

[Second Reprint]
SENATE, No. 1408

STATE OF NEW JERSEY

INTRODUCED JULY 25, 1996

By Senator HAINES

1 AN ACT concerning ²[aviation and] expenditures from the Airport
2 Safety Fund.² 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:

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

¹ Senate STR committee amendments adopted October 7, 1996.

² Senate SBA committee amendments adopted January 27, 1997.

1 program.

2 (6) The long term stability and viability of unrestricted public use
3 airports ¹[is] are¹ greatly dependent upon the economic stability and
4 vitality of the aviation enterprises which are located within them.

5 ¹(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.¹

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 ¹, to promote aviation safety and education, and to
14 provide for the promotion of aeronautics¹.

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)

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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

1 has a direct economic or operational benefit to the airport.

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

3

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

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

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

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

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

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

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

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

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

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

41 9. The commissioner is hereby authorized to ¹[provide assistance
42 to general aviation airports and aviation enterprises] expend monies¹
43 from the Airport Safety Fund established by section 4 of the "New
44 Jersey Airport Safety Act of 1983," P.L.1983, c.264 (C.6:1-92), for
45 the following purposes:

46 a. To provide grants to publicly and privately owned, unrestricted,

1 public use airports to obtain federal funds for airport assistance. The
2 commissioner is authorized to provide up to 50% of the required local
3 match; except that the commissioner is authorized to provide up to
4 100% of the required local match, when he deems that an emergency
5 situation exists.

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

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

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

25 e. To provide loans to unrestricted public use airports and New
26 Jersey based aviation enterprises, ²in amounts not to exceed \$200,000
27 per loan,² for such specific purposes and on such terms and conditions
28 as may be determined by the commissioner pursuant to this subsection.
29 Loans pursuant to this subsection may be provided for revenue or
30 nonrevenue generating capital construction, capital development, or
31 equipment acquisition purposes. In providing such loans, the
32 commissioner shall establish loan security terms so as to protect the
33 State's interests. ²Loans shall not be provided pursuant to this
34 subsection to airports or enterprises for the purpose of expanding,
35 preparing for an expansion or completing an expansion of the physical
36 capabilities of the airport, including but not limited to expansion of the
37 runways, to support a greater number of flights or larger aircraft than
38 that which the airport is able to handle within the safety parameters
39 applicable to that airport at the time of the loan application, except
40 that a loan may be provided to restore the physical capabilities of an
41 airport, which capabilities have been reduced as a result of insufficient
42 maintenance and repair, to the capabilities that existed when the
43 airport was in a state of full repair and fully maintained.²

44 ¹f. To establish, operate, or provide any program or activity which
45 promotes aviation safety, promotes aviation education, or provides for
46 the promotion of aeronautics. In no fiscal year shall the amount of

1 moneys expended pursuant to this subsection exceed 10 percent of the
2 total amount of moneys appropriated in that fiscal year to the Airport
3 Safety Fund, established in the General Fund pursuant to section 4 of
4 P.L.1983, c.264 (C.6:1-92).¹

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

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

9 15. Each year a nonlapsing sum of money shall be appropriated
10 from funds held in the Special Transportation Fund, established
11 pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21), and credited
12 to the Airport Safety Fund, established in the General Fund pursuant
13 to section 4 of P.L.1983, c.264 (C.6:1-92), for use for any ¹[capital]¹
14 purpose pursuant to the "New Jersey Airport Safety Act of 1983,"
15 P.L.1983, c.264 (C.6:1-89 et al.) and that sum shall be included in the
16 annual report of projects prepared pursuant to section 22 of P.L.1984,
17 c.73 (C.27:1B-22). Funds so appropriated shall no longer be subject
18 to the provisions and limitations of ²[this]² chapter ²1B of Title 27 of
19 the Revised Statutes², but instead shall be subject to the provisions and
20 limitations of P.L.1983, c.264 (C.6:1-89 et seq.).

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

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23 6. This act shall take effect immediately.

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28 Permits loans to be made from Airport Safety Fund to aviation
29 enterprises and certain airports for capital and related purposes, and
30 permits certain other expenditures.