

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2154

STATE OF NEW JERSEY

DATED: JUNE 16, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2154.

Senate Bill No. 2154 establishes a special non-lapsing, revolving subaccount of the Special Transportation Fund to be known as the State Transportation Infrastructure Bank.

Establishment of the State Transportation Infrastructure Bank is required by federal law as a depository for federal transportation infrastructure bank monies. The federal program allows States to enter into agreements whereby monies in the State Transportation Infrastructure Bank would be loaned or used to provide other financial assistance to public or private entities for the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of a transportation project or for any other purpose permitted under the federal program.

Other financial assistance that could be provided by the State Transportation Infrastructure Bank would include, but not be limited to, use of funds to: provide credit enhancements; serve as a capital reserve for bond or other debt instrument financing; subsidize interest rates; ensure the issuance of letters of credit and credit instruments; finance purchase and lease agreements with respect to transit projects; and provide bond or other debt financing instrument security.

The State Transportation Infrastructure Bank would be credited with State and federal funds appropriated to the bank, monetary donations made available to the State to support the State Transportation Infrastructure Bank program and any monies received as repayment of the monies loaned or otherwise provided pursuant to the program.

The Department of Transportation expects to receive \$4 million in federal funds for the State Transportation Infrastructure Bank program in this federal fiscal year. The President's proposal for the reauthorization of the Intermodal Surface Transportation Efficiency Act would continue the federal transportation infrastructure bank program.

As reported, this bill is identical to Assembly Bill No. 3056 (DeCroce/Bodine).

FISCAL IMPACT:

According to the Department of Transportation, the enactment of this bill is necessary to draw down an additional \$4 million in federal funds for New Jersey under the federal State Transportation Infrastructure Bank program in this federal fiscal year.