

ASSEMBLY, No. 2599

STATE OF NEW JERSEY

INTRODUCED DECEMBER 16, 1996

By Assemblywoman WEINBERG

1 AN ACT providing for the abolishment of the New Jersey Highway  
2 Authority and the New Jersey Turnpike Authority, transferring their  
3 functions, powers and duties to the Department of Transportation,  
4 amending P.L.1984, c.73, and supplementing chapter 1A of Title 27  
5 of the Revised Statutes.

6

7 **BE IT ENACTED** by the Senate and General Assembly of the State  
8 of New Jersey:

9

10 1. (New section) As used in this act:

11 "Authorities" means the New Jersey Highway Authority and the  
12 New Jersey Turnpike Authority.

13 "Commissioner" means the Commissioner of Transportation of the  
14 State of New Jersey.

15 "Department" means the Department of Transportation of the State  
16 of New Jersey.

17 "Highway project" means a highway or turnpike project authorized  
18 by P.L.1952, c.16 (C.27:12B-1 et seq.) or P.L.1948, c.454 (C.27:23-1  
19 et seq.).

20 "New Jersey Highway Authority" means the public body established  
21 under section 4 of P.L.1952, c.16 (C.27:12B-4) or its successor.

22 "New Jersey Turnpike Authority" means the public body established  
23 under section 3 of P.L.1948, c.454 (C.27:23-3) or its successor.

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25 2. (New section) Until all bonds or notes issued before the  
26 effective date of this act, by the authorities to finance any projects, and  
27 the interest thereon are paid in full, or a sufficient amount for the  
28 payment of all such bonds, and the interest thereon, to the maturity  
29 thereof, is set aside in trust for the benefit of the bondholders, no  
30 resolution or other action of the authorities providing for the issuance  
31 of bonds, refunding bonds or other obligations shall be adopted or  
32 otherwise made effective by the authorities except as shall be  
33 specifically authorized by law.

**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       3. (New section) At any time that tolls are not required for the  
2 purpose of carrying out and performing the terms and provisions of  
3 any contract with or for the benefit of bondholders, the authorities  
4 shall cause tolls for the use of the projects to be charged at the same  
5 rates as were last charged and collected by the authorities pursuant to  
6 law and no change or revision shall be made in such rates except as  
7 shall be specifically authorized by law.

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9       4. (New section) When all bonds or notes issued by the authorities  
10 to finance any projects, and the interest thereon, have been paid or a  
11 sufficient amount for the payment of all those bonds or notes, and the  
12 interest thereon, to the maturity thereof, has been set aside in trust for  
13 the benefit of the bondholders, as provided in P.L.19 , c. (now  
14 before the Legislature as Assembly Bill No. of 1996):

15       a. The authorities shall be abolished and the terms of the members  
16 of the authorities then in office shall cease and terminate. The  
17 functions, powers and duties of the authorities, except the power to  
18 issue bonds, notes or other indebtedness and to fix and revise tolls,  
19 shall be continued, but shall be transferred to the department and shall  
20 thereafter be exercised and administered by the commissioner.

21       b. The bonds shall cease to be entitled to any lien, benefit or  
22 security under any resolution of the authorities, and all covenants,  
23 agreements and obligations of the authorities to the holders of the  
24 bonds shall be discharged and satisfied.

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26       5. (New section) Upon the abolishment of the authorities as  
27 provided in section 4 of this act, all projects or facilities of these  
28 authorities shall be transferred to the department and all highway  
29 projects shall become part of the State highway system and shall,  
30 except as otherwise provided in section 12 of this act, be maintained  
31 by the department as toll roads. The commissioner shall cause tolls for  
32 the use of the highway projects to be charged and collected by the  
33 department at the same rates as were charged and collected by the  
34 authorities immediately prior to their abolishment and no change or  
35 revision shall thereafter be made in those rates by the commissioner  
36 without the approval of the Governor and the Legislature, after notice  
37 and hearing, at least 45 days prior to the date on which the change or  
38 revision is proposed to become effective.

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40       6. (New section) Upon the abolishment provided for in section 4  
41 of this act, all employees of the authorities shall be transferred to the  
42 department and shall become State employees. All records and  
43 property of the authorities, except as otherwise provided in this act,  
44 shall be transferred to the department and all outstanding obligations  
45 and commitments lawfully undertaken or contracted for by the  
46 authorities shall be assumed and performed by the department from the

1 special fund established by the State Treasurer pursuant to subsection  
2 c. of section 7 of this act or as provided in subsection d. of section 7  
3 of this act.

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5 7. (New section) a. There is hereby created in the General Fund  
6 a special fund to be entitled the "Toll Road General Reserve Fund" to  
7 be maintained by the State Treasurer which may be held in  
8 depositories as may be selected by the State Treasurer and invested  
9 and reinvested as other funds in the custody of the treasurer in the  
10 manner provided by law. Upon the abolishment provided for in  
11 section 4 of this act, there shall be deposited in this fund the following:

12 (1) Proceeds of the sale of bonds previously issued by the  
13 authorities and not already expended;

14 (2) All tolls, receipts and other revenues of the authorities not  
15 deposited in any funds established by any resolution of the authorities;

16 (3) All amounts on deposit in funds established by any resolution  
17 of the authorities; and

18 (4) All money, bonds, stocks and other securities and all evidences  
19 thereof owned by the authorities or held by any trustees under any  
20 resolution of the authorities.

21 b. The State Treasurer shall, on or before the expiration of the  
22 sixth month following the establishment of the "Toll Road General  
23 Reserve Fund," transfer and apply the balances in the fund as follows,  
24 and in the following order of priority:

25 (1) To the "Toll Road Authorities Retirement Bond Debt Service  
26 Fund," established by P.L. , c. (now before the Legislature as  
27 Assembly Bill No. of 1996), such amounts as are necessary,  
28 along with estimated toll and other receipts and revenues from the toll  
29 roads and other authority projects now under the jurisdiction of the  
30 department, to provide for the entire debt service of the bonds issued  
31 under that act.

32 (2) To the "Transportation Trust Fund Account" established  
33 pursuant to section 20 of P.L.1984, c.73 (C.27:1B-20), to be included  
34 in the funds of the "New Jersey Transportation Trust Fund Authority,"  
35 such amounts as remain in this fund after the transferral of funds  
36 required for debt service.

37 c. Moneys which have been pledged or set aside for the payment  
38 of contracts or agreements previously entered into by the authorities  
39 in connection with the operation of projects under their jurisdiction  
40 shall not be transferred as provided in this section, but shall be set  
41 aside in a special fund by the State Treasurer for that purpose.

42 d. Payments due to the State pursuant to a contract or agreement  
43 entered into by the State and the authorities pursuant to subsection (o)  
44 of section 5 of P.L.1952, c.16 (C.27:12B-5) and subsection b. of  
45 section 1 of P.L.1966, c.8 (C.27:23-5.8) shall not be transferred as  
46 provided in this section, but shall be paid as due in the year following

1 the abolishment, if not already paid for that year. Thereafter, as  
2 provided in section 24 of P.L. , c. (now before the Legislature as  
3 Assembly Bill No. of 1996), these payments shall be made from the  
4 "Toll Road Authorities Retirement Bond Debt Service Fund."

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6 8. (New section) a. Whenever in any law, rule, regulation, order,  
7 contract, document, judicial or administrative proceeding or otherwise,  
8 reference is made to the authorities, the same shall mean and refer to  
9 the commissioner or department as the case may be.

10 b. The abolishment of the authorities shall not affect the orders,  
11 rules and regulations heretofore made or promulgated by the  
12 authorities. These orders, rules and regulations insofar as they are not  
13 inconsistent herewith shall continue in effect until amended or repealed  
14 pursuant to law.

15 c. The provisions of P.L.1952, c.16 (C.27:12B-1 et seq.) and  
16 P.L.1948, c.454 (C.27:23-1 et seq.), insofar as they are not  
17 inconsistent with the provisions of this act, shall continue in effect and  
18 any reference therein or in any other law to the authorities, to the  
19 chairman or any member thereof shall be deemed to mean and refer to  
20 the commissioner or department as the case may be.

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22 9. (New section) All transfers directed by this act shall be made in  
23 accordance with the "State Agency Transfer Act," P.L.1971, c.375  
24 (C.52:14D-1 et seq.). Nothing in this act shall be construed to deprive  
25 employees of their rights, privileges, obligations or status with respect  
26 to any pension or retirement system.

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28 10. (New section) Upon transferral of the employees of the  
29 authorities to the Department of Transportation, they shall retain all  
30 of their rights and benefits under existing labor agreements or  
31 contracts until such time as a new or revised agreement or contract is  
32 agreed to or these agreements or contracts shall expire. All such  
33 employees shall be entitled to training or retraining opportunities to be  
34 provided by the State. All existing bargaining agents shall be retained  
35 to act on behalf of these employees until such time as the employees  
36 shall, pursuant to law, elect to change such agents.

37  
38 11. (New section) In the event that the outstanding indebtedness  
39 of the authorities is not retired collectively but the issuing officials  
40 shall elect to retire the outstanding bonded indebtedness of each of the  
41 authorities independently, the relevant provisions of this act shall also  
42 apply independently to each authority as the case may be.

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44 12. (New section) No later than 360 days following the date on  
45 which all bonds issued pursuant to P.L. , c. (now before the  
46 Legislature as Assembly Bill No. of 1996) are discharged, all tolls

1 collected from toll roads formerly operated by the authorities shall be  
2 eliminated, and the removal of all toll booths and barriers on those  
3 roads shall be commenced.

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5 13. Section 20 of P.L.1984, c.73 (C.27:1B-20) is amended to read  
6 as follows:

7 20. There is hereby established in the General Fund an account  
8 entitled "Transportation Trust Fund Account." During the fiscal year  
9 beginning July 1, 1984 and during each succeeding fiscal year in which  
10 the authority has bonds, notes or other obligations outstanding, the  
11 treasurer shall credit to this account:

12 a. An amount equivalent to the revenue derived from \$0.025 per  
13 gallon from the tax imposed on the sale of motor fuels pursuant to  
14 chapter 39 of Title 54 of the Revised Statutes, as provided in Article  
15 VIII, Section II, paragraph 4 of the State Constitution, provided,  
16 however, such amount during any fiscal year shall not be less than  
17 \$100,000,000;

18 b. After approval by the voters of the constitutional amendment  
19 proposed in Senate Concurrent Resolution No. 2 of 1995 or Assembly  
20 Concurrent Resolution No. 9 of 1995, in addition to the amount  
21 credited in subsection a. of this section, for the fiscal year beginning  
22 July 1, 1996 and the fiscal year beginning July 1, 1997, an amount  
23 equivalent to the revenue derived from \$0.045 per gallon from the tax  
24 imposed on the sale of motor fuels pursuant to chapter 39 of Title 54  
25 of the Revised Statutes, provided, however, such amount shall not be  
26 less than \$180,000,000 during each of those fiscal years, and for the  
27 fiscal year beginning July 1, 1998, an amount equivalent to the revenue  
28 derived from \$0.055 per gallon from the tax, provided, however, that  
29 such amount shall not be less than \$220,000,000, and for the fiscal  
30 year beginning July 1, 1999 and for each fiscal year thereafter, an  
31 amount equivalent to the revenue derived from \$0.065 per gallon from  
32 the tax, provided, however, that such amount shall not be less than  
33 \$260,000,000 in any fiscal year, as provided in Article VIII, Section  
34 II, paragraph 4 of the State Constitution; [and]

35 c. An amount equivalent to moneys received by the State in  
36 accordance with contracts entered into with toll road authorities or  
37 other State agencies, provided that effective with the fiscal year  
38 beginning July 1, 1988, the amount so credited shall not be less than  
39 \$24,500,000.00 in any fiscal year; and

40 d. Amounts paid or transferred to this account from the "Toll Road  
41 General Reserve Fund" or the "Toll Road Authorities Retirement Bond  
42 Debt Service Fund," as provided under P.L. \_\_\_\_\_, c. \_\_\_\_\_ (now before the  
43 Legislature as Assembly Bill No. \_\_\_\_\_ of 1996).

44 The treasurer shall also credit to this account, in accordance with  
45 a contract between the treasurer and the authority, an amount  
46 equivalent to the sum of the revenues due from the increase of fees for

1 motor vehicle registrations collected pursuant to the amendment to  
2 R.S.39:3-20 made by this act and from the increase in the tax on diesel  
3 fuels imposed pursuant to the amendment to R.S.54:39-27 made by  
4 this act and by P.L.1987, c.460, provided that the total amount  
5 credited during the fiscal year beginning July 1, 1984 shall not be less  
6 than \$20,000,000.00 and that the total amount credited during the  
7 fiscal year beginning July 1, 1985 and during every fiscal year  
8 thereafter shall not be less than \$30,000,000.00.

9 In addition to the amounts credited to the account by this section,  
10 commencing with the fiscal year beginning July 1, 1995 and every  
11 fiscal year thereafter, there shall be appropriated from the General  
12 Fund such additional amounts as are necessary to carry out the  
13 provisions of this act and after January 1, 1997 the fees collected  
14 pursuant to subsection a. of section 68 of P.L.1990, c.8 (C.17:33B-63)  
15 shall be available for crediting to the account for the purposes of this  
16 act.

17 No later than the fifth business day of the month following the  
18 month in which a credit has been made, the treasurer shall pay to the  
19 authority, for its purposes as provided herein, the amounts then  
20 credited to the Transportation Trust Fund Account, provided that the  
21 payments to the authority shall be subject to and dependent upon  
22 appropriations being made from time to time by the Legislature of the  
23 amounts thereof for the purposes of the act.

24 (cf: P.L.1995, c.108, s.5)

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26 14. This act shall take effect immediately, but shall remain  
27 inoperative until approval by the voters of P.L. , c. (now before  
28 the Legislature as Assembly Bill No. of 1996).

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#### STATEMENT

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33 This bill provides for the abolishment of the New Jersey Highway  
34 Authority and the New Jersey Turnpike Authority and the transferral  
35 of their functions, powers and duties to the Department of  
36 Transportation, except for bonding and the power to revise tolls. All  
37 highway and turnpike projects would become part of the State  
38 highway system and would thereafter be maintained by the  
39 Department of Transportation. The department would manage the  
40 roads as toll roads until one year after all authority debt is dissolved.  
41 At that point, tolls would be abolished.

42 This bill would become effective upon the approval by the voters of  
43 the issuance of State bonds to retire the outstanding bonded  
44 indebtedness of the toll road authorities, as proposed in Assembly Bill  
45 No. of 1996, the companion bill to this proposed legislation.

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3 Abolishes certain transportation authorities operating toll roads and

4 transfers their functions to Department of Transportation.