

CHAPTER 7

AN ACT concerning the financing and construction of transportation infrastructure in the State, revising various parts of the statutory law, and supplementing Title 39 of the Revised Statutes.

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

1. Section 3 of P.L.1984, c.73 (C.27:1B-3) is amended to read as follows:

C.27:1B-3 Definitions.

3. The following words or terms as used in this act shall have the following meaning unless a different meaning clearly appears from the context:

"Act" means this New Jersey Transportation Trust Fund Authority Act of 1984 as amended and supplemented.

"Authority" means the New Jersey Transportation Trust Fund Authority created by section 4 of this act.

"Bonds" means bonds issued by the authority pursuant to the act and includes prior bonds and transportation program bonds.

"Circle of Mobility" means an essential group of related transit projects that include (1) the New Jersey Urban Core Project, as defined in section 3031 of the "Intermodal Surface Transportation Efficiency Act of 1991," Pub.L.102-240, and consisting of the following elements: Secaucus Transfer, Kearny Connection, Waterfront Connection, Northeast Corridor Signal System, Hudson River Waterfront Transportation System, Newark-Newark International Airport-Elizabeth Transit Link, a rail connection between Penn Station Newark and Broad Street Station, Newark, New York Penn Station Concourse, and the equipment needed to operate revenue service associated with improvements made by the project, and (2) the modification and reconstruction of the West Shore Line in Bergen County connected to Allied Junction/Secaucus Transfer Meadowlands Rail Center; the construction of a rail station and associated components at the Meadowlands Sports Complex; the modification and reconstruction of the Susquehanna and Western Railway, as defined and provided in section 3035 (a) of the "Intermodal Surface Transportation Efficiency Act of 1991"; the modification and reconstruction of the Lackawanna Cutoff Commuter Rail Line connecting Morris, Sussex and Warren Counties to the North Jersey Transportation Rail Centers; and commuter rail service in the central New Jersey region terminating at the proposed Lakewood Transportation Center in Ocean County or other location, as determined by the Board of the New Jersey Transit Corporation, pursuant to a resolution of the board providing for the achievement of a consensus among the interested parties as to the direction of the proposed rail line; provided, however, that this 2000 amendatory act shall not be construed as affecting any priorities which may have been assigned to any other project in the Circle of Mobility.

"Commissioner" means the Commissioner of Transportation.

"Department" means the Department of Transportation.

"Federal aid highway" means any highway within the State in connection with which the State receives payment or reimbursement from the federal government under the terms of Title 23, United States Code or any amendment, successor, or replacement thereof, for the purposes contained in the act.

"Federal government" means the United States of America, and any office, department, board, commission, bureau, division, corporation, agency, or instrumentality thereof.

"New Jersey Highway Authority" means the public corporation created by section 4 of P.L.1952, c.16 (C.27:12B-4) or its successor.

"New Jersey Turnpike Authority" means the public corporation created by section 3 of P.L.1948, c.454 (C.27:23-3) or its successor.

"Notes" means the notes issued by the authority pursuant to the act.

"Permitted maintenance" means, in relation to public transportation projects and transportation projects, direct costs of work necessary for preserving or maintaining the useful life of public transportation projects and transportation projects, respectively, provided the work performed is associated with the acquisition, installation, and rehabilitation of components which are not included in the normal operating maintenance of equipment and facilities or replaced on a scheduled basis. The work shall ensure the useful life of the public transportation project or transportation project for not less than five years and shall not include routine maintenance or inspection of equipment and facilities that is conducted on a scheduled basis. This definition shall not apply to the term "maintenance" as used in the definition of "public highways." In relation to public highways, "permitted maintenance" means the direct costs of work necessary for preserving or maintaining the useful life of public highways, provided the work is not associated with the regular and routine maintenance of public highways and their components. The work shall ensure the useful life of the transportation project for not less than five years.

"Prior bonds" means bonds issued pursuant to the authorization contained in P.L.1995, c.108 and P.L.2006, c.3 and any bonds issued to refund such prior bonds.

"Public highways" means public roads, streets, expressways, freeways, parkways, motorways and boulevards, including bridges, tunnels, overpasses, underpasses, interchanges, rest areas, express bus roadways, bus pullouts and turnarounds, park-ride facilities, traffic circles, grade separations, traffic control devices, the elimination or improvement of crossings of railroads and highways, whether at grade or not at grade, bicycle and pedestrian pathways and pedestrian and bicycle bridges traversing public highways and any facilities, equipment, property, rights of way, easements and interests therein needed for the construction, improvement, and maintenance of highways.

"Public transportation project" means, in connection with public transportation service, passenger stations, shelters and terminals, automobile parking facilities, ferries and ferry facilities, including capital projects for ferry terminals, approach roadways, pedestrian accommodations, parking, docks, and other necessary land-side improvements, ramps, track connections, signal systems, power systems, information and communication systems, roadbeds, transit lanes or rights of way, equipment storage, pedestrian walkways and bridges connecting to passenger stations and servicing facilities, bridges, grade crossings, rail cars, locomotives, motorbuses and other motor vehicles, maintenance and garage facilities, revenue handling equipment and any other equipment, facility, or property useful for or related to the provision of public transportation service.

"South Jersey Transportation Authority" means the public corporation created by section 4 of P.L.1991, c.252 (C.27:25A-4) or its successor.

"State agency" means any office, department, board, commission, bureau, division, agency, or instrumentality of the State.

"Toll road authorities" means and includes the New Jersey Turnpike Authority, the New Jersey Highway Authority, or its successor, and the South Jersey Transportation Authority.

"Transportation program bonds" means bonds issued pursuant to the authorization contained in P.L.2012, c.13, P.L.2016, c.56, P.L.2024, c.7 (C.39:3-8.5 et al.), and any bonds issued to refund such transportation program bonds.

"Transportation project" means, in addition to public highways and public transportation projects, any equipment, facility or property useful or related to the provision of any ground,

waterborne, or air transportation for the movement of people and goods including rail freight infrastructure, which equipment, facility, or property may be acquired by purchase or lease.

"Transportation system" means public highways, public transportation projects, other transportation projects, and all other surface, airborne, and waterborne methods of transportation for the movement of people and goods.

2. Section 9 of P.L.1984, c.73 (C.27:1B-9) is amended to read as follows:

C.27:1B-9 Issuance of bonds.

9. a. The authority shall have the power and is hereby authorized after November 15, 1984 and from time to time thereafter to issue its bonds, notes or other obligations in principal amounts as in the opinion of the authority shall be necessary to provide for any of its corporate purposes, including the payment, funding or refunding of the principal of, or interest or redemption premiums on, any bonds, notes or other obligations issued by it, whether the bonds, notes, obligations or interest to be funded or refunded have or have not become due; and to provide for the security thereof and for the establishment or increase of reserves to secure or to pay the bonds, notes or other obligations or interest thereon and all other reserves and all costs or expenses of the authority incident to and necessary or convenient to carry out its corporate purposes and powers; and in addition to its bonds, notes and other obligations, the authority shall have the power to issue subordinated indebtedness, which shall be subordinate in lien to the lien of any or all of its bonds or notes. No resolution or other action of the authority providing for the issuance of bonds, refunding bonds, notes, or other obligations shall be adopted or otherwise made effective by the authority without the prior approval in writing of the Governor and the State Treasurer.

b. Except as may be otherwise expressly provided in the act or by the authority:

(1) Every issue of bonds or notes shall be general obligations payable out of any revenues or funds of the authority, subject only to any agreements with the holders of particular bonds or notes pledging any particular revenues or funds. The authority may provide the security and payment provisions for its bonds or notes as it may determine, including (without limiting the generality of the foregoing) bonds or notes as to which the principal and interest are payable from and secured by all or any portion of the revenues of and payments to the authority, and other moneys or funds as the authority shall determine, provided that for transportation program bonds or notes issued in anticipation of such transportation program bonds, only revenues dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4, and deposited into the "Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds," may be used for such payment;

(2) In addition, the authority may issue notes, in anticipation of the issuance of the bonds, provided that the issuance of such notes shall be subject to the bonding limitations as provided in subsection i. of this section, and the payment of such notes if issued in anticipation of the issuance of transportation program bonds shall be paid solely from revenues dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4, and deposited into the "Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds." The authority may also issue notes in anticipation of the receipt of appropriations, grants, reimbursements or other funds, including without limitation grants from the federal government for federal aid highways or public transportation systems, the principal of or interest on which, or both, shall be payable out of the proceeds of appropriations, grants, reimbursements or other funds, including without limitation grants from

the federal government for federal aid highways or public transportation systems. Such notes shall not be subject to the bonding limitations as provided in subsection i. of this section; and

(3) The authority may also enter into bank loan agreements, lines of credit and other security agreements as authorized pursuant to subsection h. of section 6 of P.L.1984, c.73 (C.27:1B-6) and obtain for or on its behalf letters of credit in each case for the purpose of securing its bonds, notes or other obligations or to provide direct payment of any costs which the authority is authorized to pay by this act and to secure repayment of any borrowings under the loan agreement, line of credit, letter of credit or other security agreement by its bonds, notes or other obligations or the proceeds thereof or by any or all of the revenues of and payments to the authority or by any appropriation, grant or reimbursement to be received by the authority and other moneys or funds as the authority shall determine, provided that for any such agreements entered into in connection with transportation program bonds issued pursuant to the authorization contained in subsection i. of this section, or notes issued in anticipation of such transportation program bonds, only revenues dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4, and deposited into the "Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds," may be used for such payment.

c. Whether or not the bonds and notes are of the form and character as to be negotiable instruments under the terms of Title 12A, Commercial Transactions, New Jersey Statutes, the bonds and notes are hereby made negotiable instruments within the meaning of and for all the purposes of Title 12A of the New Jersey Statutes.

d. Bonds or notes of the authority shall be authorized by a resolution or resolutions of the authority and may be issued in one or more series and shall bear the date, or dates, mature at the time or times, bear interest at the rate or rates of interest per annum, be in the denomination or denominations, be in the form, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be payable from the sources, in the medium of payment, at the place or places within or without the State, and be subject to the terms of redemption (with or without premium) as the resolution or resolutions may provide. Bonds or notes may be further secured by a trust indenture between the authority and a corporate trustee within or without the State. All other obligations of the authority shall be authorized by resolution containing terms and conditions as the authority shall determine.

e. Bonds, notes or other obligations of the authority may be sold at public or private sale at a price or prices and in a manner as the authority shall determine, either on a negotiated or on a competitive basis. Every bond, or refunding bond, issued on or after the effective date of P.L.2006, c.3 (C.27:1B-22.2 et al.) shall mature and be paid no later than 31 years from the date of the issuance of that bond or refunding bond.

f. Bonds or notes may be issued and other obligations incurred under the provisions of the act without obtaining the consent of any department, division, commission, board, bureau or agency of the State, other than the approval as required by subsection a. of this section, and without any other proceedings or the happening of any other conditions or other things than those proceedings, conditions or things which are specifically required by the act.

g. Bonds, notes and other obligations of the authority issued or incurred under the provisions of the act shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the authority and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision or be or constitute a pledge of the faith and credit of the State or of any political subdivision, but all bonds, notes and obligations, unless funded or refunded by bonds, notes or other obligations of the authority, shall be payable solely from revenues or funds pledged or available for their payment as

authorized in the act. Each bond, note or other obligation shall contain on its face a statement to the effect that the authority is obligated to pay the principal thereof or the interest thereon only from revenues or funds of the authority, and for transportation program bonds and agreements securing such transportation program bonds only from revenues dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4, and deposited into the "Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds," and that neither the State nor any political subdivision thereof is obligated to pay the principal or interest and that neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or the interest on the bonds, notes or other obligations. For the purposes of this subsection, political subdivision does not include the authority.

h. All expenses incurred in carrying out the provisions of the act shall be payable solely from the revenues or funds provided or to be provided under or pursuant to the provisions of the act and nothing in the act shall be construed to authorize the authority to incur any indebtedness or liability on behalf of or payable by the State or any political subdivision thereof.

i. Commencing with the fiscal year beginning July 1, 1995 and ending within the fiscal year beginning July 1, 2005, the authority shall not incur debt in any fiscal year in excess of \$650,000,000, except that if that permitted amount of debt, or any portion thereof, is not incurred in a fiscal year it may be incurred in a subsequent fiscal year. Commencing with the fiscal year beginning July 1, 2006 and ending with the fiscal year beginning on July 1, 2010, the authority shall not incur debt for any fiscal year in excess of \$1,600,000,000, reduced in each of those fiscal years by the amount by which the appropriation of State funds to the Transportation Trust Fund Account for that fiscal year shall exceed \$895,000,000; provided, however, that if a portion of that permitted amount of debt, less any reduction as provided above, is not incurred in a fiscal year, an amount not greater than the unused portion may be incurred in a subsequent fiscal year in addition to the amount otherwise permitted. Debt permitted for the fiscal year beginning July 1, 2006 may be incurred prior to July 1, 2006. The authority shall not issue transportation program bonds in excess of \$1,247,000,000 for the fiscal year beginning July 1, 2012, in excess of \$849,200,000 for the fiscal year beginning July 1, 2013, in excess of \$735,300,000 for the fiscal year beginning July 1, 2014, and in excess of \$626,800,000 for the fiscal year beginning July 1, 2015, except that (1) if that permitted amount of transportation program bonds, or any portion thereof, is not incurred in a fiscal year, it may be issued in a subsequent fiscal year and (2) 30 percent of the permitted amount of transportation program bonds for a fiscal year may be issued in the fiscal year preceding such fiscal year provided that (a) any transportation program bonds issued pursuant to this paragraph shall be deducted from the authorization for the fiscal year from which it was taken, and (b) the proceeds of any such transportation program bonds shall not be encumbered until the fiscal year from which the deduction of the authorization was taken pursuant to this paragraph. Transportation program bonds authorized to be issued for the fiscal year beginning July 1, 2012 may be issued prior to July 1, 2012. Commencing on the day that Assembly Concurrent Resolution No. 1 of 2015, a constitutional amendment to Article VIII, Section II, paragraph 4 of the New Jersey Constitution, takes effect, and ending June 30, 2029, the authority shall not issue transportation program bonds in excess of \$15,600,000,000. Any increase in this limitation shall only occur if so provided for by law. In computing the foregoing limitation as to the amount of bonds the authority may issue, the authority may exclude any bonds, notes or other obligations, including subordinated obligations of the authority, issued for refunding purposes; except that, for the fiscal year beginning July 1, 2016 and thereafter, any net

premiums received in connection with the issuance of transportation program bonds shall count against any limitation as to the amount of transportation program bonds the authority may issue. The payment of debt service on transportation program bonds and any agreements issued in connection with such transportation program bonds shall be paid solely from revenues dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4, and deposited into the "Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds."

j. Upon the decision by the authority to issue refunding bonds pursuant to this section, and prior to the sale of those bonds, the authority shall transmit to the Joint Budget Oversight Committee, or its successor, a report that a decision has been made, reciting the basis on which the decision was made, including an estimate of the debt service savings to be achieved and the calculations upon which the authority relied when making the decision to issue refunding bonds. The report shall also disclose the intent of the authority to issue and sell the refunding bonds at public or private sale and the reasons therefor.

k. The Joint Budget Oversight Committee, or its successor, shall have authority to approve or disapprove the sale of refunding bonds as included in each report submitted in accordance with subsection j. of this section. The committee shall approve or disapprove the sale of refunding bonds within 10 business days after physical receipt of the report. The committee shall notify the authority in writing of the approval or disapproval as expeditiously as possible.

l. No refunding bonds shall be issued unless the report has been submitted to and approved by the Joint Budget Oversight Committee, or its successor, as set forth in subsection k. of this section.

m. Within 30 days after the sale of the refunding bonds, the authority shall notify the Joint Budget Oversight Committee, or its successor, of the result of that sale, including the prices and terms, conditions and regulations concerning the refunding bonds, and the actual amount of debt service savings to be realized as a result of the sale of refunding bonds.

n. The Joint Budget Oversight Committee, or its successor, shall, however, review all information and reports submitted in accordance with this section and may, on its own initiative, make observations and recommendations to the authority or to the Legislature, or both, as it deems appropriate.

o. No refunding bonds shall be issued unless the authority shall first determine that the present value of the aggregate principal of and interest on the refunding bonds is less than the present value of the aggregate principal of and interest on the outstanding bonds to be refinanced, except that, for the purposes of this limitation, present value shall be computed using a discount rate equal to the yield of those refunding bonds, and yield shall be computed using an actuarial method based upon a 360-day year with semiannual compounding and upon the prices paid to the authority by the initial purchasers of those refunding bonds.

3. Section 20 of P.L.1984, c.73 (C.27:1B-20) is amended to read as follows:

C.27:1B-20 "Transportation Trust Fund Account."

20. There is hereby established in the General Fund an account entitled "Transportation Trust Fund Account," which shall consist of three subaccounts entitled: "Transportation Trust Fund Account - Subaccount for Debt Service for Prior Bonds," "Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds," and "Transportation Trust Fund Account - Subaccount for Capital Reserves." During the fiscal year beginning July 1, 1984 and during each succeeding fiscal year in which the authority has bonds, notes or other obligations outstanding, the treasurer shall credit to the "Transportation Trust

Fund Account - Subaccount for Debt Service for Prior Bonds" a portion of the revenues derived from the following, as determined by the treasurer, and to the "Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds" and "Transportation Trust Fund Account - Subaccount for Capital Reserves" only revenues dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4, which are also derived under subsection a. of this section and from the petroleum products gross receipts and sales tax as set forth in subsection d. of this section, and to the "Transportation Trust Fund Account - Subaccount for Capital Reserves," the revenues derived from the additional annual fee for zero-emission vehicles, as set forth in subsection e. of this section:

a. An amount equivalent to all revenue derived from the collection of the tax imposed on the sale of motor fuels pursuant to chapter 39 of Title 54 of the Revised Statutes, as provided in Article VIII, Section II, paragraph 4 of the State Constitution;

b. (Deleted by amendment, P.L.2000, c.73).

c. An amount equivalent to moneys received by the State in accordance with contracts entered into with toll road authorities or other State agencies, provided that effective with the fiscal year beginning July 1, 1988 the amount so credited shall not be less than \$24,500,000 in any fiscal year.

The treasurer shall also credit to the "Transportation Trust Fund Account - Subaccount for Debt Service for Prior Bonds," in accordance with a contract between the treasurer and the authority, an amount equivalent to the sum of the revenues due from the increase of fees for motor vehicle registrations collected pursuant to the amendment to R.S.39:3-20 made by section 32 of P.L.1984, c.73 and from the increase in the tax on diesel fuels imposed pursuant to the amendment to R.S.54:39-27 made by section 35 of P.L.1984, c.73 and by P.L.1987, c.460, and as amended by section 18 of P.L.1992, c.23, and repealed by section 56 of P.L.2010, c.22 and now imposed pursuant to section 3 of P.L.2010, c.22 (C.54:39-103), provided that the total amount credited during the fiscal year beginning July 1, 1984 shall not be less than \$20,000,000 and that the total amount credited during the fiscal year beginning July 1, 1985 and during every fiscal year thereafter shall not be less than \$30,000,000.

In addition to the amounts credited to the account by this section, commencing with the fiscal year beginning July 1, 1995 and every fiscal year thereafter, there shall be appropriated from the General Fund such additional amounts as are necessary to carry out the provisions of this act and beginning July 1, 2000 the fees collected pursuant to subsection a. of section 68 of P.L.1990, c.8 (C.17:33B-63) shall be credited to the account for the purposes of this act, provided, however, the amount credited from such fees during any fiscal year shall not be less than \$60,000,000.

d. In addition to the amount credited in subsection a. of this section: beginning January 1 following approval by the voters an amount equivalent to the revenue derived from the tax imposed on the sale of petroleum products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.), provided, however, such amount shall not be less than \$100,000,000 in the period January 1 through June 30 following approval by the voters and shall not be less than \$200,000,000 in any fiscal year through the fiscal year commencing July 1, 2015; and in the fiscal year commencing July 1, 2016, an amount equivalent to all revenue derived from the sale of petroleum products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) and in each year thereafter; and for the fiscal year commencing July 1, 2001 and for each fiscal year thereafter an amount equivalent to the revenue derived from the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) on the sale of new motor vehicles, provided, however, that such amount shall not be less than \$200,000,000 for the fiscal year commencing July 1, 2003

and for each fiscal year thereafter, as provided in Article VIII, Section II, paragraph 4 of the State Constitution.

No later than the fifth business day of the month following the month in which a credit has been made, the treasurer shall pay to the authority, for its purposes as provided herein, the amounts then credited to the "Transportation Trust Fund Account - Subaccount for Debt Service for Prior Bonds," "Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds," and "Transportation Trust Fund Account - Subaccount for Capital Reserves," provided that the payments to the authority shall be subject to and dependent upon appropriations being made from time to time by the Legislature of the amounts thereof for the purposes of the act, and further provided that the revenues deposited into the "Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds" and "Transportation Trust Fund Account - Subaccount for Capital Reserves" shall consist solely of revenues which are dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4, and subsections a. and d. of this section.

In the event that the amount of appropriations and other revenues made available to the authority are greater than the amount of appropriations and other revenues needed to meet the statutory purposes of the authority in a fiscal year, any of those additional amounts, which are dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4, and subsections a. and d. of this section, may be deposited into the "Transportation Trust Fund Account - Subaccount for Capital Reserves." Monies deposited in the "Transportation Trust Fund Account - Subaccount for Capital Reserves" shall be held in reserve as a means of ensuring the adequacy of funding to meet the future statutory needs of the authority, and may be transferred to the other subaccounts of the "Transportation Trust Fund Account" or to the "Special Transportation Fund" through appropriation by the Legislature for any statutory need of the authority.

e. For the fiscal year beginning July 1, 2024 and each fiscal year thereafter, an amount equivalent to the sum of all revenues derived from the imposition of an additional annual fee collected upon zero-emission vehicles pursuant to section 8 of P.L.2024, c.7 (C.39:3-8.5) shall be credited to the "Transportation Trust Fund Account - Subaccount for Capital Reserves" to be used for transportation projects. No portion of these revenues shall be appropriated to pay debt service on transportation system bonds, transportation program bonds, or any other bonds, notes, or other obligations, including subordinated obligations of the authority, provided, however, if such fee revenues are dedicated pursuant to the New Jersey Constitution, including Article VIII, Section II, paragraph 4, such fee revenues may then be deposited into the "Transportation Trust Fund Account - Subaccount for Debt Service for Transportation Program Bonds" and used to pay debt service on transportation program bonds and any agreements issued in connection with such transportation program bonds.

4. Section 8 of P.L.1987, c.460 (C.27:1B-21.1) is amended to read as follows:

C.27:1B-21.1 Annual funding maximums.

8. a. Commencing with the reports of the commissioner, which shall include the Transportation Master Plan, Statewide Capital Investment Strategy, Annual Transportation Capital Program, Transportation Trust Fund Authority Financial Plan, and Five-Year Capital Plan, as may be amended, required to be submitted pursuant to section 22 of P.L.1984, c.73 (C.27:1B-22) on or before March 1, 2006 and on each succeeding March 1 thereafter through March 1, 2015, the annual amount so reported by the commissioner for proposed projects shall not exceed \$1,600,000,000 exclusive of federal funds, and beginning with the reports due

March 1, 2016, and on each succeeding March 1 thereafter through March 1, 2023, the amount so reported by the commissioner for proposed projects shall not exceed an aggregate \$16,600,000,000 over that eight year period, and beginning with the reports due March 1, 2024, and on each succeeding March 1 thereafter through March 1, 2028, the amount so reported by the commissioner for proposed projects shall not exceed an aggregate \$10,367,000,000 over that five-year period.

b. For the fiscal year beginning on July 1, 2006 and for each fiscal year thereafter through the fiscal year beginning on July 1, 2011, the total annual amount authorized to be appropriated from the revenues and other nonfederal funds of the New Jersey Transportation Trust Fund Authority for the projects listed in the appropriations act pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21) shall not exceed \$1,600,000,000, all amounts exclusive of federal funds. The total amount authorized to be appropriated from the revenues and other nonfederal funds of the New Jersey Transportation Trust Fund Authority for the projects listed in the appropriations act pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21) shall not exceed: \$1,247,000,000 for the fiscal year beginning on July 1, 2012; \$1,224,000,000 for the fiscal year beginning on July 1, 2013; \$1,225,000,000 for the fiscal year beginning on July 1, 2014; and \$1,247,000,000 for the fiscal year beginning on July 1, 2015. The total amount authorized to be appropriated from the revenues and other nonfederal funds of the New Jersey Transportation Trust Fund Authority for the projects listed in the appropriations act pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21) shall not exceed an aggregate \$16,600,000,000 in total for the fiscal year beginning on July 1, 2016 through the fiscal year beginning on July 1, 2023. The total amount authorized to be appropriated from the revenues and other nonfederal funds of the New Jersey Transportation Trust Fund Authority for the projects listed in the appropriations act pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21) shall not exceed:

- (1) \$2,000,000,000 for State Fiscal Year 2025;
- (2) \$2,000,000,000 for State Fiscal Year 2026;
- (3) \$2,060,000,000 for State Fiscal Year 2027, provided, however, in addition to any additional set-aside required under section 25 of P.L.1984, c.73 (C.27:1B-25) for this fiscal year, \$60,000,000 of the amount authorized pursuant to this subsection shall be allocated as follows: 25 percent as State aid to counties for transportation projects pursuant to subsection e. of section 25 of P.L.1984, c.73 (C.27:1B-25); 25 percent as State aid to municipalities for transportation projects pursuant to subsection c. of section 25 of P.L.1984, c.73 (C.27:1B-25); 25 percent for projects of the Department of Transportation; and 25 percent for projects of the New Jersey Transit Corporation;
- (4) \$2,122,000,000 for State Fiscal Year 2028, provided, however, in addition to any additional set-aside required under section 25 of P.L.1984, c.73 (C.27:1B-25) for this fiscal year, \$122,000,000 of the amount authorized pursuant to this subsection shall be allocated as follows: 25 percent as State aid to counties for transportation projects pursuant to subsection e. of section 25 of P.L.1984, c.73 (C.27:1B-25); 25 percent as State aid to municipalities for transportation projects pursuant to subsection c. of section 25 of P.L.1984, c.73 (C.27:1B-25); 25 percent for projects of the Department of Transportation; and 25 percent for projects of the New Jersey Transit Corporation; and
- (5) \$2,185,000,000 for State Fiscal Year 2029, provided, however, in addition to any additional set-aside required under section 25 of P.L.1984, c.73 (C.27:1B-25) for this fiscal year, \$185,000,000 of the amount authorized pursuant to this subsection shall be allocated as follows: 25 percent as State aid to counties for transportation projects pursuant to subsection e. of section 25 of P.L.1984, c.73 (C.27:1B-25); 25 percent as State aid to municipalities for transportation projects pursuant to subsection c. of section 25 of P.L.1984, c.73 (C.27:1B-25);

25 percent for projects of the Department of Transportation; and 25 percent for projects of the New Jersey Transit Corporation.

c. (Deleted by amendment, P.L.1991, c.40)

d. (Deleted by amendment, P.L.1992, c.10)

e. The State Auditor shall provide for a unified annual audit of expenditures from the "Special Transportation Fund," established by section 21 of P.L.1984, c.73 (C.27:1B-21), in order to determine that these funds are expended for costs eligible for funding from the authority and in a manner consistent with appropriations made by the Legislature. The findings of such audits shall be transmitted to the presiding officer of each House of the Legislature, and to the Chair of the Senate Budget and Appropriations Committee, the Senate Transportation Committee, the Assembly Appropriations Committee, and the Assembly Transportation and Independent Authorities Committee or their successors.

f. The State Auditor shall review bond issuances of the authority and report to the Joint Budget Oversight Committee and to the members of the Senate Budget and Appropriations Committee and the Assembly Appropriations Committee, or their successors, on the status of the bonds of the authority and projects financed from the proceeds of the bonds. The report shall include the investment status of all unexpended bond proceeds and provide a description of any bond issues expected during a fiscal year, including type of issue, estimated amount of bonds to be issued and the expected month of sale.

5. Section 6 of P.L.2006, c.3 (C.27:1B-22.2) is amended to read as follows:

C.27:1B-22.2 Transportation Policy Review Board.

6. There is hereby created in the Executive Branch of the State Government, a body corporate and politic, with corporate succession, to be known as the Transportation Policy Review Board. For the purpose of complying with the provisions of Article V, Section IV, paragraph 1 of the New Jersey Constitution, the board is hereby allocated within the Department of Transportation, but, notwithstanding that allocation, the board shall be independent of any supervision or control by the department or by any body or officer thereof. The board is hereby constituted as an instrumentality of the State exercising public and essential governmental functions, and the exercise by the board of the powers conferred by this act shall be deemed and held to be an essential governmental function of the State.

The board shall be comprised of nine public members with experience in transportation finance and policy. The Governor shall appoint three of the members with the advice and consent of the Senate, two of whom shall be experts that perform academic research in the areas of transportation and public transportation policy, planning, or engineering, and one of whom shall be an expert in the area of transportation capital finance. The remaining members shall be appointed by the Governor as follows: two upon the recommendation of the President of the Senate, one upon the recommendation of the Minority Leader of the Senate, two upon the recommendation of the Speaker of the General Assembly, and one upon the recommendation of the Minority Leader of the General Assembly. Each member shall have a professional background in passenger rail service, freight rail management, transportation capital planning, transportation and public transportation capital construction, federal transportation policy, State transportation policy, or transportation capital finance. Each member shall serve for a four-year term and shall serve until the member's successor is appointed and qualified; provided, however, that in order to achieve non-concurrent terms, of the members first appointed pursuant to this section, two members appointed by the Governor shall serve for four years; while the three members appointed upon the recommendations of

the President of the Senate and the Minority Leader of the Senate and the three members appointed upon the recommendations of the Speaker of the General Assembly and the Minority Leader of the General Assembly shall serve for three years each, and the remaining member appointed by the Governor shall serve for two years; and further provided that any member serving on the effective date of P.L.2016, c.56 (C.27:1B-22.5 et al.) shall serve until the expiration of that member's term, notwithstanding the criteria for appointment established pursuant to P.L.2016, c.56 (C.27:1B-22.5 et al.). The Transportation Policy Review Board shall be deemed to be constituted immediately upon appointment and qualification in the manner provided in this section of at least five members.

The purpose of the board is to assure fiscal discipline through evaluating the financing of transportation; independently analyzing and reporting on the cost effectiveness of spending in the transportation capital program; conducting and commissioning research on best practices in the areas of transportation and public transportation construction, planning, finance, and engineering; providing policy recommendations to the Legislature on the best ways to organize the capital program and appropriate capital program funds; and preparing an annual State of Condition of Transportation Financing certification.

The board shall annually appear before the Senate Budget and Appropriations Committee, or its successor, and the Assembly Budget Committee, or its successor, and provide independent analysis of the transportation capital program, provide comments on the cost effectiveness of the program, evaluate the condition of the State transportation system, and identify needed infrastructure investments. The board shall annually appear before the Senate Transportation Committee, or its successor, and the Assembly Transportation and Independent Authorities Committee, or its successor, and report on best practices and cost savings in areas related to transportation and public transportation construction, planning, finance, infrastructure, and governance. The board shall also make itself available to the aforementioned budget and transportation committees to conduct research and provide recommendations on policy issues that those committees request of the board. The board shall issue an annual report on or before June 1 of each year which summarizes the work of the board for the prior year, evaluates the reports issued by the department pursuant to section 22 of P.L.1984, c.73 (C.27:1B-22), and provides independent recommendations for administering the annual capital program.

The board shall be provided with a budget each year to be funded through the capital program, and the budget shall be sufficient to allow the board to commission independent research from academic and other experts in the area of research to be conducted, to avail itself of any professional or consultant services necessary to perform its functions, and to complete the reports and certifications required pursuant to this section.

The board may call to its assistance and avail itself of the services of the employees of any State, county, or municipal department, board, bureau, task force, or agency as it may require and as may be available to it for its purposes, and to employ stenographic and clerical assistance and incur traveling and other miscellaneous expenses necessary to perform its duties, within the limits of funds appropriated or otherwise made available to it for its purposes.

The board shall submit reports to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) no later than April 1, 2017 concerning the taxation of motor vehicles that are powered by a fuel source that is not subject to the motor fuels tax pursuant to P.L.2010, c.22 (C.54:39-101 et seq.) or the petroleum products gross receipts tax pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.), including, but not limited to electric vehicles and hydrogen fuel cell vehicles. The report required pursuant to this subsection shall include recommendations to the Legislature for a new system of taxation that mandates that all vehicles

operating on the highways of this State contribute equitably to the cost of maintaining the State transportation system.

The State of Condition of Transportation Financing certification shall ensure that the financing and expenditures of the New Jersey Transportation Trust Fund Authority (the "authority") adhere to certain standards. The standards are: a. The bonding limitation as provided in subsection i. of section 9 of P.L.1984, c.73 (C.27:1B-9). b. For the fiscal year commencing July 1, 2007, the amount expended from the revenues and other funds of the authority for permitted maintenance shall not exceed the amount expended for permitted maintenance in the fiscal year commencing July 1, 2006. c. The total amount authorized to be appropriated from the revenues and other funds of the authority for project costs commencing with the fiscal year beginning July 1, 2007 through the fiscal year beginning July 1, 2015 shall not exceed \$1,600,000,000 annually, and for the fiscal year beginning on July 1, 2016 through the fiscal year beginning on July 1, 2023 shall not exceed an aggregate \$16,000,000,000 over that eight-year period, and for the fiscal year beginning on July 1, 2024 through the fiscal year beginning on July 1, 2028 shall not exceed an aggregate \$10,367,000,000 over that five-year period.

Commencing with the fiscal year beginning July 1, 2007, the board shall submit to the Governor, the Legislature, and the commissioner on an annual basis the State of Condition of Transportation Financing certification as to the requirements of certification standard a. referencing therein a certification with regard to certification standards b. and c. to the extent feasible, given the other provisions of this section. The certifications shall be based on the board's review of the State's fiscal year final expenditures from the preceding fiscal year, including bonding and expenditures from the annual independent audit of the authority, and the amount of authority funds programmed for permitted maintenance. If the capital program and its financing are found to be in compliance, the first annual certification required by this paragraph shall be submitted by February 1, 2008, after the certification is concurred with by the members of the authority, and by February 1 of each year thereafter. The board shall advise the commissioner and the authority on February 1, 2008 and on each succeeding February 1, if the board finds that the authority is not in compliance with the bonding requirements as provided in certification standard a. of the section, and that a corrective action plan is needed. The authority shall submit a corrective action plan that would reduce its future bond sales to offset the amount of excess bonding or to reduce future debt service payments, or both, as the case may be. Upon approval of the corrective action plan by the board, the certification shall be issued with certain conditions. The Annual Transportation Capital Program submitted to the Legislature for the forthcoming year shall be in compliance with the provisions of the corrective action plan. If the board does not approve the corrective action plan, the authority shall submit a financial plan showing bonding only for existing projects, noting that no bonds shall be issued for new projects shown in the department's Annual Transportation Capital Program. The board shall advise the commissioner on February 1, 2008 and on each succeeding February 1, if the board finds that the Department of Transportation has exceeded the limitation for the amount of authority funds spent on permitted maintenance pursuant to certification standard b. of this section, or for the amount authorized to be appropriated for project costs pursuant to certification standard c. of this section and that a corrective action plan is needed. The department shall submit a corrective action plan that would offset the excess amount spent, or the excess amount appropriated, in the prior year with less funding for permitted maintenance or for projects, as the case may be, in the proposed capital budget request. Upon approval of the corrective action plan by the board, a certification as to these matters shall be issued with certain conditions. The Annual Transportation Capital Program submitted to the Legislature for the forthcoming year shall be in compliance with the provisions of the

corrective action plan. If the board does not approve the corrective action plan, the authority shall submit a financial plan showing bonding only for existing projects, noting that no bonds shall be issued for new projects shown in the department's Annual Transportation Capital Program.

6. Section 25 of P.L.1984, c.73 (C.27:1B-25) is amended to read as follows:

C.27:1B-25 County, municipal projects.

25. a. Notwithstanding the provisions of subtitle 4 of Title 27 of the Revised Statutes and P.L.1946, c.301 (C.27:15A-1 et seq.), the commissioner may, pursuant to appropriations or authorizations being made from time to time by the Legislature according to law, allocate to counties and municipalities funds for the planning, acquisition, engineering, construction, reconstruction, repair, resurfacing and rehabilitation of public highways and the planning, acquisition, engineering, construction, reconstruction, repair, maintenance and rehabilitation of public transportation projects and of other transportation projects which a county or municipality may be authorized by law to undertake.

b. The commissioner shall, pursuant to appropriations or authorizations being made from time to time by the Legislature according to law, allocate at his discretion State aid to counties and municipalities for transportation projects, except that the amount to be appropriated for this program shall be seven percent of the total amount appropriated pursuant to subsection d. of this section. This State aid shall be set aside prior to any formula allocations provided for in subsections c., d., e., f., and g. of this section, and shall be known as the "Local Aid Infrastructure Fund." In the fiscal year commencing July 1, 2016, any amount appropriated to the Local Aid Infrastructure Fund above \$7,500,000 shall be deposited into the State Transportation Infrastructure Bank Fund, established pursuant to section 34 of P.L.2016, c.56 (C.58:11B-10.4).

c. The commissioner shall, pursuant to appropriations or authorizations being made from time to time by the Legislature according to law and pursuant to the provisions of subsections b. and d. of this section, allocate State aid to municipalities for public highways under their jurisdiction. The amount to be appropriated shall be allocated on the basis of the following distribution factor:

$$DF = \frac{Pc}{Ps} + \frac{Cm}{Sm}$$

where, DF equals the distribution factor

Pc equals county population

Ps equals State population

Cm equals municipal road mileage within the county

Sm equals municipal road mileage within the State.

After the amount of aid has been allocated based on the above formula, the commissioner shall determine priority for the funding of municipal projects within each county, based upon criteria relating to volume of traffic, safety considerations, growth potential, readiness to obligate funds, and local taxing capacity. In addition to the above criteria used in determining priority of funding of municipal projects in each county, the commissioner shall consider whether a project is intended to remedy hazardous conditions as identified for the purposes of providing transportation pursuant to N.J.S.18A:39-1.2 for school pupils or to improve pedestrian safety.

For the purposes of this subsection, (1) "population" means the official population count as reported by the New Jersey Department of Labor and Workforce Development; and (2) "municipal road mileage" means that road mileage under the jurisdiction of municipalities, as determined by the department.

d. There shall be appropriated at least \$175,000,000 for each fiscal year commencing July 1, 2006 through the fiscal year commencing July 1, 2015, and \$400,000,000 for each fiscal year commencing July 1, 2016 and for each fiscal year thereafter, for the purposes provided herein and in subsections b., c., e., f., and g. of this section. (1) Of that appropriation, the commissioner shall allocate 37.5 percent of the total appropriation as State aid for municipalities pursuant to the provisions of subsection c. of this section, provided that \$5,000,000 for each fiscal year commencing July 1, 2006 through the fiscal year commencing July 1, 2015, and \$10,000,000 for each fiscal year commencing July 1, 2016 and for each fiscal year thereafter of the amount allocated as State aid for municipalities shall be set aside and sub-allocated as State aid to any municipality qualifying for aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.). The commissioner shall allocate the aid to each municipality in the same proportion that the municipality receives aid under P.L.1978, c.14 (C.52:27D-178 et seq.). (2) The commissioner shall allocate 37.5 percent of the total appropriation pursuant to the provisions of subsection e. of this section for the Local County Aid Program. (3) The commissioner shall allocate seven percent of the total appropriation pursuant to the provisions of subsection b. of this section for the "Local Aid Infrastructure Fund." (4) The commissioner shall allocate seven percent of the appropriation pursuant to the provisions of subsection f. of this section for the "Local Freight Impact Fund." (5) The remaining 11 percent of the appropriation shall be allocated pursuant to the provisions of subsection g. of this section for the "Local Bridges Fund."

The amount of funds allocated as State aid for counties and municipalities, pursuant to paragraphs (3), (4), and (5) of subsection b. of section 8 of P.L.1987, c.460 (C.27:1B-21.1), shall be in addition to the amount of any appropriation required pursuant to this subsection and shall not be subject to any formula allocation provided for in this subsection, and which amounts shall be allocated as follows:

Of the amounts allocated pursuant to paragraph (3) of subsection b. of section 8 of P.L.1987, c.460 (C.27:1B-21.1) for State Fiscal Year 2027, \$15,000,000 shall be allocated as State aid to counties for transportation projects pursuant to subsection e. of this section, and \$15,000,000 shall be allocated as State aid to municipalities for transportation projects pursuant to subsection c. of this section;

Of the amounts allocated pursuant to paragraph (4) of subsection b. of section 8 of P.L.1987, c.460 (C.27:1B-21.1) for State Fiscal Year 2028, \$30,500,000 shall be allocated as State aid to counties for transportation projects pursuant to subsection e. of this section, and \$30,500,000 shall be allocated as State aid to municipalities for transportation projects pursuant to subsection c. of this section; and

Of the amounts allocated pursuant to paragraph (5) of subsection b. of section 8 of P.L.1987, c.460 (C.27:1B-21.1) for State Fiscal Year 2029, \$46,250,000 shall be allocated as State aid to counties for transportation projects pursuant to subsection e. of this section, and \$46,250,000 shall be allocated as State aid to municipalities for transportation projects pursuant to subsection c. of this section.

e. The commissioner may, pursuant to appropriations or authorizations being made from time to time by the Legislature according to law, allocate additional funding to the Local County Aid Program for public highway projects, in accordance with a formula similar to that

provided for in subsection c. of this section, except that Cm equals road mileage under county jurisdiction and Sm equals total county road mileage within the State.

f. The commissioner shall, pursuant to appropriations or authorizations being made from time to time by the Legislature according to law, allocate at the commissioner's discretion, State aid to counties and municipalities for transportation projects that address the impacts of freight travel in local communities and on local transportation infrastructure, except that the amount to be appropriated for this program shall be seven percent of the total amount appropriated pursuant to subsection d. of this section. This State aid shall be set aside prior to any formula allocations provided for in subsections c., d., e., and g. of this section, and shall be known as the "Local Freight Impact Fund."

g. The commissioner shall, pursuant to appropriations or authorizations being made from time to time by the Legislature according to law, allocate at the commissioner's discretion, State aid to counties and municipalities for transportation projects that address the condition of bridges under the jurisdiction of counties with an emphasis on repair and reconstruction of those with the greatest structural deficiencies, except that the amount to be appropriated for this program shall be 11 percent of the total amount appropriated pursuant to subsection d. of this section. This State aid shall be set aside prior to any formula allocations provided for in subsections c., d., e., and f. of this section, and shall be known as the "Local Bridges Fund."

7. Section 3 of P.L.1990, c.42 (C.54:15B-3) is amended to read as follows:

C.54:15B-3 Petroleum products tax.

3. a. (1) (a) There is imposed on each company which is engaged in the refining or distribution, or both, of petroleum products other than highway fuel and aviation fuel and which distributes such products in this State a tax at the rate of seven percent of its gross receipts derived from the first sale of petroleum products within this State and there is imposed on each company which is engaged in the refining or distribution, or both, of highway fuel a tax at the rate of 12.85 percent, as adjusted pursuant to subsections c. and d. of this section, of its gross receipts derived from the first sale of those products within this State.

(b) The applicable tax rate for gasoline, blended fuel that contains gasoline or is intended for use as gasoline, and liquefied petroleum gas, which are taxed as a highway fuel pursuant to subparagraph (a) of this paragraph, shall be converted to a cents-per-gallon rate, rounded to the nearest tenth of a cent, and adjusted quarterly by the director, effective on July 1, October 1, January 1, and April 1, based on the average retail price per gallon of unleaded regular gasoline in the State, as determined in the most recent survey of the retail price per gallon of gasoline that includes a Statewide representative random sample conducted by the Board of Public Utilities, Office of the Economist, or its successor.

(c) The cents-per-gallon rate determined pursuant to subparagraph (b) of this paragraph shall not be less than the rate determined for the average retail price per gallon of unleaded gasoline in the State on July 1, 2016.

(d) The applicable tax rate for diesel fuel, blended fuel that contains diesel fuel or is intended for use as diesel fuel, and kerosene, other than aviation grade kerosene, which are taxed as a highway fuel pursuant to subparagraph (a) of this paragraph, shall be converted to a cents-per-gallon rate, rounded to the nearest tenth of a cent, and adjusted quarterly by the director, effective on July 1, October 1, January 1, and April 1, based on the average retail price per gallon of number 2 diesel in the State, as determined in the most recent survey of retail diesel fuel prices that includes a Statewide representative random sample conducted by the Board of Public Utilities, Office of the Economist, or its successor.

Notwithstanding the provisions of subparagraph (a) of this paragraph to the contrary, for the period from the 2016 implementation date through December 31, 2016, no rate of tax shall be applied to diesel fuel, blended fuel that contains diesel fuel or is intended for use as diesel fuel, or kerosene, other than aviation grade kerosene; for the period from January 1, 2017 through June 30, 2017, the applicable rate for those fuels shall be 70 percent of the rate otherwise determined pursuant to subparagraph (a) of this paragraph, and for July 1, 2017 and thereafter the applicable rate for those fuels determined pursuant to subparagraph (a) of this paragraph.

(e) The cents-per-gallon rate determined pursuant to subparagraph (d) of this paragraph shall not be less than the rate determined for the average retail price per gallon of number 2 diesel in the State on July 1, 2016.

(f) The applicable tax rate for fuel oil determined pursuant to subparagraph (a) of this paragraph shall be converted to a cents-per-gallon rate, rounded to the nearest tenth of a cent, and adjusted quarterly by the director, effective on July 1, October 1, January 1, and April 1, to reflect the average price per gallon, without State or federal tax included, of retail sales of number 2 fuel oil in the State, as determined in the most recent survey of retail diesel fuel prices that included a Statewide representative random sample conducted by the Board of Public Utilities, Office of the Economist, or its successor.

(g) The cents-per-gallon rate determined pursuant to subparagraph (f) of this paragraph shall not be less than the rate determined for the average price per gallon, without State or federal tax included, of retail sales of number 2 fuel oil in the State on July 1, 2016.

(h) (Deleted by amendment, P.L.2024, c.7)

(2) (a) In addition to the tax, if any, imposed by paragraph (1) of this subsection, a cents-per-gallon tax is imposed on each company's gross receipts derived from the first sale of petroleum products within this State on gasoline, blended fuel that contains gasoline or that is intended for use as gasoline, liquefied petroleum gas, and aviation fuel at the rate of four cents per gallon; and

(b) In addition to the tax, if any, imposed by paragraph (1) of this subsection, a cents-per-gallon tax is imposed on each company's gross receipts derived from the first sale of petroleum products within this State on diesel fuel, blended fuel that contains diesel fuel or is intended for use as diesel fuel, and kerosene, other than aviation grade kerosene, at the rate of four cents per gallon before July 1, 2017 and at the rate of eight cents per gallon on and after July 1, 2017.

b. There is imposed on each company that imports or causes to be imported, other than by a company subject to and having paid the tax on those imported petroleum products that have generated gross receipts taxable under subsection a. of this section, petroleum products for use or consumption by it within this State a tax at the rate or rates, determined pursuant to subsection a. of this section, on the consideration given or contracted to be given and the gallonage for such petroleum products if the consideration given or contracted to be given for all such deliveries made during a quarterly period exceeds \$5,000.

c. (1) For State fiscal years 2018 through 2024, the rate of tax imposed on highway fuel pursuant to subsection a. of this section shall be adjusted annually so that the total revenue derived from highway fuel shall not exceed the highway fuel cap amount.

(2) The State Treasurer shall, on or before December 31, 2016, determine the highway fuel cap amount as the sum of:

(a) the taxes collected for State Fiscal Year 2016 pursuant to paragraphs (1) and (2) of subsection a. of section 3 of P.L.2010, c.22 (C.54:39-103) on highway fuel,

(b) the amount derived from taxing the gallonage of highway fuel subject to motor fuel tax in State Fiscal Year 2016 at the rate of four cents per gallon, and

(c) the amount that would have been derived from taxing the gallonage of highway fuel subject to motor fuel tax in State Fiscal Year 2016 at the rate of 23 cents per gallon.

(3) On or before August 15 of each State Fiscal Year following State Fiscal Year 2017 through State Fiscal Year 2024, and on or before November 15 of each State Fiscal Year beginning in State Fiscal Year 2025, the State Treasurer and the Legislative Budget and Finance Officer shall determine the total revenue derived from:

(a) the taxes collected for the prior State Fiscal Year pursuant to paragraphs (1) and (2) of subsection a. of section 3 of P.L.2010, c.22 (C.54:39-103) on highway fuel,

(b) the revenue that would be derived from imposing the tax pursuant to paragraph (2) of subsection a. of this section on highway fuel at the rate of four cents per gallon, and

(c) the revenue derived from the taxation of highway fuel pursuant to paragraph (1) of subsection a. of this section.

(4) Commencing in State Fiscal Year 2017 and ending in State Fiscal Year 2024, upon consideration of the result of the determination pursuant to paragraph (3) of this subsection, and consultation with the Legislative Budget and Finance Officer, the State Treasurer shall determine the rate of tax to be imposed on highway fuel pursuant to subsection a. of this section that will result in revenue from:

(a) the taxes collected on highway fuel for the current State Fiscal Year pursuant to paragraphs (1) and (2) of subsection a. of section 3 of P.L.2010, c.22 (C.54:39-103),

(b) the revenue derived from the tax imposed pursuant to paragraph (2) of subsection a. of this section on highway fuel at the rate of four cents per gallon for the current State Fiscal Year, and

(c) the revenue derived from the taxation of highway fuel pursuant to paragraph (1) of subsection a. of this section equaling the highway fuel cap amount determined pursuant to paragraph (2) of this subsection, as adjusted pursuant to paragraph (5) of this subsection; and that rate shall take effect on October 1 of that year.

(5) Commencing in State Fiscal Year 2017 and ending in State Fiscal Year 2024, if the actual revenue determined pursuant to paragraph (3) of this subsection exceeds the highway fuel cap amount determined pursuant to paragraph (2) of this subsection, then the highway fuel cap amount for the succeeding year shall be decreased by the amount of the excess in setting the rate pursuant to paragraph (4) of this subsection. If the actual revenue determined pursuant to paragraph (3) of this subsection is less than the highway fuel cap amount determined pursuant to paragraph (2) of this subsection, then the highway fuel cap amount for the succeeding year shall be increased by the amount of the shortfall in setting the rate pursuant to paragraph (4) of this subsection.

d. (1) For State fiscal years 2025 through 2029, the rate of tax imposed on highway fuel pursuant to subsection a. of this section shall be adjusted annually so that the total revenue derived from highway fuel shall not exceed the highway fuel cap amount determined pursuant to paragraph (2) of this subsection.

(2) The highway fuel cap amount in effect for State fiscal years 2025 through 2029 shall be adjusted so that the total revenue derived from highway fuel shall equal:

(a) for State Fiscal Year 2025, \$2,032,000,000;

(b) for State Fiscal Year 2026, \$2,115,000,000;

(c) for State Fiscal Year 2027, \$2,199,000,000;

(d) for State Fiscal Year 2028, \$2,282,000,000; and

(e) for State Fiscal Year 2029, \$2,366,000,000.

(3) Commencing in State Fiscal Year 2025, upon consideration of the result of the determination pursuant to paragraph (3) of subsection c. of this section, and consultation with

the Legislative Budget and Finance Officer, the State Treasurer shall determine the rate of tax to be imposed on highway fuel pursuant to subsection a. of this section that will result in revenue from:

(a) the taxes collected on highway fuel for the current State Fiscal Year pursuant to paragraphs (1) and (2) of subsection a. of section 3 of P.L.2010, c.22 (C.54:39-103),

(b) the revenue derived from the tax imposed pursuant to paragraph (2) of subsection a. of this section on highway fuel at the rate of four cents per gallon for the current State Fiscal Year, and

(c) the revenue derived from the taxation of highway fuel pursuant to paragraph (1) of subsection a. of this section equaling the highway fuel cap amount determined pursuant to paragraph (2) of this subsection, as adjusted pursuant to paragraph (4) of this subsection; and that rate shall take effect on January 1 of that year.

(4) Commencing in State Fiscal Year 2025, if the actual revenue determined pursuant to paragraph (3) of subsection c. of this section is less than the highway fuel cap amount determined pursuant to paragraph (2) of this subsection, then the highway fuel cap amount determined pursuant to paragraph (2) of this subsection for the succeeding year shall be increased by the amount of the shortfall in setting the rate pursuant to paragraph (3) of this subsection. If the actual revenue determined pursuant to paragraph (3) of subsection c. of this section exceeds the highway fuel cap amount determined pursuant to paragraph (2) of this subsection, then the highway fuel cap amount for the succeeding year shall be decreased by the amount of the excess in setting the rate pursuant to paragraph (3) of this subsection.

C.39:3-8.5 Imposing, collection of annual fees, zero-emission vehicles, registration.

8. a. In addition to the registration fees imposed pursuant to Article 2 of chapter 3 of Title 39 of the Revised Statutes:

(1) beginning July 1, 2024 and ending June 30, 2025, the Chief Administrator of the Motor Vehicle Commission shall impose and collect an additional annual fee of \$250 upon every zero emission vehicle to be registered;

(2) beginning July 1, 2025 and ending June 30, 2026, the Chief Administrator of the Motor Vehicle Commission shall impose and collect an additional annual fee of \$260 upon every zero-emission vehicle to be registered;

(3) beginning July 1, 2026 and ending June 30, 2027, the Chief Administrator of the Motor Vehicle Commission shall impose and collect an additional annual fee of \$270 upon every zero-emission vehicle to be registered;

(4) beginning July 1, 2027 and ending June 30, 2028, the Chief Administrator of the Motor Vehicle Commission shall impose and collect an additional annual fee of \$280 upon every zero-emission vehicle to be registered; and

(5) beginning July 1, 2028, and for each year thereafter, the Chief Administrator of the Motor Vehicle Commission shall impose and collect an additional annual fee of \$290 upon every zero-emission vehicle to be registered.

b. The fee established pursuant to subsection a. of this section shall accrue and shall be collectible upon each zero-emission vehicle under the same circumstances and shall be payable in the same manner and times as apply to vehicle registrations under the provisions of Article 2 of chapter 3 of Title 39 of the Revised Statutes, provided the fee shall be paid in full for the then current year at the time any zero-emission vehicle is first registered in a calendar year.

c. Fees collected pursuant to subsection a. of this section shall be credited to the "Transportation Trust Fund Account," established pursuant to section 20 of P.L.1984, c.73

(C.27:1B-20), in accordance with the provisions of subsection e. of section 20 of P.L.1984, c.73 (C.27:1B-20).

d. As used in this section, "zero-emission vehicle" means a vehicle certified as a zero-emission vehicle pursuant to the California Air Resources Board zero-emission vehicle standards for the applicable model year, but shall not include any other type of vehicle that may be delivered by a manufacturer for sale or lease to satisfy the zero-emission vehicle requirement established by the California Air Resources Board in lieu of a vehicle that qualifies as a pure zero-emission vehicle.

Repealer.

9. Section 19 of P.L.2016, c.57 (C.52:18A-257) is repealed.

10. This act shall take effect immediately.

Approved March 26, 2024.