

P.L. 1997, CHAPTER 231, *approved August 25, 1997*  
Assembly, No. 2416 (*First Reprint*)

1 AN ACT concerning <sup>1</sup>[aviation and] expenditures from the Airport  
2 Safety Fund.<sup>1</sup> amending P.L.1983, c.264 and P.L.1995, c.108.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. Section 2 of P.L.1983, c.264 (C.6:1-90) is amended to read as  
8 follows:

9 2. a. The Legislature finds and declares that:

10 (1) New Jersey's public use, general aviation airports are an integral  
11 part of the State's transportation network and promote mobility and  
12 economic activities of common public benefit. These public use,  
13 general aviation transportation facilities are deteriorating and must be  
14 improved as to safety and their economic vitality in order to realize  
15 their full public benefit.

16 (2) There is a growing need to upgrade the safety of general  
17 aviation airports, which require such improvements and equipment as  
18 radar, instrument landing aids and weather-reporting equipment to  
19 enable them to safely handle modern general aviation aircraft.

20 (3) Many publicly owned, general aviation airports are unable to  
21 obtain all of the federal funds available to them for airport  
22 development because they are unable to raise money for their local  
23 matching requirements.

24 (4) Many privately owned, public use, general aviation airports  
25 which are essential to the State's economic development are in danger  
26 of conversion to nonaviation uses, and it is in the public interest to  
27 provide State assistance to county and municipal efforts to preserve  
28 these airports, through acquisition or other means.

29 (5) Users of general aviation airports have contributed substantial  
30 amounts to the State treasury through fees and fuel taxes, and this  
31 money should henceforth be used to establish an airport assistance

**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 February 3, 1997.

1 program.

2 (6) The long term stability and viability of unrestricted public use  
3 airports are greatly dependent upon the economic stability and vitality  
4 of the aviation enterprises which are located within them.

5 (7) It is in the public interest for the Department of Transportation  
6 to undertake activities which promote aviation safety, promote  
7 aviation education, and provide for the promotion of aeronautics.

8 b. The Legislature therefore finds and declares that it is in the  
9 public interest to establish an Airport Safety Fund, impose a two cent  
10 per gallon tax on fuel distributed to general aviation airports, and  
11 authorize the Commissioner of Transportation to establish assistance  
12 programs to improve the safety and economic vitality of general  
13 aviation airports, to promote aviation safety and education, and to  
14 provide for the promotion of aeronautics.

15 c. The Legislature also declares that, inasmuch as federal  
16 authorities already register aircraft, it is deemed appropriate to cease  
17 the State registration of New Jersey based aircraft, which is currently  
18 administered at a net loss.

19 (cf: P.L.1983, c.264, s.2)

20

21 2. Section 3 of P.L.1983, c.264 (C.6:1-91) is amended to read as  
22 follows:

23 3. As used in this act:

24 a. "Commissioner" means the Commissioner of Transportation.

25 b. "Department" means the Department of Transportation.

26 c. "Fund" means the Airport Safety Fund, as established in section  
27 4 of this act.

28 d. "Treasurer" means the State Treasurer.

29 e. "Unrestricted public use airport" means any facility for the  
30 take-off and landing of aircraft, either publicly or privately owned,  
31 that does not have restrictive covenants on operational use by the  
32 general public for reasons other than safety.

33 f. "General aviation airport" means any area of land or water, or  
34 both, used or made available for the landing and take-off of civil  
35 aircraft, and which has further been determined by the Commissioner  
36 of Transportation not to be an international airport either by  
37 classification or service characteristics.

38 g. "Turbine fuel" means any liquid or gaseous substance used by  
39 jet and turbo-shaft aircraft for the propulsion of aircraft through the  
40 air, as determined by the Commissioner of Transportation.

41 h. "Director" means the Director of the Division of Taxation.

42 i. "Aviation enterprise" means any business or enterprise which is  
43 principally located within a New Jersey unrestricted public use airport  
44 where the commissioner has determined such business or enterprise  
45 has a direct economic or operational benefit to the airport.

46 (cf: P.L.1983, c.264, s.3)

1       3. Section 4 of P.L.1983, c.264 (C.6:1-92) is amended to read as  
2 follows:

3       4. a. There is established in the general fund a separate special  
4 account to be known as the "Airport Safety Fund." Notwithstanding  
5 any provisions of law to the contrary and except as otherwise  
6 provided in this act, revenues from the taxes imposed on the sale of  
7 fuel used in aircraft, pursuant to chapter 39 of Title 54 of the Revised  
8 Statutes, revenues from the taxes imposed on the sale of aircraft fuels  
9 sold for distribution to general aviation airports, pursuant to this act,  
10 and fees imposed under Title 6 of the Revised Statutes shall be  
11 credited to the fund.

12       b. Moneys shall be appropriated from the fund, notwithstanding the  
13 provisions of P.L.1976, c.67 (C.52:9H-5 et seq.).

14       c. Moneys in the fund shall be appropriated to the department only  
15 for those aviation purposes which the department is empowered to  
16 undertake pursuant to this act or under Title 6 and Title 27.

17       d. All revenues generated by the taxes imposed on the sale of  
18 aircraft fuels, pursuant to chapter 39 of Title 54 of the Revised  
19 Statutes; the taxes imposed on the sale of aircraft fuels sold for  
20 distribution to general aviation airports, pursuant to this act, and fees  
21 imposed under the provisions of Title 6 of the Revised Statutes shall  
22 be collected and invested by the Treasurer pursuant to law. Earnings  
23 received from the investment or deposit of revenues in the fund shall  
24 be paid into and become part of the fund.

25       e. Any revenues credited to the fund but not appropriated to the  
26 department shall remain in the fund exclusively for the purposes set  
27 forth in this act.

28       f. The Director of the Division of Budget and Accounting is  
29 empowered to transfer funds from the fund as may be necessary in  
30 order to compensate the Division of Taxation for the cost incurred in  
31 administering the tax provisions in this act.

32       g. Monies paid back to the State pursuant to loans made from the  
33 fund shall be paid back into and become part of the fund.

34 (cf: P.L.1983, c.264, s.4)

35

36       4. Section 9 of P.L.1983, c.264 (C.6:1-93) is amended to read as  
37 follows:

38       9. The commissioner is hereby authorized to [provide assistance to  
39 general aviation airports]expend monies from the Airport Safety Fund  
40 established by section 4 of the "New Jersey Airport Safety Act of  
41 1983," P.L.1983, c.264 (C.6:1-92), for the following purposes:

42       a. To provide grants to publicly and privately owned, unrestricted,  
43 public use airports to obtain federal funds for airport assistance. The  
44 commissioner is authorized to provide up to 50% of the required local  
45 match; except that the commissioner is authorized to provide up to  
46 100% of the required local match, when he deems that an emergency

1 situation exists.

2 b. To provide grants or loans, or both, to publicly owned and  
3 private, unrestricted, public use airports for safety projects, including  
4 but not limited to engineering, planning, construction and  
5 rehabilitation of lighting, runways, aprons, airport approach aids and  
6 obstruction removals.

7 c. To provide grants or loans, or both, to publicly owned airports  
8 or counties or municipalities to acquire airports or lands, rights in land  
9 and easements, including aviation easements necessary for clear zones  
10 or clear areas, which are owned, controlled or operated, or to be  
11 owned, controlled or operated by municipalities, counties or other  
12 political subdivisions of this State.

13 d. To acquire lands or rights in lands adjacent to privately owned,  
14 public use airports, which are found necessary for airport or air safety  
15 purposes, and while retaining title to that land or rights in land, the  
16 commissioner may lease those lands or rights to airports or airport  
17 authorities for use in the furtherance of airport, air safety, or air  
18 transportation purposes. The commissioner shall establish terms in  
19 any such lease so as to protect the State's interest in the promotion of  
20 aviation and the State's investment in lands and property.

21 e. To provide loans to unrestricted public use airports and New  
22 Jersey based aviation enterprises, <sup>1</sup>in amounts not to exceed \$200,000  
23 per loan,<sup>1</sup> for such specific purposes and on such terms and conditions  
24 as may be determined by the commissioner pursuant to this subsection.  
25 Loans pursuant to this subsection may be provided for revenue or  
26 nonrevenue generating capital construction, capital development, or  
27 equipment acquisition purposes. In providing such loans, the  
28 commissioner shall establish loan security terms so as to protect the  
29 State's interests. <sup>1</sup>Loans shall not be provided pursuant to this  
30 subsection to airports or enterprises for the purpose of expanding,  
31 preparing for an expansion or completing an expansion of the physical  
32 capabilities of the airport, including but not limited to expansion of the  
33 runways, to support a greater number of flights or larger aircraft than  
34 that which the airport is able to handle within the safety parameters  
35 applicable to that airport at the time of the loan application, except  
36 that a loan may be provided to restore the physical capabilities of an  
37 airport, which capabilities have been reduced as a result of insufficient  
38 maintenance and repair, to the capabilities that existed when the  
39 airport was in a state of full repair and fully maintained.<sup>1</sup>

40 f. To establish, operate, or provide any program or activity which  
41 promotes aviation safety, promotes aviation education, or provides for  
42 the promotion of aeronautics. In no fiscal year shall the amount of  
43 moneys expended pursuant to this subsection exceed 10 percent of the  
44 total amount of moneys appropriated in that fiscal year to the Airport  
45 Safety Fund, established in the General Fund pursuant to section 4 of

1 P.L.1983, c.264 (C.6:1-92).

2 (cf: P.L.1983, c.264, s.9)

3

4 5. Section 15 of P.L.1995, c.108 (C.27:1B-21.8) is amended to  
5 read as follows:

6 15. Each year a nonlapsing sum of money shall be appropriated  
7 from funds held in the Special Transportation Fund, established  
8 pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21), and credited  
9 to the Airport Safety Fund, established in the General Fund pursuant  
10 to section 4 of P.L.1983, c.264 (C.6:1-92), for use for any [capital]  
11 purpose pursuant to the "New Jersey Airport Safety Act of 1983,"  
12 P.L.1983, c.264 (C.6:1-89 et al.) and that sum shall be included in the  
13 annual report of projects prepared pursuant to section 22 of P.L.1984,  
14 c.73 (C.27:1B-22). Funds so appropriated shall no longer be subject  
15 to the provisions and limitations of <sup>1</sup>[this]<sup>1</sup> chapter <sup>1</sup>1B of Title 27 of  
16 the Revised Statutes<sup>1</sup>, but instead shall be subject to the provisions  
17 and limitations of P.L.1983, c.264 (C.6:1-89 et al.).

18 (cf: P.L.1995, c.108, s.15)

19

20 6. This act shall take effect immediately.

21

22

23

24

25 Permits loans to be made from Airport Safety Fund to aviation  
26 enterprises and certain airports for capital and related purposes, and  
27 permits certain other expenditures.