

Title 27.
Chapter 1D. (New)
Transportation
Demonstration
Projects
§§ 1-9
C. 27:1D-1
To
27:1D-9

P.L. 1997, CHAPTER 136, *approved June 27, 1997*
Assembly, No. 2560 (*Third Reprint*)

1 **AN ACT** concerning transportation projects, amending ³P.L.1966,
2 c.301, P.L.1986, c.56, P.L.1979, c.150 and P.L.1995, c.108³ 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.

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

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ATC committee amendments adopted January 9, 1997.

² Assembly AAP committee amendments adopted March 3, 1997.

³ Senate SBA committee amendments adopted May 8, 1997.

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

5 ³"Project agreement" or "demonstration project agreement" means
6 a contract or agreement entered into by the commissioner with a
7 developer providing the terms and conditions under which the
8 developer shall undertake a demonstration project.³

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

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

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

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

34

35 3. (New section) a. Commencing with the fiscal year beginning
36 after the effective date of this act and for the next four succeeding
37 fiscal years, the commissioner is authorized to select up to seven
38 transportation projects from the list of transportation projects ²for
39 which monies have been appropriated² in the annual appropriations
40 acts for those five fiscal years to serve as demonstration projects. ²No
41 more than seven demonstration projects shall be selected by the
42 commissioner pursuant to this act.²

43 b. Selection by the commissioner of demonstration projects
44 pursuant to subsection a. of this section which are public
45 transportation projects shall be made with the approval of the board
46 of the corporation.

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

17 ³d. Notwithstanding the provisions of this section to the contrary,
18 demonstration projects shall be subject to the approval of the Joint
19 Budget Oversight Committee or its successor.³

20

21 4. (New section) a. ¹A¹ public partner is authorized to solicit
22 proposals in the five fiscal years after the effective date of this act, as
23 provided in subsection a. of section 3 of this act, from developers to
24 plan, design, construct, equip, operate, finance, improve and maintain,
25 or any combination thereof, demonstration projects selected by the
26 commissioner pursuant to section 3 of this act.

27 b. A public partner shall select proposals for negotiation of
28 ²[public-private]² demonstration project agreements based on the
29 overall benefit to the State, the qualifications and financial strength of
30 the proposer, the proposer's responsiveness to the public partner's
31 requirements, the total project cost to be incurred by the public
32 partner, the nature of project financing, the revenues to be generated
33 by the project on behalf of and in support of the State, the impact of
34 any direct or indirect user fees and any other evaluation criteria the
35 public partner deems appropriate. The public partner shall negotiate
36 with one or more proposers to reach ²[an] a project² agreement in the
37 best interests of the State ³.except that in the event that a private
38 developer, private entity or private consortia benefits from the use of
39 public monies for the construction of a demonstration project pursuant
40 to this act, the project agreement with the developer shall provide that
41 any construction contract entered into by the developer, a private
42 entity or private consortia, to effectuate the agreement shall conform
43 to those requirements concerning advertisement, pre-qualification, bid
44 and award provided for by law for construction contracts entered into
45 by the department or corporation, as the case may be³.

46 c. Any power possessed by a public partner pursuant to this act or

1 any other act or any function performed by the department or the
2 corporation, as the case may be, with respect to transportation
3 projects may be used by that public partner to facilitate the
4 ²[development] planning, designing², construction, ²equipment,
5 financing, improvement,² maintenance and operation ² or any
6 combination thereof,² of demonstration projects selected pursuant to
7 this act. ²[Agreements] Project agreements² entered into pursuant to
8 this act may provide for full reimbursement to the State for services
9 rendered by the public partner or other State entities or agencies or for
10 the provision of revenues generated to the State. The public partner
11 is authorized to enter into financing, funding, and credit agreements on
12 such terms as the commissioner deems favorable to the State to
13 promote the purposes of this act. ²All credit agreements entered into
14 by the public partner pursuant to this act shall be subject to
15 concurrence by the State Treasurer.²

16 d. ²[An] A project² agreement entered into pursuant to this act
17 shall provide for a public involvement and information process to
18 apply to each demonstration project. The purpose of the public
19 involvement and information process shall be to disseminate and
20 provide information about the demonstration project to the public,
21 prospective project users, and the residents of communities affected
22 by the project, and to establish a formal means by which interested
23 persons may comment upon the project and make suggestions.

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

32
33 5. (New section) a. The department's financial participation in any
34 demonstration project undertaken pursuant to this act shall be subject
35 to legislative appropriation. The corporation's financial participation
36 in any demonstration project undertaken pursuant to this act shall be
37 subject to the availability of funds. Participation by a public partner
38 may take the form of loans or such other financial credit arrangements
39 as may be appropriate to advance an approved project. Agreements
40 entered into pursuant to this act ²to facilitate such participation² shall
41 provide ²that² such loans or other credit arrangements made by the
42 public partner shall yield a reasonable return and be amortized over the
43 term of such agreement, or such lesser period as may be agreed to by
44 the parties.

45 b. ²[Agreements] A project agreement² entered into pursuant to
46 this act shall provide for the allocation of ownership, leasehold, and

1 other property interests in demonstration projects.

2 c. The ²project² agreement may authorize the developer to set and
3 impose rents, fares or user fees for use of a facility constructed by it
4 and may require that over the term of the agreement, the rent, fare or
5 fee revenues received by the developer be applied to repayment of the
6 developer's capital outlay costs, interest expense, costs associated with
7 operations, fare or user fee collection, facility management,
8 reimbursement of the State's project review and oversight costs,
9 repayment of loans, revenues to the State, technical and law
10 enforcement services, and a reasonable return on investment to the
11 developer.

12 d. The ²project² agreement shall specify the manner in which rents,
13 fares or user fees are to be established or revised, the procedures for
14 receiving public comment on the establishment or revision of fares or
15 user fees, including the holding of a public hearing thereon, and the
16 procedures by which the public partner shall oversee the establishment
17 or revision of fares or user fees ³provided, however, that no fares or
18 user fees shall be subject to oversight unless the developer receives
19 public monies for 10 percent or greater of its operating expenses³.

20

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

30

31 7. (New Section) a. ²[Transportation] Demonstration² projects
32 selected pursuant to this act shall be designed, constructed, operated
33 and maintained in accordance with all applicable environmental
34 requirements and all other applicable State and federal laws and
35 regulations necessary to the protection of the public health, safety and
36 welfare.

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

41 c. Unless determined otherwise by the commissioner, in his sole
42 discretion, the plans and specifications for each transportation project
43 other than public transportation projects shall comply with the
44 department's standards for ²[State]² transportation projects.

45

46 8. (New Section) All absolute and qualified immunities and

1 defenses provided to public entities and public employees by the "New
2 Jersey Tort Claims Act," N.J.S.59:1-1 et seq., the "New Jersey
3 Contractual Liability Act," N.J.S.59:13-1 et seq., and any other law
4 shall apply to all interests held and activities performed by the
5 department, the corporation and other State agencies in connection
6 with the demonstration projects ²[authorized] selected² pursuant to
7 this act.

8
9 9. (New Section) a. The public partner may agree to defend and
10 indemnify any person, who, pursuant to a written agreement with the
11 public partner entered into in accordance with this act, designs,
12 constructs, operates, maintains, leases or otherwise holds an interest
13 in a demonstration project, against claims, causes of action, demands,
14 costs or judgements against that person arising as a direct result of the
15 design, construction, interest, operation, or maintenance of that
16 demonstration project. The public partner is authorized to reach
17 agreements to defend and indemnify a person upon the terms and
18 limitations the public partner deems reasonable and appropriate.

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

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

35
36 10. Section 5 of P.L.1966, c.301 (C.27:1A-5) is amended to read
37 as follows:

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

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

46 (b) Develop and promote programs to foster efficient and

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

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

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

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

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

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

22

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

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

29 a. Sue and be sued;

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

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

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

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

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

44 g. Apply for, accept and expend money from any federal, State,
45 county or municipal agency or instrumentality and from any private
46 source; comply with federal statutes, rules and regulations, and qualify

1 for and receive all forms of financial assistance available under federal
2 law to assure the continuance of, or for the support or improvement
3 of public transportation and as may be necessary for that purpose to
4 enter into agreements, including federally required labor protective
5 agreements;

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

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

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

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

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

38 m. Establish one or more operating divisions as deemed necessary.
39 Upon the establishment of an operating division, there shall be
40 established a geographically coincident advisory committee to be
41 appointed by the Governor with the advice and consent of the Senate.
42 The committee shall consist of county and municipal government
43 representatives and concerned citizens, in the number and for such
44 terms as may be fixed by the corporation, and shall advise the
45 corporation as to the public transportation service provided in the
46 operating division. At least two members of each advisory committee

1 shall be public transportation riders, including but not limited to urban
2 transit users and suburban commuters as appropriate. One public
3 member from the board of corporation shall serve as a liaison to each
4 advisory committee;

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

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

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

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

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

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

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

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

44 v. Enter into any and all agreements or contracts, execute any and
45 all instruments, and do and perform any and all acts or things
46 necessary, convenient or desirable for the purposes of the corporation,

1 or to carry out any power expressly or implicitly given in this act;
2 [and,]

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

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

1 neither the faith and credit nor the taxing power of the State or of any
2 political subdivision thereof or of the corporation is pledged to the
3 payment of the principal and interest on these notes. Neither the
4 members of the corporation's board nor any person executing the
5 transactions are personally liable on those notes nor are they otherwise
6 liable for their actions; and.

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

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

13

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

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

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

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

42 d. Each loan made pursuant to this section shall require the specific
43 approval of the Joint Budget Oversight Committee , except for those
44 loans agreed to by the commissioner as part of an agreement for a
45 demonstration project approved pursuant to P.L. 19 , c. (C.) (now
46 before the Legislature as this bill) . The Chairman of the Joint Budget

1 Oversight Committee may request periodic reports from the
2 commissioner on the status of any or all loans. The commissioner shall
3 provide reports so requested on a timely basis.

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

10

11 14. This act shall take effect immediately.

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