

SENATE, No. 2931

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MARCH 4, 2024

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

SYNOPSIS

Revises “New Jersey Transportation Trust Fund Authority Act,” revises calculation of gas tax rate, and establishes annual fee for zero emission vehicles.

CURRENT VERSION OF TEXT

As introduced.



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

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 3 of P.L.1984, c.73 (C.27:1B-3) is amended to read
9 as follows:

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

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

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

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

19 "Circle of Mobility" means an essential group of related transit
20 projects that include (1) the New Jersey Urban Core Project, as
21 defined in section 3031 of the "Intermodal Surface Transportation
22 Efficiency Act of 1991," Pub.L.102-240, and consisting of the
23 following elements: Secaucus Transfer, Kearny Connection,
24 Waterfront Connection, Northeast Corridor Signal System, Hudson
25 River Waterfront Transportation System, Newark-Newark
26 International Airport-Elizabeth Transit Link, a rail connection
27 between Penn Station Newark and Broad Street Station, Newark,
28 New York Penn Station Concourse, and the equipment needed to
29 operate revenue service associated with improvements made by the
30 project, and (2) the modification and reconstruction of the West
31 Shore Line in Bergen County connected to Allied
32 Junction/Secaucus Transfer Meadowlands Rail Center; the
33 construction of a rail station and associated components at the
34 Meadowlands Sports Complex; the modification and reconstruction
35 of the Susquehanna and Western Railway, as defined and provided
36 in section 3035 (a) of the "Intermodal Surface Transportation
37 Efficiency Act of 1991"; the modification and reconstruction of the
38 Lackawanna Cutoff Commuter Rail Line connecting Morris, Sussex
39 and Warren Counties to the North Jersey Transportation Rail
40 Centers; and commuter rail service in the central New Jersey region
41 terminating at the proposed Lakewood Transportation Center in
42 Ocean County or other location, as determined by the Board of the
43 New Jersey Transit Corporation, pursuant to a resolution of the
44 board providing for the achievement of a consensus among the
45 interested parties as to the direction of the proposed rail line;

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 provided, however, that this 2000 amendatory act shall not be
2 construed as affecting any priorities which may have been assigned
3 to any other project in the Circle of Mobility.

4 "Commissioner" means the Commissioner of Transportation.

5 "Department" means the Department of Transportation.

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

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

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

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

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

21 "Permitted maintenance" means, in relation to public
22 transportation projects and transportation projects, direct costs of
23 work necessary for preserving or maintaining the useful life of
24 public transportation projects and transportation projects,
25 respectively, provided the work performed is associated with the
26 acquisition, installation, and rehabilitation of components which are
27 not included in the normal operating maintenance of equipment and
28 facilities or replaced on a scheduled basis. The work shall ensure
29 the useful life of the public transportation project or transportation
30 project for not less than five years and shall not include routine
31 maintenance or inspection of equipment and facilities that is
32 conducted on a scheduled basis. This definition shall not apply to
33 the term "maintenance" as used in the definition of "public
34 highways." In relation to public highways, "permitted maintenance"
35 means the direct costs of work necessary for preserving or
36 maintaining the useful life of public highways, provided the work is
37 not associated with the regular and routine maintenance of public
38 highways and their components. The work shall ensure the useful
39 life of the transportation project for not less than five years.

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

43 "Public highways" means public roads, streets, expressways,
44 freeways, parkways, motorways and boulevards, including bridges,
45 tunnels, overpasses, underpasses, interchanges, rest areas, express
46 bus roadways, bus pullouts and turnarounds, park-ride facilities,
47 traffic circles, grade separations, traffic control devices, the
48 elimination or improvement of crossings of railroads and highways,

1 whether at grade or not at grade, bicycle and pedestrian pathways
2 and pedestrian and bicycle bridges traversing public highways and
3 any facilities, equipment, property, rights of way, easements and
4 interests therein needed for the construction, improvement, and
5 maintenance of highways.

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

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

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

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

29 "Transportation program bonds" means bonds issued pursuant to
30 the authorization contained in P.L.2012, c.13, P.L.2016, c.56,
31 P.L. , c. (C.) (pending before the Legislature as this bill),
32 and any bonds issued to refund such transportation program bonds.

33 "Transportation project" means, in addition to public highways
34 and public transportation projects, any equipment, facility or
35 property useful or related to the provision of any ground,
36 waterborne, or air transportation for the movement of people and
37 goods including rail freight infrastructure, which equipment,
38 facility, or property may be acquired by purchase or lease.

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

43 (cf: P.L.2016, c.56, s.1)

44

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

47 9. a. The authority shall have the power and is hereby
48 authorized after November 15, 1984 and from time to time

1 thereafter to issue its bonds, notes or other obligations in principal
2 amounts as in the opinion of the authority shall be necessary to
3 provide for any of its corporate purposes, including the payment,
4 funding or refunding of the principal of, or interest or redemption
5 premiums on, any bonds, notes or other obligations issued by it,
6 whether the bonds, notes, obligations or interest to be funded or
7 refunded have or have not become due; and to provide for the
8 security thereof and for the establishment or increase of reserves to
9 secure or to pay the bonds, notes or other obligations or interest
10 thereon and all other reserves and all costs or expenses of the
11 authority incident to and necessary or convenient to carry out its
12 corporate purposes and powers; and in addition to its bonds, notes
13 and other obligations, the authority shall have the power to issue
14 subordinated indebtedness, which shall be subordinate in lien to the
15 lien of any or all of its bonds or notes. No resolution or other action
16 of the authority providing for the issuance of bonds, refunding
17 bonds, notes, or other obligations shall be adopted or otherwise
18 made effective by the authority without the prior approval in
19 writing of the Governor and the State Treasurer.

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

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

38 (2) In addition, the authority may issue notes, in anticipation of
39 the issuance of the bonds, provided that the issuance of such notes
40 shall be subject to the bonding limitations as provided in subsection
41 i. of this section, and the payment of such notes if issued in
42 anticipation of the issuance of transportation program bonds shall
43 be paid solely from revenues dedicated pursuant to the New Jersey
44 Constitution, including Article VIII, Section II, paragraph 4, and
45 deposited into the "Transportation Trust Fund Account -
46 Subaccount for Debt Service for Transportation Program Bonds."
47 The authority may also issue notes in anticipation of the receipt of
48 appropriations, grants, reimbursements or other funds, including

1 without limitation grants from the federal government for federal
2 aid highways or public transportation systems, the principal of or
3 interest on which, or both, shall be payable out of the proceeds of
4 appropriations, grants, reimbursements or other funds, including
5 without limitation grants from the federal government for federal
6 aid highways or public transportation systems. Such notes shall not
7 be subject to the bonding limitations as provided in subsection i. of
8 this section; and

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

30 c. Whether or not the bonds and notes are of the form and
31 character as to be negotiable instruments under the terms of Title
32 12A, Commercial Transactions, New Jersey Statutes, the bonds and
33 notes are hereby made negotiable instruments within the meaning of
34 and for all the purposes of Title 12A of the New Jersey Statutes.

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

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

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

15 g. Bonds, notes and other obligations of the authority issued or
16 incurred under the provisions of the act shall not be in any way a
17 debt or liability of the State or of any political subdivision thereof
18 other than the authority and shall not create or constitute any
19 indebtedness, liability or obligation of the State or of any political
20 subdivision or be or constitute a pledge of the faith and credit of the
21 State or of any political subdivision, but all bonds, notes and
22 obligations, unless funded or refunded by bonds, notes or other
23 obligations of the authority, shall be payable solely from revenues
24 or funds pledged or available for their payment as authorized in the
25 act. Each bond, note or other obligation shall contain on its face a
26 statement to the effect that the authority is obligated to pay the
27 principal thereof or the interest thereon only from revenues or funds
28 of the authority, and for transportation program bonds and
29 agreements securing such transportation program bonds only from
30 revenues dedicated pursuant to the New Jersey Constitution,
31 including Article VIII, Section II, paragraph 4, and deposited into
32 the "Transportation Trust Fund Account - Subaccount for Debt
33 Service for Transportation Program Bonds," and that neither the
34 State nor any political subdivision thereof is obligated to pay the
35 principal or interest and that neither the faith and credit nor the
36 taxing power of the State or any political subdivision thereof is
37 pledged to the payment of the principal of or the interest on the
38 bonds, notes or other obligations. For the purposes of this
39 subsection, political subdivision does not include the authority.

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

46 i. Commencing with the fiscal year beginning July 1, 1995 and
47 ending within the fiscal year beginning July 1, 2005, the authority
48 shall not incur debt in any fiscal year in excess of \$650,000,000,

1 except that if that permitted amount of debt, or any portion thereof,
2 is not incurred in a fiscal year it may be incurred in a subsequent
3 fiscal year. Commencing with the fiscal year beginning July 1, 2006
4 and ending with the fiscal year beginning on July 1, 2010, the
5 authority shall not incur debt for any fiscal year in excess of
6 \$1,600,000,000, reduced in each of those fiscal years by the amount
7 by which the appropriation of State funds to the Transportation
8 Trust Fund Account for that fiscal year shall exceed \$895,000,000;
9 provided, however, that if a portion of that permitted amount of
10 debt, less any reduction as provided above, is not incurred in a
11 fiscal year, an amount not greater than the unused portion may be
12 incurred in a subsequent fiscal year in addition to the amount
13 otherwise permitted. Debt permitted for the fiscal year beginning
14 July 1, 2006 may be incurred prior to July 1, 2006. The authority
15 shall not issue transportation program bonds in excess of
16 \$1,247,000,000 for the fiscal year beginning July 1, 2012, in excess
17 of \$849,200,000 for the fiscal year beginning July 1, 2013, in
18 excess of \$735,300,000 for the fiscal year beginning July 1, 2014,
19 and in excess of \$626,800,000 for the fiscal year beginning July 1,
20 2015, except that (1) if that permitted amount of transportation
21 program bonds, or any portion thereof, is not incurred in a fiscal
22 year, it may be issued in a subsequent fiscal year and (2) 30 percent
23 of the permitted amount of transportation program bonds for a fiscal
24 year may be issued in the fiscal year preceding such fiscal year
25 provided that (a) any transportation program bonds issued pursuant
26 to this paragraph shall be deducted from the authorization for the
27 fiscal year from which it was taken, and (b) the proceeds of any
28 such transportation program bonds shall not be encumbered until
29 the fiscal year from which the deduction of the authorization was
30 taken pursuant to this paragraph. Transportation program bonds
31 authorized to be issued for the fiscal year beginning July 1, 2012
32 may be issued prior to July 1, 2012. Commencing on the day that
33 Assembly Concurrent Resolution No. 1 of 2015, a constitutional
34 amendment to Article VIII, Section II, paragraph 4 of the New
35 Jersey Constitution, takes effect, and ending June 30, ~~2024~~ 2029,
36 the authority shall not issue transportation program bonds in excess
37 of ~~[\$12,000,000,000]~~ \$15,600,000,000. Any increase in this
38 limitation shall only occur if so provided for by law. In computing
39 the foregoing limitation as to the amount of bonds the authority may
40 issue, the authority may exclude any bonds, notes or other
41 obligations, including subordinated obligations of the authority,
42 issued for refunding purposes; except that, for the fiscal year
43 beginning July 1, 2016 and thereafter, any net premiums received in
44 connection with the issuance of transportation program bonds shall
45 count against any limitation as to the amount of transportation
46 program bonds the authority may issue. The payment of debt
47 service on transportation program bonds and any agreements issued
48 in connection with such transportation program bonds shall be paid

1 solely from revenues dedicated pursuant to the New Jersey
2 Constitution, including Article VIII, Section II, paragraph 4, and
3 deposited into the "Transportation Trust Fund Account -
4 Subaccount for Debt Service for Transportation Program Bonds."

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

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

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

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

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

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

48 (cf: P.L.2016, c.56, s.2)

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

3 20. There is hereby established in the General Fund an account
4 entitled "Transportation Trust Fund Account," which shall consist
5 of three subaccounts entitled: "Transportation Trust Fund Account -
6 Subaccount for Debt Service for Prior Bonds," "Transportation
7 Trust Fund Account - Subaccount for Debt Service for
8 Transportation Program Bonds," and "Transportation Trust Fund
9 Account - Subaccount for Capital Reserves." During the fiscal year
10 beginning July 1, 1984 and during each succeeding fiscal year in
11 which the authority has bonds, notes or other obligations
12 outstanding, the treasurer shall credit to the "Transportation Trust
13 Fund Account - Subaccount for Debt Service for Prior Bonds" a
14 portion of the revenues derived from the following, as determined
15 by the treasurer, and to the "Transportation Trust Fund Account -
16 Subaccount for Debt Service for Transportation Program Bonds"
17 and "Transportation Trust Fund Account - Subaccount for Capital
18 Reserves" only revenues dedicated pursuant to the New Jersey
19 Constitution, including Article VIII, Section II, paragraph 4, which
20 are also derived under subsection a. of this section and from the
21 petroleum products gross receipts and sales tax as set forth in
22 subsection d. of this section; and to the "Transportation Trust Fund
23 Account - Subaccount for Capital Reserves," the revenues derived
24 from the additional annual fee for zero emission vehicles, as set
25 forth in subsection e. of this section:

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

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

31 c. An amount equivalent to moneys received by the State in
32 accordance with contracts entered into with toll road authorities or
33 other State agencies, provided that effective with the fiscal year
34 beginning July 1, 1988 the amount so credited shall not be less than
35 \$24,500,000 in any fiscal year.

36 The treasurer shall also credit to the "Transportation Trust Fund
37 Account - Subaccount for Debt Service for Prior Bonds," in
38 accordance with a contract between the treasurer and the authority,
39 an amount equivalent to the sum of the revenues due from the
40 increase of fees for motor vehicle registrations collected pursuant to
41 the amendment to R.S.39:3-20 made by section 32 of P.L.1984,
42 c.73 and from the increase in the tax on diesel fuels imposed
43 pursuant to the amendment to R.S.54:39-27 made by section 35 of
44 P.L.1984, c.73 and by P.L.1987, c.460, and as amended by section
45 18 of P.L.1992, c.23, and repealed by section 56 of P.L.2010, c.22
46 and now imposed pursuant to section 3 of P.L.2010, c.22 (C.54:39-
47 103), provided that the total amount credited during the fiscal year
48 beginning July 1, 1984 shall not be less than \$20,000,000 and that

1 the total amount credited during the fiscal year beginning July 1,
2 1985 and during every fiscal year thereafter shall not be less than
3 \$30,000,000.

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

13 d. In addition to the amount credited in subsection a. of this
14 section: beginning January 1 following approval by the voters an
15 amount equivalent to the revenue derived from the tax imposed on
16 the sale of petroleum products pursuant to P.L.1990, c.42
17 (C.54:15B-1 et seq.), provided, however, such amount shall not be
18 less than \$100,000,000 in the period January 1 through June 30
19 following approval by the voters and shall not be less than
20 \$200,000,000 in any fiscal year through the fiscal year commencing
21 July 1, 2015; and in the fiscal year commencing July 1, 2016, an
22 amount equivalent to all revenue derived from the sale of petroleum
23 products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) and in
24 each year thereafter; and for the fiscal year commencing July 1,
25 2001 and for each fiscal year thereafter an amount equivalent to the
26 revenue derived from the tax imposed under the "Sales and Use Tax
27 Act," P.L.1966, c.30 (C.54:32B-1 et seq.) on the sale of new motor
28 vehicles, provided, however, that such amount shall not be less than
29 \$200,000,000 for the fiscal year commencing July 1, 2003 and for
30 each fiscal year thereafter, as provided in Article VIII, Section II,
31 paragraph 4 of the State Constitution.

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

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

16 e. For the fiscal year beginning July 1, 2024 and each fiscal
17 year thereafter, an amount equivalent to the sum of all revenues
18 derived from the imposition of an additional annual fee collected
19 upon zero emission vehicles pursuant to section 8 of P.L. ,
20 c. (C.) (pending before the Legislature as this bill) shall be
21 credited to the "Transportation Trust Fund Account - Subaccount
22 for Capital Reserves" to be used for transportation projects. No
23 portion of these revenues shall be appropriated to pay debt service
24 on transportation system bonds, transportation program bonds, or
25 any other bonds, notes or other obligations, including subordinated
26 obligations of the authority; provided, however, if such fee
27 revenues are dedicated pursuant to the New Jersey Constitution,
28 including Article VIII, Section II, paragraph 4, such fee revenues
29 may then be deposited into the "Transportation Trust Fund Account
30 - Subaccount for Debt Service for Transportation Program Bonds"
31 and used to pay debt service on transportation program bonds and
32 any agreements issued in connection with such transportation
33 program bonds.

34 (cf: P.L.2016, c.56, s.3)

35
36 4. Section 8 of P.L.1987, c.460 (C.27:1B-21.1) is amended to
37 read as follows:

38 8. a. Commencing with the reports of the commissioner, which
39 shall include the Transportation Master Plan, Statewide Capital
40 Investment Strategy, Annual Transportation Capital Program,
41 Transportation Trust Fund Authority Financial Plan, and Five-Year
42 Capital Plan, as may be amended, required to be submitted pursuant
43 to section 22 of P.L.1984, c.73 (C.27:1B-22) on or before March 1,
44 2006 and on each succeeding March 1 thereafter through March 1,
45 2015, the annual amount so reported by the commissioner for
46 proposed projects shall not exceed \$1,600,000,000 exclusive of
47 federal funds, and beginning with the reports due March 1, 2016,
48 and on each succeeding March 1 thereafter through March 1, 2023,

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

7 b. For the fiscal year beginning on July 1, 2006 and for each
8 fiscal year thereafter through the fiscal year beginning on July 1,
9 2011, the total annual amount authorized to be appropriated from
10 the revenues and other nonfederal funds of the New Jersey
11 Transportation Trust Fund Authority for the projects listed in the
12 appropriations act pursuant to section 21 of P.L.1984, c.73
13 (C.27:1B-21) shall not exceed \$1,600,000,000, all amounts
14 exclusive of federal funds. The total amount authorized to be
15 appropriated from the revenues and other nonfederal funds of the
16 New Jersey Transportation Trust Fund Authority for the projects
17 listed in the appropriations act pursuant to section 21 of P.L.1984,
18 c.73 (C.27:1B-21) shall not exceed: \$1,247,000,000 for the fiscal
19 year beginning on July 1, 2012; \$1,224,000,000 for the fiscal year
20 beginning on July 1, 2013; \$1,225,000,000 for the fiscal year
21 beginning on July 1, 2014; and \$1,247,000,000 for the fiscal year
22 beginning on July 1, 2015. The total amount authorized to be
23 appropriated from the revenues and other nonfederal funds of the
24 New Jersey Transportation Trust Fund Authority for the projects
25 listed in the appropriations act pursuant to section 21 of P.L.1984,
26 c.73 (C.27:1B-21) shall not exceed an aggregate \$16,600,000,000 in
27 total for the fiscal year beginning on July 1, 2016 through the fiscal
28 year beginning on July 1, 2023. The total amount authorized to be
29 appropriated from the revenues and other nonfederal funds of the
30 New Jersey Transportation Trust Fund Authority for the projects
31 listed in the appropriations act pursuant to section 21 of P.L.1984,
32 c.73 (C.27:1B-21) shall not exceed:

33 (1) \$2,000,000,000 for State Fiscal Year 2025;

34 (2) \$2,000,000,000 for State Fiscal Year 2026;

35 (3) \$2,060,000,000 for State Fiscal Year 2027; provided,
36 however, in addition to any additional set-aside required under
37 section 25 of P.L.1984, c.73 (C.27:1B-25) for this fiscal year,
38 \$60,000,000 of the amount authorized pursuant to this subsection
39 shall be allocated as follows: 25 percent as State aid to counties for
40 transportation projects pursuant to subsection e. of section 25 of
41 P.L.1984, c.73 (C.27:1B-25); 25 percent as State aid to
42 municipalities for transportation projects pursuant to subsection c.
43 of section 25 of P.L.1984, c.73 (C.27:1B-25); 25 percent for
44 projects of the Department of Transportation; and 25 percent for
45 projects of the New Jersey Transit Corporation;

46 (4) \$2,122,000,000 for State Fiscal Year 2028; provided,
47 however, in addition to any additional set-aside required under
48 section 25 of P.L.1984, c.73 (C.27:1B-25) for this fiscal year,

1 \$122,000,000 of the amount authorized pursuant to this subsection
2 shall be allocated as follows: 25 percent as State aid to counties for
3 transportation projects pursuant to subsection e. of section 25 of
4 P.L.1984, c.73 (C.27:1B-25); 25 percent as State aid to
5 municipalities for transportation projects pursuant to subsection c.
6 of section 25 of P.L.1984, c.73 (C.27:1B-25); 25 percent for
7 projects of the Department of Transportation; and 25 percent for
8 projects of the New Jersey Transit Corporation; and

9 (5) \$2,185,000,000 for State Fiscal Year 2029; provided,
10 however, in addition to any additional set-aside required under
11 section 25 of P.L.1984, c.73 (C.27:1B-25) for this fiscal year,
12 \$185,000,000 of the amount authorized pursuant to this subsection
13 shall be allocated as follows: 25 percent as State aid to counties for
14 transportation projects pursuant to subsection e. of section 25 of
15 P.L.1984, c.73 (C.27:1B-25); 25 percent as State aid to
16 municipalities for transportation projects pursuant to subsection c.
17 of section 25 of P.L.1984, c.73 (C.27:1B-25); 25 percent for
18 projects of the Department of Transportation; and 25 percent for
19 projects of the New Jersey Transit Corporation.

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

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

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

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

43 (cf: P.L.2022, c.38, s.1)

44

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

47 6. There is hereby created in the Executive Branch of the State
48 Government, a body corporate and politic, with corporate

1 succession, to be known as the Transportation Policy Review
2 Board. For the purpose of complying with the provisions of Article
3 V, Section IV, paragraph 1 of the New Jersey Constitution, the
4 board is hereby allocated within the Department of Transportation,
5 but, notwithstanding that allocation, the board shall be independent
6 of any supervision or control by the department or by any body or
7 officer thereof. The board is hereby constituted as an
8 instrumentality of the State exercising public and essential
9 governmental functions, and the exercise by the board of the powers
10 conferred by this act shall be deemed and held to be an essential
11 governmental function of the State.

12 The board shall be comprised of nine public members with
13 experience in transportation finance and policy. The Governor shall
14 appoint three of the members with the advice and consent of the
15 Senate, two of whom shall be experts that perform academic
16 research in the areas of transportation and public transportation
17 policy, planning, or engineering, and one of whom shall be an
18 expert in the area of transportation capital finance. The remaining
19 members shall be appointed by the Governor as follows: two upon
20 the recommendation of the President of the Senate, one upon the
21 recommendation of the Minority Leader of the Senate, two upon the
22 recommendation of the Speaker of the General Assembly, and one
23 upon the recommendation of the Minority Leader of the General
24 Assembly. Each member shall have a professional background in
25 passenger rail service, freight rail management, transportation
26 capital planning, transportation and public transportation capital
27 construction, federal transportation policy, State transportation
28 policy, or transportation capital finance. Each member shall serve
29 for a four-year term and shall serve until the member's successor is
30 appointed and qualified; provided, however, that in order to achieve
31 non-concurrent terms, of the members first appointed pursuant to
32 this section, two members appointed by the Governor shall serve for
33 four years; while the three members appointed upon the
34 recommendations of the President of the Senate and the Minority
35 Leader of the Senate and the three members appointed upon the
36 recommendations of the Speaker of the General Assembly and the
37 Minority Leader of the General Assembly shall serve for three years
38 each, and the remaining member appointed by the Governor shall
39 serve for two years; and further provided that any member serving
40 on the effective date of P.L.2016, c.56 (C.27:1B-22.5 et al.) shall
41 serve until the expiration of that member's term, notwithstanding
42 the criteria for appointment established pursuant to P.L.2016, c.56
43 (C.27:1B-22.5 et al.). The Transportation Policy Review Board
44 shall be deemed to be constituted immediately upon appointment
45 and qualification in the manner provided in this section of at least
46 five members.

47 The purpose of the board is to assure fiscal discipline through
48 evaluating the financing of transportation; independently analyzing

1 and reporting on the cost effectiveness of spending in the
2 transportation capital program; conducting and commissioning
3 research on best practices in the areas of transportation and public
4 transportation construction, planning, finance, and engineering;
5 providing policy recommendations to the Legislature on the best
6 ways to organize the capital program and appropriate capital
7 program funds; and preparing an annual State of Condition of
8 Transportation Financing certification.

9 The board shall annually appear before the Senate Budget and
10 Appropriations Committee, or its successor, and the Assembly
11 Budget Committee, or its successor, and provide independent
12 analysis of the transportation capital program, provide comments on
13 the cost effectiveness of the program, evaluate the condition of the
14 State transportation system, and identify needed infrastructure
15 investments. The board shall annually appear before the Senate
16 Transportation Committee, or its successor, and the Assembly
17 Transportation and Independent Authorities Committee, or its
18 successor, and report on best practices and cost savings in areas
19 related to transportation and public transportation construction,
20 planning, finance, infrastructure, and governance. The board shall
21 also make itself available to the aforementioned budget and
22 transportation committees to conduct research and provide
23 recommendations on policy issues that those committees request of
24 the board. The board shall issue an annual report on or before June
25 1 of each year which summarizes the work of the board for the prior
26 year, evaluates the reports issued by the department pursuant to
27 section 22 of P.L.1984, c.73 (C.27:1B-22), and provides
28 independent recommendations for administering the annual capital
29 program.

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

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

45 The board shall submit reports to the Governor, and to the
46 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1)
47 no later than April 1, 2017 concerning the taxation of motor
48 vehicles that are powered by a fuel source that is not subject to the

1 motor fuels tax pursuant to P.L.2010, c.22 (C.54:39-101 et seq.) or
2 the petroleum products gross receipts tax pursuant to P.L.1990, c.42
3 (C.54:15B-1 et seq.), including, but not limited to electric vehicles
4 and hydrogen fuel cell vehicles. The report required pursuant to this
5 subsection shall include recommendations to the Legislature for a
6 new system of taxation that mandates that all vehicles operating on
7 the highways of this State contribute equitably to the cost of
8 maintaining the State transportation system.

9 The State of Condition of Transportation Financing certification
10 shall ensure that the financing and expenditures of the New Jersey
11 Transportation Trust Fund Authority (the "authority") adhere to
12 certain standards. The standards are: a. The bonding limitation as
13 provided in subsection i. of section 9 of P.L.1984, c.73 (C.27:1B-9).
14 b. For the fiscal year commencing July 1, 2007, the amount
15 expended from the revenues and other funds of the authority for
16 permitted maintenance shall not exceed the amount expended for
17 permitted maintenance in the fiscal year commencing July 1, 2006.
18 c. The total amount authorized to be appropriated from the revenues
19 and other funds of the authority for project costs commencing with
20 the fiscal year beginning July 1, 2007 through the fiscal year
21 beginning July 1, 2015 shall not exceed \$1,600,000,000 annually,
22 and for the fiscal year beginning on July 1, 2016 through the fiscal
23 year beginning on July 1, 2023 shall not exceed an aggregate
24 \$16,000,000,000 over that eight-year period, and for the fiscal year
25 beginning on July 1, 2024 through the fiscal year beginning on July
26 1, 2028 shall not exceed an aggregate \$10,367,000,000 over that
27 five-year period.

28 Commencing with the fiscal year beginning July 1, 2007, the
29 board shall submit to the Governor, the Legislature, and the
30 commissioner on an annual basis the State of Condition of
31 Transportation Financing certification as to the requirements of
32 certification standard a. referencing therein a certification with
33 regard to certification standards b. and c. to the extent feasible,
34 given the other provisions of this section. The certifications shall be
35 based on the board's review of the State's fiscal year final
36 expenditures from the preceding fiscal year, including bonding and
37 expenditures from the annual independent audit of the authority,
38 and the amount of authority funds programmed for permitted
39 maintenance. If the capital program and its financing are found to
40 be in compliance, the first annual certification required by this
41 paragraph shall be submitted by February 1, 2008, after the
42 certification is concurred with by the members of the authority, and
43 by February 1 of each year thereafter. The board shall advise the
44 commissioner and the authority on February 1, 2008 and on each
45 succeeding February 1, if the board finds that the authority is not in
46 compliance with the bonding requirements as provided in
47 certification standard a. of the section, and that a corrective action
48 plan is needed. The authority shall submit a corrective action plan

1 that would reduce its future bond sales to offset the amount of
2 excess bonding or to reduce future debt service payments, or both,
3 as the case may be. Upon approval of the corrective action plan by
4 the board, the certification shall be issued with certain conditions.
5 The Annual Transportation Capital Program submitted to the
6 Legislature for the forthcoming year shall be in compliance with the
7 provisions of the corrective action plan. If the board does not
8 approve the corrective action plan, the authority shall submit a
9 financial plan showing bonding only for existing projects, noting
10 that no bonds shall be issued for new projects shown in the
11 department's Annual Transportation Capital Program. The board
12 shall advise the commissioner on February 1, 2008 and on each
13 succeeding February 1, if the board finds that the Department of
14 Transportation has exceeded the limitation for the amount of
15 authority funds spent on permitted maintenance pursuant to
16 certification standard b. of this section, or for the amount authorized
17 to be appropriated for project costs pursuant to certification
18 standard c. of this section and that a corrective action plan is
19 needed. The department shall submit a corrective action plan that
20 would offset the excess amount spent, or the excess amount
21 appropriated, in the prior year with less funding for permitted
22 maintenance or for projects, as the case may be, in the proposed
23 capital budget request. Upon approval of the corrective action plan
24 by the board, a certification as to these matters shall be issued with
25 certain conditions. The Annual Transportation Capital Program
26 submitted to the Legislature for the forthcoming year shall be in
27 compliance with the provisions of the corrective action plan. If the
28 board does not approve the corrective action plan, the authority
29 shall submit a financial plan showing bonding only for existing
30 projects, noting that no bonds shall be issued for new projects
31 shown in the department's Annual Transportation Capital Program.
32 (cf: P.L.2016, c.56, s.7)

33

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

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

47 b. The commissioner shall, pursuant to appropriations or
48 authorizations being made from time to time by the Legislature

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

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

$$18 \qquad \qquad \qquad \text{Pc} \qquad \qquad \text{Cm}$$

$$19 \qquad \text{DF} = \qquad \frac{\quad}{\text{Ps}} \qquad + \qquad \frac{\quad}{\text{Sm}}$$

$$20 \qquad \qquad \qquad \text{Ps} \qquad \qquad \text{Sm}$$

- 21 where, DF equals the distribution factor
- 22 Pc equals county population
- 23 Ps equals State population
- 24 Cm equals municipal road mileage within the county
- 25 Sm equals municipal road mileage within the State.

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

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

42 d. There shall be appropriated at least \$175,000,000 for each
 43 fiscal year commencing July 1, 2006 through the fiscal year
 44 commencing July 1, 2015, and \$400,000,000 for each fiscal year
 45 commencing July 1, 2016 and for each fiscal year thereafter, for the
 46 purposes provided herein and in subsections b., c., e., f., and g. of
 47 this section. (1) Of that appropriation, the commissioner shall
 48 allocate 37.5 percent of the total appropriation as State aid for

1 municipalities pursuant to the provisions of subsection c. of this
2 section, provided that \$5,000,000 for each fiscal year commencing
3 July 1, 2006 through the fiscal year commencing July 1, 2015, and
4 \$10,000,000 for each fiscal year commencing July 1, 2016 and for
5 each fiscal year thereafter of the amount allocated as State aid for
6 municipalities shall be set aside and sub-allocated as State aid to
7 any municipality qualifying for aid pursuant to the provisions of
8 P.L.1978, c.14 (C.52:27D-178 et seq.). The commissioner shall
9 allocate the aid to each municipality in the same proportion that the
10 municipality receives aid under P.L.1978, c.14 (C.52:27D-178 et
11 seq.). (2) The commissioner shall allocate 37.5 percent of the total
12 appropriation pursuant to the provisions of subsection e. of this
13 section for the Local County Aid Program. (3) The commissioner
14 shall allocate seven percent of the total appropriation pursuant to
15 the provisions of subsection b. of this section for the "Local Aid
16 Infrastructure Fund." (4) The commissioner shall allocate seven
17 percent of the appropriation pursuant to the provisions of subsection
18 f. of this section for the "Local Freight Impact Fund." (5) The
19 remaining 11 percent of the appropriation shall be allocated
20 pursuant to the provisions of subsection g. of this section for the
21 "Local Bridges Fund."

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

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

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

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

47 e. The commissioner may, pursuant to appropriations or
48 authorizations being made from time to time by the Legislature

1 according to law, allocate additional funding to the Local County
2 Aid Program for public highway projects, in accordance with a
3 formula similar to that provided for in subsection c. of this section,
4 except that Cm equals road mileage under county jurisdiction and
5 Sm equals total county road mileage within the State.

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

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

29 (cf: P.L.2016, c.56, s.9)

30

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

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

44 (b) The applicable tax rate for gasoline, blended fuel that
45 contains gasoline or is intended for use as gasoline, and liquefied
46 petroleum gas, which are taxed as a highway fuel pursuant to
47 subparagraph (a) of this paragraph, shall be converted to a cents-
48 per-gallon rate, rounded to the nearest tenth of a cent, and adjusted

1 quarterly by the director, effective on July 1, October 1, January 1,
2 and April 1, based on the average retail price per gallon of unleaded
3 regular gasoline in the State, as determined in the most recent
4 survey of the retail price per gallon of gasoline that includes a
5 Statewide representative random sample conducted by the Board of
6 Public Utilities, Office of the Economist, or its successor.

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

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

22 Notwithstanding the provisions of subparagraph (a) of this
23 paragraph to the contrary, for the period from the 2016
24 implementation date through December 31, 2016, no rate of tax
25 shall be applied to diesel fuel, blended fuel that contains diesel fuel
26 or is intended for use as diesel fuel, or kerosene, other than aviation
27 grade kerosene; for the period from January 1, 2017 through June
28 30, 2017, the applicable rate for those fuels shall be 70 percent of
29 the rate otherwise determined pursuant to subparagraph (a) of this
30 paragraph, and for July 1, 2017 and thereafter the applicable rate for
31 those fuels determined pursuant to subparagraph (a) of this
32 paragraph.

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

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

47 (g) The cents-per-gallon rate determined pursuant to
48 subparagraph (f) of this paragraph shall not be less than the rate

1 determined for the average price per gallon, without State or federal
2 tax included, of retail sales of number 2 fuel oil in the State on July
3 1, 2016.

4 (h) **【**On and after the 10th day following a certification by the
5 review council pursuant to subsection c. of section 19 of P.L.2016,
6 c.57 (C.52:18A-257), no tax shall be imposed pursuant to this
7 paragraph.**】** (Deleted by amendment, P.L. , c.) (pending before
8 the Legislature as this bill)

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

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

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

33 c. (1) For State fiscal years 2018 through **【2026】** 2024, the rate
34 of tax imposed on highway fuel pursuant to subsection a. of this
35 section shall be adjusted annually so that the total revenue derived
36 from highway fuel shall not exceed the highway fuel cap amount.

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

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

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

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

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

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

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

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

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

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

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

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

32 (5) **【If】** Commencing in State Fiscal Year 2017 and ending in
33 State Fiscal Year 2024, if the actual revenue determined pursuant to
34 paragraph (3) of this subsection exceeds the highway fuel cap
35 amount determined pursuant to paragraph (2) of this subsection,
36 then the highway fuel cap amount for the succeeding year shall be
37 decreased by the amount of the excess in setting the rate pursuant to
38 paragraph (4) of this subsection. If the actual revenue determined
39 pursuant to paragraph (3) of this subsection is less than the highway
40 fuel cap amount determined pursuant to paragraph (2) of this
41 subsection, then the highway fuel cap amount for the succeeding
42 year shall be increased by the amount of the shortfall in setting the
43 rate pursuant to paragraph (4) of this subsection.

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

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

- 4 (a) for State Fiscal Year 2025, \$2,032,000,000;
5 (b) for State Fiscal Year 2026, \$2,115,000,000;
6 (c) for State Fiscal Year 2027, \$2,199,000,000;
7 (d) for State Fiscal Year 2028, \$2,282,000,000; and
8 (e) for State Fiscal Year 2029, \$2,366,000,000.

9 (3) Commencing in State Fiscal Year 2025, upon consideration
10 of the result of the determination pursuant to paragraph (3) of
11 subsection c. of this section, and consultation with the Legislative
12 Budget and Finance Officer, the State Treasurer shall determine the
13 rate of tax to be imposed on highway fuel pursuant to subsection a.
14 of this section that will result in revenue from:

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

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

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

26 (4) Commencing in State Fiscal Year 2025, if the actual revenue
27 determined pursuant to paragraph (3) of subsection c. of this section
28 is less than the highway fuel cap amount determined pursuant to
29 paragraph (2) of this subsection, then the highway fuel cap amount
30 determined pursuant to paragraph (2) of this subsection for the
31 succeeding year shall be increased by the amount of the shortfall in
32 setting the rate pursuant to paragraph (3) of this subsection. If the
33 actual revenue determined pursuant to paragraph (3) of subsection
34 c. of this section exceeds the highway fuel cap amount determined
35 pursuant to paragraph (2) of this subsection, then the highway fuel
36 cap amount for the succeeding year shall be decreased by the
37 amount of the excess in setting the rate pursuant to paragraph (3) of
38 this subsection.

39 (cf: P.L.2016, c.57, s.14)

40

41 8. (New section) a. In addition to the registration fees imposed
42 pursuant to Article 2 of chapter 3 of Title 39 of the Revised
43 Statutes:

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

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

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

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

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

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

25 c. Fees collected pursuant to subsection a. of this section shall
26 be credited to the "Transportation Trust Fund Account," established
27 pursuant to section 20 of P.L.1984, c.73 (C.27:1B-20), in
28 accordance with the provisions of subsection e. of section 20 of
29 P.L.1984, c.73 (C.27:1B-20).

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

38

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

40

41 10. This act shall take effect immediately.

42

43

44

STATEMENT

45

46 This bill amends the "New Jersey Transportation Trust Fund
47 Authority Act of 1984" to make changes necessary to support the
48 State's Annual Transportation Capital Program for Fiscal Years

1 2025 through 2029. These changes also revise the rate of tax
2 imposed on highway fuels under the Petroleum Products Gross
3 Receipts Tax and establish an additional annual fee for zero
4 emission vehicles from which all revenues would be dedicated to
5 the Transportation Trust Fund (TTF).

6

7 *Transportation Trust Fund Authority Renewal*

8 The bill extends and increases the New Jersey Transportation
9 Trust Fund Authority's (authority) existing authorization to issue
10 transportation program bonds. Under current law, the authority is
11 authorized to issue such transportation program bonds as are
12 necessary to fund the Annual Transportation Capital Program, in an
13 amount not to exceed \$12 billion, through June 30, 2024. The bill
14 extends this authorization through June 30, 2029 and increases the
15 authority's existing aggregate bonding capacity to \$15.6 billion.

16 The bill authorizes \$10.367 billion in capital program
17 expenditures for a five-year period from Fiscal Year 2025 through
18 Fiscal Year 2029. Specifically, this bill allows for an average
19 annual capital program size of \$2 billion from Fiscal Year 2025
20 through Fiscal Year 2029. However, during Fiscal Years 2027,
21 2028, and 2029, the bill requires certain amounts appropriated in
22 excess of \$2 billion to be allocated to counties, municipalities, the
23 Department of Transportation, and the New Jersey Transit
24 Corporation for transportation projects.

25 Under current law, the authority is required to count premiums,
26 and not bond discounts, against its authorized bonding capacity for
27 transportation program bonds. This bill provides that for Fiscal
28 Year 2016 and thereafter, any net premiums received by the
29 authority in connection with the issuance of transportation program
30 bonds are to be counted against the authority's authorized bonding
31 capacity. This change allows the authority to account for the value
32 of remaining bond premiums after subtracting the value of bond
33 discounts in blended bond issuances when adjusting its bonding
34 capacity after issuing transportation program bonds.

35

36 *Revision to Rate-Setting Procedure for Determining PPGRT Rate*

37 Under current law, the rate of tax imposed under the Petroleum
38 Products Gross Receipts Tax (PPGRT) is annually adjusted by the
39 State Treasurer to ensure that the State realizes a statutorily
40 prescribed revenue target, more commonly referred to as the
41 "highway fuel cap," based on 2016 collections of highway fuel
42 taxes. The cap amount is based on the Fiscal Year 2016 sum of:
43 (1) the taxes collected on the 12.48 percent and four cent tax rates
44 for highway fuels taxes, (2) the amount derived from taxing the
45 gallonage of highway fuel subject to the four cent motor fuel tax,
46 and (3) the amount that would have been derived from taxing the
47 gallonage of highway fuel subject to the motor fuel tax at a rate of
48 23 cents per gallon. All revenues collected are deposited into the

1 TTF to support transportation infrastructure projects and debt
2 service on transportation bonds. This annual adjustment
3 mechanism is currently set to expire at the conclusion of State
4 Fiscal Year 2026.

5 The bill would modify this mechanism, beginning with Fiscal
6 Year 2025, to gradually raise the highway fuel cap amount through
7 Fiscal Year 2029. The amount of revenue required to be collected
8 on highway fuel would be as follows: \$2,032,000,000 in Fiscal
9 Year 2025; \$2,115,000,000 in Fiscal Year 2026; \$2,199,000,000 in
10 Fiscal Year 2027; \$2,282,000,000 in Fiscal year 2028; and
11 \$2,366,000,000 in Fiscal Year 2029. If the actual revenues
12 generated fall above or below the highway fuel cap amount set for
13 the fiscal year, the rate of tax would be adjusted accordingly to
14 ensure the highway fuel cap amount is realized.

15 The bill also provides that after the State Treasurer has
16 determined the rate of tax pursuant to the bill, the new rate would
17 take effect on January 1 of Fiscal Year 2025 through Fiscal Year
18 2029 rather than October 1, as is done under current law.

19

20 *Abolishment of the Review Council*

21 The bill would also abolish the three-member review council
22 tasked with monitoring the implementation of the PPGRT. The
23 review council is currently composed of the State Treasurer, the
24 Legislative Budget and Finance Officer, and a public member
25 jointly selected by the other two members. Under current law,
26 following any legislative action that halts, delays, or reverses
27 implementation of changes to the PPGRT as enacted in 2016, the
28 review council is required to certify whether the scheduled
29 implementation of the 2016 changes to the tax have been impeded.

30

31 *Additional Fee for Zero Emission Vehicles*

32 The bill also institutes an additional fee for zero emission
33 vehicles registered in the State. The fee would be collected by the
34 Chief Administrator of the Motor Vehicle Commission at the same
35 time the vehicle is initially registered or renewed, as the case may
36 be. Beginning on July 1, 2024, the amount of the fee would be
37 \$250 and increase by \$10 on July 1 of each year until 2028. After
38 that time, the amount of the fee would be set at \$290.

39 A “zero emission vehicle” is defined under the bill as a vehicle
40 certified by the California Air Resources Board or a vehicle that
41 satisfies zero emission vehicle standards for the applicable model
42 year. Vehicles that are produced in lieu of satisfying zero emission
43 vehicle requirements would not be subject to the additional fee.

44 These additional fees would be credited to the “Transportation
45 Trust Fund Account - Subaccount for Capital Reserves” to support
46 transportation projects. However, the bill specifies that these
47 collections may not be used to pay debt service on transportation
48 system bonds, transportation program bonds, or any other bonds,

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- 1 notes or other obligations, including subordinated obligations of the
- 2 authority until such time as these revenues may be constitutionally
- 3 dedicated to the TTF.