  
6 impose rents, fares or user fees for use of a facility constructed by it  
7 and may require that over the term of the agreement, the rent, fare or  
8 fee revenues received by the developer be applied to repayment of the  
9 developer's capital outlay costs, interest expense, costs associated with  
10 operations, fare or user fee collection, facility management,  
11 reimbursement of the State's project review and oversight costs,  
12 repayment of loans, revenues to the State, technical and law  
13 enforcement services, and a reasonable return on investment to the  
14 developer.

15 d. The <sup>2</sup>project<sup>2</sup> agreement shall specify the manner in which rents,  
16 fares or user fees are to be established or revised, the procedures for  
17 receiving public comment on the establishment or revision of fares or  
18 user fees, including the holding of a public hearing thereon, and the  
19 procedures by which the public partner shall oversee the establishment  
20 or revision of fares or user fees <sup>3</sup>provided, however, that no fares or  
21 user fees shall be subject to oversight unless the developer receives  
22 public monies for 10 percent or greater of its operating expenses<sup>3</sup>.

23

24 6. (New Section) <sup>2</sup>[Demonstration projects constructed by and  
25 leased by a developer pursuant to this act shall, from the  
26 commencement of operation, be deemed to be a part of the State  
27 highway system for purposes of the enforcement of traffic and other  
28 applicable laws or a part of the State public transportation system for  
29 the purposes of enforcement of all applicable laws, as the case may  
30 be.] Traffic and other laws applicable on the State transportation  
31 system shall be enforceable, as appropriate, on demonstration projects  
32 constructed by and leased by a developer pursuant to this act.<sup>2</sup>

33

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

40 b. Unless determined otherwise by the corporation, in its sole  
41 discretion, the plans and specifications for each demonstration project  
42 shall comply with the corporation's standards for public transportation  
43 projects.

44 c. Unless determined otherwise by the commissioner, in his sole  
45 discretion, the plans and specifications for each transportation project  
46 other than public transportation projects shall comply with the

1 department's standards for <sup>2</sup>[State]<sup>2</sup> transportation projects.

2

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

11

12 9. (New Section) a. The public partner may agree to defend and  
13 indemnify any person, who, pursuant to a written agreement with the  
14 public partner entered into in accordance with this act, designs,  
15 constructs, operates, maintains, leases or otherwise holds an interest  
16 in a demonstration project, against claims, causes of action, demands,  
17 costs or judgements against that person arising as a direct result of the  
18 design, construction, interest, operation, or maintenance of that  
19 demonstration project. The public partner is authorized to reach  
20 agreements to defend and indemnify a person upon the terms and  
21 limitations the public partner deems reasonable and appropriate.

22 b. A determination by the public partner to defend and indemnify  
23 pursuant to this section does not bar, reduce, limit or affect any  
24 remedies which the public partner may have to enforce the agreement  
25 between the public partner and the developer to assert a claim for  
26 damages to which the public partner may be entitled arising out of the  
27 developer's failure to perform the agreement, or for the recovery of  
28 funds expended for the defense of the developer if the defense was  
29 undertaken in response to a claim or cause of action brought against  
30 the developer which is proven to have arisen from gross negligence,  
31 willful misconduct, fraud, intentional tort, bad faith or criminal  
32 conduct.

33 c. No one other than the person operating, maintaining, leasing or  
34 otherwise holding an interest in the demonstration project pursuant to  
35 an agreement with the public partner has the right to enforce any  
36 agreement for defense or indemnification between that person and the  
37 public partner.

38

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

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

45 (a) Develop and maintain a comprehensive master plan for all  
46 modes of transportation development, with special emphasis on public

- 1 transportation. Such plan shall be revised and updated at least every  
2 five years;
- 3 (b) Develop and promote programs to foster efficient and  
4 economical transportation services in the State;
- 5 (c) Prepare plans for the preservation, improvement and expansion  
6 of the public transportation system, with special emphasis on the  
7 coordination of transit modes and the use of rail rights of way,  
8 highways and public streets for public transportation purposes;
- 9 (d) Enter into contracts with the New Jersey Transit Corporation  
10 for the provision and improvement of public transportation services;
- 11 (e) Coordinate the transportation activities of the department with  
12 those of other public agencies and authorities;
- 13 (f) Cooperate with interstate commissions and authorities, State  
14 departments, councils, commissions and other State agencies, with  
15 appropriate federal agencies, and with interested private individuals  
16 and organizations in the coordination of plans and policies for the  
17 development of air commerce and air facilities;
- 18 (g) Make an annual report to the Governor and the Legislature on  
19 the department's operations, and render such other reports as the  
20 Governor shall from time to time request or as may be required by law;
- 21 (h) Promulgate regulations providing for the charging of and  
22 setting the amount of fees for certain services performed by and  
23 permits issued by the department, including but not limited to the  
24 following:
- 25 (1) Providing copies of documents prepared by or in the custody  
26 of the department;
- 27 (2) Aeronautics permits;
- 28 (3) Right-of-way permits;
- 29 (4) Traffic signal control systems;
- 30 (i) Develop and promote programs for the preservation,  
31 improvement and expansion of freight railroads, with special emphasis  
32 on the use of rail rights of way for the purpose of providing rail freight  
33 service;
- 34 (j) Develop and promote a program to ensure the safety and  
35 continued operation of aviation facilities in New Jersey; [and]
- 36 (k) Enter into agreements with a public or private entity or  
37 consortia thereof to provide for the development of demonstration  
38 projects through the use of public-private partnerships pursuant to  
39 sections 1 through 9 of P.L. 19 .c. (C. ) (now before the  
40 Legislature as this bill); and
- 41 (l) Do any and all things necessary, convenient or desirable to  
42 effectuate the purposes of P.L.1966, c.301 (C.27:1A-1 et seq.) and to  
43 exercise the powers given and granted in that act.  
44 (cf: P.L.1986, c.56, s.1)
- 45
- 46 11. Section 2 of P.L.1986, c.56 (C.27:1A-5.1) is amended to read

1 as follows:

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

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

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

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

21 d. Upon declaration by him that there are no other prospects for  
22 competitive bidding, make, negotiate or award any purchase, contract  
23 or agreement pursuant to this section without advertisement.

24 (cf: P.L.1986, c.56, c.2)

25

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

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

32 a. Sue and be sued;

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

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

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

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

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

1 g. Apply for, accept and expend money from any federal, State,  
2 county or municipal agency or instrumentality and from any private  
3 source; comply with federal statutes, rules and regulations, and qualify  
4 for and receive all forms of financial assistance available under federal  
5 law to assure the continuance of, or for the support or improvement  
6 of public transportation and as may be necessary for that purpose to  
7 enter into agreements, including federally required labor protective  
8 agreements;

9 h. Plan, design, construct, equip, operate, improve and maintain,  
10 either directly or by contract with any public or private entity, public  
11 transportation services, capital equipment and facilities or any parts or  
12 functions thereof, and other transportation projects, or any parts or  
13 functions thereof, which may be funded under section 3 of the federal  
14 Urban Mass Transportation Act of 1964, P.L.88-365 (49 U.S.C.  
15 {1602), or any successor or additional federal act having substantially  
16 the same or similar purposes or functions; the operation of the  
17 facilities of the corporation, by the corporation or any public or private  
18 entity, may include appropriate and reasonable limitations on  
19 competition in order that maximum service may be provided most  
20 efficiently to the public;

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

23 j. Purchase, lease as lessee, or otherwise acquire, own, hold,  
24 improve, use and otherwise deal in and with real or personal property,  
25 or any interest therein, from any public or private entity, wherever  
26 situated;

27 k. Lease as lessor, sell or otherwise dispose of on terms which the  
28 corporation may prescribe, real and personal property, including  
29 tangible or intangible property and consumable goods, or any interest  
30 therein, to any public or private entity, in the exercise of its powers  
31 and the performance of its duties under this act. In order to provide  
32 or encourage adequate and efficient public transportation service, the  
33 corporation may lease or otherwise permit the use or occupancy of  
34 property without cost or at a nominal rental;

35 l. Restrict the rights of persons to enter upon or construct any  
36 works in or upon any property owned or leased by the corporation,  
37 except under such terms as the corporation may prescribe; perform or  
38 contract for the performance of all acts necessary for the management,  
39 maintenance and repair of real or personal property leased or  
40 otherwise used or occupied pursuant to this act;

41 m. Establish one or more operating divisions as deemed necessary.  
42 Upon the establishment of an operating division, there shall be  
43 established a geographically coincident advisory committee to be  
44 appointed by the Governor with the advice and consent of the Senate.  
45 The committee shall consist of county and municipal government  
46 representatives and concerned citizens, in the number and for such

1 terms as may be fixed by the corporation, and shall advise the  
2 corporation as to the public transportation service provided in the  
3 operating division. At least two members of each advisory committee  
4 shall be public transportation riders, including but not limited to urban  
5 transit users and suburban commuters as appropriate. One public  
6 member from the board of corporation shall serve as a liaison to each  
7 advisory committee;

8 n. Set and collect fares and determine levels of service for service  
9 provided by the corporation either directly or by contract including,  
10 but not limited to, such reduced fare programs as deemed appropriate  
11 by the corporation; revenues derived from such service may be  
12 collected by the corporation and shall be available to the corporation  
13 for use in furtherance of any of the purposes of this act;

14 o. Set and collect rentals, fees, charges or other payments from the  
15 lease, use, occupancy or disposition of properties owned or leased by  
16 the corporation; such revenues shall be available to the corporation for  
17 use in furtherance of any of the purposes of this act;

18 p. Deposit corporate revenues in interest bearing accounts or in the  
19 State of New Jersey Cash Management Fund established pursuant to  
20 section 1 of P.L.1977, c.28 (C.52:18A-90.4);

21 q. Delegate to subordinate officers of the corporation such powers  
22 and duties as the corporation shall deem necessary and proper to carry  
23 out the purposes of this act;

24 r. Procure and enter into contracts for any type of insurance and  
25 indemnify against loss or damage to property from any cause,  
26 including loss of use and occupancy, against death or injury of any  
27 person, against employees' liability, against any act of any member,  
28 officer, employee or servant of the corporation, whether part-time,  
29 full-time, compensated or noncompensated, in the performance of the  
30 duties of his office or employment or any other insurable risk. In  
31 addition, the corporation may carry its own liability insurance;

32 s. Promote the use of public transportation services, coordinate  
33 ticket sales and passenger information and sell, lease or otherwise  
34 contract for advertising in or on the equipment or facilities of the  
35 corporation;

36 t. Adopt and maintain employee benefit programs for employees of  
37 the corporation including, but not limited to, pension, deferred  
38 compensation, medical disability, and death benefits, and which  
39 programs may utilize insurance contracts, trust funds, and any other  
40 appropriate means of providing the stipulated benefits, and may  
41 involve new plans or the continuation of plans previously established  
42 by entities acquired by the corporation;

43 u. Own, vote, and exercise all other rights incidental to the  
44 ownership of shares of the capital stock of any incorporated entity  
45 acquired by the corporation pursuant to the powers granted by this  
46 act;

1 v. Enter into any and all agreements or contracts, execute any and  
2 all instruments, and do and perform any and all acts or things  
3 necessary, convenient or desirable for the purposes of the corporation,  
4 or to carry out any power expressly or implicitly given in this act;  
5 [and,]

6 w. Notwithstanding the provisions of section 17 of P.L.1979, c.150  
7 (C.27:25-17) or any other law to the contrary, (1) issue operating  
8 grant anticipation notes which shall be secured and retired from  
9 operating assistance grants authorized under section 9 of the federal  
10 Urban Mass Transportation Act of 1964, P.L.88-365 (49 U.S.C.  
11 {1602), or any successor or additional federal act having substantially  
12 the same or similar purposes or functions and (2) issue capital grant  
13 anticipation notes which shall be secured and retired from capital  
14 assistance grants authorized under section 3 or section 9 of the federal  
15 Urban Mass Transportation Act of 1964, P.L.88-365 (49 U.S.C.  
16 {1602), or any successor or additional federal act having substantially  
17 the same or similar purposes or functions. As used in this subsection,  
18 "operating grant anticipation notes" or "capital grant anticipation  
19 notes" (hereafter referred to as "notes") means credit obligations  
20 issued in anticipation of these grants. The notes shall be authorized by  
21 a resolution or resolutions of the corporation, and may be issued in  
22 one or more series and shall bear the date, or dates, bear interest at the  
23 rate or rates of interest per annum, be in the denomination or  
24 denominations, be in the form, carry the conversion or registration  
25 privileges, have the rank or priority, be executed in such manner as the  
26 resolution or resolutions require. The notes may be sold at public or  
27 private sale at the price or prices and in the manner that the  
28 corporation determines. The notes of the corporation, the sale or  
29 transfer thereof, and the income derived therefrom by the purchasers  
30 of the notes, shall, at all times, be free from taxation for State or local  
31 purposes, under any law of the State or any political subdivision  
32 thereof. Notes may be issued under the provisions of P.L.1979, c.150  
33 (C.27:25-1 et seq.) without obtaining the consent of any department,  
34 division, commission, board, bureau or agency of the State, and  
35 without any other proceedings, conditions, or things which are  
36 specifically required by P.L.1979, c.150 (C.27:25-1 et seq.). The  
37 notes issued pursuant to P.L.1979, c.150 (C.27:25-1 et seq.) shall not  
38 in any way create or constitute any indebtedness, liability or obligation  
39 of the State or of any political subdivision thereof or of the  
40 corporation, except as provided herein.

41 The notes shall be payable solely from (1) note proceeds, to the  
42 extent not disbursed to the corporation, (2) grant payments if, as, and  
43 when received from the federal government, and (3) investment  
44 earnings on note proceeds, to the extent not disbursed to the  
45 corporation. Each note shall contain on its face a statement to the  
46 effect that the corporation is obligated to pay the principal thereof or

1 the interest thereon only from these grants to the corporation and from  
2 the proceeds of the notes and investment earnings on the proceeds of  
3 the notes, to the extent not disbursed to the corporation, and that  
4 neither the faith and credit nor the taxing power of the State or of any  
5 political subdivision thereof or of the corporation is pledged to the  
6 payment of the principal and interest on these notes. Neither the  
7 members of the corporation's board nor any person executing the  
8 transactions are personally liable on those notes nor are they otherwise  
9 liable for their actions; and.

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

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

16  
17 13. Section 12 of P.L.1995, c.108 (C.27:1B-21.5) is amended to  
18 read as follows:

19 12. a. Notwithstanding the provisions of any other law to the  
20 contrary, the commissioner is authorized to enter into agreements with  
21 public or private entities or consortia thereof for the loan of federal  
22 funds appropriated to the department for the purpose of financing all,  
23 or a portion of, the costs incurred for the planning, acquisition,  
24 engineering, construction, reconstruction, repair and rehabilitation of  
25 a transportation project by that public or private entity or consortia  
26 thereof.

27 b. The commissioner, with the approval of the State Treasurer,  
28 shall establish rules and regulations governing the qualifications of the  
29 applicants, the application procedures, the criteria for awarding loans,  
30 and the standards for establishing the amount, terms and conditions of  
31 each loan. The rules and regulations shall provide that the term of the  
32 loan agreement shall be [no longer than five years and that the loan  
33 shall be secured by appropriate collateral or guarantees]consistent with  
34 terms and conditions as provided by applicable federal law.

35 c. Loans granted pursuant to this section shall be considered an  
36 investment or reinvestment of Special Transportation Fund funds  
37 within the meaning of subsection a. of section 21 of P.L.1984, c.73  
38 (C.27:1B-21). Payments of interest and principal on loans granted  
39 pursuant to this section shall be credited to a special subaccount of the  
40 Special Transportation Fund and may be used for financing authorized  
41 projects. Monies appropriated from the special subaccount pursuant  
42 to this section shall be in addition to the total State amount authorized  
43 to be appropriated in a fiscal year pursuant to section 8 of P.L.1987,  
44 c.460 (C.27:1B-21.1).

45 d. Each loan made pursuant to this section shall require the specific  
46 approval of the Joint Budget Oversight Committee , except for those

1 loans agreed to by the commissioner as part of an agreement for a  
2 demonstration project approved pursuant to P.L. 19 , c. (C. )(now  
3 before the Legislature as this bill) . The Chairman of the Joint Budget  
4 Oversight Committee may request periodic reports from the  
5 commissioner on the status of any or all loans. The commissioner shall  
6 provide reports so requested on a timely basis.

7 e. Transportation projects which are the subject of a loan  
8 agreement entered into pursuant to this section shall be included in the  
9 annual report of proposed projects prepared pursuant to section 22 of  
10 P.L.1984, c.73 (C.27:1B-22) for the fiscal year in which the loan  
11 amount for those projects is to be appropriated.  
12 (cf: P.L.1995, c.108, s.12)

13

14 14. This act shall take effect immediately.

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20 Authorizes development of seven public-private transportation  
demonstration projects over next five fiscal years.