

## CHAPTER 231

AN ACT concerning expenditures from the Airport Safety Fund, amending P.L.1983, c.264 and P.L.1995, c.108.

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

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

C.6:1-90 Findings, declarations.

2. a. The Legislature finds and declares that:

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

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

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

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

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

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

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

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

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

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

C.6:1-91 Definitions.

3. As used in this act:

a. "Commissioner" means the Commissioner of Transportation.

b. "Department" means the Department of Transportation.

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

d. "Treasurer" means the State Treasurer.

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

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

g. "Turbine fuel" means any liquid or gaseous substance used by jet and turbo-shaft aircraft

for the propulsion of aircraft through the air, as determined by the Commissioner of Transportation.

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

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

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

C.6:1-92 "Airport Safety Fund."

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

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

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

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

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

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

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

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

C.6:1-93 Permitted uses of "Airport Safety Fund."

9. The commissioner is hereby authorized to expend moneys from the Airport Safety Fund established by section 4 of the "New Jersey Airport Safety Act of 1983," P.L.1983, c.264 (C.6:1-92), for the following purposes:

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

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

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

d. To acquire lands or rights in lands adjacent to privately owned, public use airports, which are found necessary for airport or air safety purposes, and while retaining title to that land or

rights in land, the commissioner may lease those lands or rights to airports or airport authorities for use in the furtherance of airport, air safety, or air transportation purposes. The commissioner shall establish terms in any such lease so as to protect the State's interest in the promotion of aviation and the State's investment in lands and property.

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

f. To establish, operate, or provide any program or activity which promotes aviation safety, promotes aviation education, or provides for the promotion of aeronautics. In no fiscal year shall the amount of moneys expended pursuant to this subsection exceed 10 percent of the total amount of moneys appropriated in that fiscal year to the Airport Safety Fund, established in the General Fund pursuant to section 4 of P.L.1983, c.264 (C.6:1-92).

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

C.27:1B-21.8 Credits to Airport Safety Fund.

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

6. This act shall take effect immediately.

Approved August 25, 1997.