

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 1228

STATE OF NEW JERSEY

DATED: JUNE 22, 2023

The Assembly Appropriations Committee reports favorably Senate Bill No. 1228 (2R).

This bill allows general aviation airports in the State to carry over grant money from the Airport Safety Fund and the Department of Transportation's (department) Airport Improvement Program into future fiscal years at the sole discretion of the Commissioner of Transportation. In order to do so, the airport is required to have applied for municipal and county approval. The airport is also required to submit a schedule of the expected expenditure of the funds to the department and use the money for a purpose authorized under the grant agreement or applicable State law. However, the carry over authorized pursuant to the bill cannot be incompatible with federal aid and assistance overseen by the department.

FISCAL IMPACT:

The Office of Legislative Services estimates that the Department of Transportation may experience an annual revenue loss by allowing certain airports to carry forward unused grant monies instead of requiring those monies to be returned to the department as rescinded funds.

Under the bill, the Department of Transportation will determine whether an airport may carry forward certain unexpended funds. However, if rescinded, these funds would become available to the department for any departmental purpose. As a practical matter, these funds likely would be reallocated to airports through the department's Airport Improvement Program (AIP) in a subsequent fiscal year.

At current funding levels, the projected annual impact of this legislation is approximately \$122,000 to \$340,000. If funding for the AIP were increased over time, the projected annual State revenue loss would rise as the total amount of funds allocated to the AIP increases.