

**ASSEMBLY, No. 4098**

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**STATE OF NEW JERSEY**

**221st LEGISLATURE**

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INTRODUCED MARCH 18, 2024

**Sponsored by:**

**Assemblyman MICHAEL TORRISSI, JR.**

**District 8 (Atlantic and Burlington)**

**Assemblyman CHRISTIAN E. BARRANCO**

**District 25 (Morris and Passaic)**

**SYNOPSIS**

Revises “New Jersey Transportation Trust Fund Authority Act”; extends process for calculating gas tax rate until Fiscal Year 2032; imposes sales and use tax and additional registration fee on electric vehicles; appropriates \$2.5 billion.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/18/2024)**

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

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

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

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

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

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

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

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

**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 construed as affecting any priorities which may have been assigned  
2 to any other project in the Circle of Mobility.

3 "Commissioner" means the Commissioner of Transportation.

4 "Department" means the Department of Transportation.

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

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

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

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

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

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

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

42 "Public highways" means public roads, streets, expressways,  
43 freeways, parkways, motorways and boulevards, including bridges,  
44 tunnels, overpasses, underpasses, interchanges, rest areas, express  
45 bus roadways, bus pullouts and turnarounds, park-ride facilities,  
46 traffic circles, grade separations, traffic control devices, the  
47 elimination or improvement of crossings of railroads and highways,  
48 whether at grade or not at grade, bicycle and pedestrian pathways

1 and pedestrian and bicycle bridges traversing public highways and  
2 any facilities, equipment, property, rights of way, easements and  
3 interests therein needed for the construction, improvement, and  
4 maintenance of highways.

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

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

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

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

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

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

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

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

43

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

46 9. a. The authority shall have the power and is hereby authorized  
47 after November 15, 1984 and from time to time thereafter to issue  
48 its bonds, notes or other obligations in principal amounts as in the

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

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

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

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

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

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

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

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

47 e. Bonds, notes or other obligations of the authority may be  
48 sold at public or private sale at a price or prices and in a manner as

1 the authority shall determine, either on a negotiated or on a  
2 competitive basis. Every bond, or refunding bond, issued on or after  
3 the effective date of P.L.2006, c.3 (C.27:1B-22.2 et al.) shall mature  
4 and be paid no later than 31 years from the date of the issuance of  
5 that bond or refunding bond.

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

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

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

44 i. Commencing with the fiscal year beginning July 1, 1995 and  
45 ending within the fiscal year beginning July 1, 2005, the authority  
46 shall not incur debt in any fiscal year in excess of \$650,000,000,  
47 except that if that permitted amount of debt, or any portion thereof,  
48 is not incurred in a fiscal year it may be incurred in a subsequent

1 fiscal year. Commencing with the fiscal year beginning July 1, 2006  
2 and ending with the fiscal year beginning on July 1, 2010, the  
3 authority shall not incur debt for any fiscal year in excess of  
4 \$1,600,000,000, reduced in each of those fiscal years by the amount  
5 by which the appropriation of State funds to the Transportation  
6 Trust Fund Account for that fiscal year shall exceed \$895,000,000;  
7 provided, however, that if a portion of that permitted amount of  
8 debt, less any reduction as provided above, is not incurred in a  
9 fiscal year, an amount not greater than the unused portion may be  
10 incurred in a subsequent fiscal year in addition to the amount  
11 otherwise permitted. Debt permitted for the fiscal year beginning  
12 July 1, 2006 may be incurred prior to July 1, 2006. The authority  
13 shall not issue transportation program bonds in excess of  
14 \$1,247,000,000 for the fiscal year beginning July 1, 2012, in excess  
15 of \$849,200,000 for the fiscal year beginning July 1, 2013, in  
16 excess of \$735,300,000 for the fiscal year beginning July 1, 2014,  
17 and in excess of \$626,800,000 for the fiscal year beginning July 1,  
18 2015, except that (1) if that permitted amount of transportation  
19 program bonds, or any portion thereof, is not incurred in a fiscal  
20 year, it may be issued in a subsequent fiscal year and (2) 30 percent  
21 of the permitted amount of transportation program bonds for a fiscal  
22 year may be issued in the fiscal year preceding such fiscal year  
23 provided that (a) any transportation program bonds issued pursuant  
24 to this paragraph shall be deducted from the authorization for the  
25 fiscal year from which it was taken, and (b) the proceeds of any  
26 such transportation program bonds shall not be encumbered until  
27 the fiscal year from which the deduction of the authorization was  
28 taken pursuant to this paragraph. Transportation program bonds  
29 authorized to be issued for the fiscal year beginning July 1, 2012  
30 may be issued prior to July 1, 2012. Commencing on the day that  
31 Assembly Concurrent Resolution No. 1 of 2015, a constitutional  
32 amendment to Article VIII, Section II, paragraph 4 of the New  
33 Jersey Constitution, takes effect, and ending June 30, **[2024]** 2032,  
34 the authority shall not issue transportation program bonds in excess  
35 of \$12,000,000,000; provided that, on or before June 30, 2028, the  
36 authority shall review whether the remaining bonding capacity  
37 authorized pursuant to this section is sufficient to fund the costs of  
38 the Annual Transportation Capital Program through State Fiscal  
39 Year 2032 and report its findings to the Legislature and to the  
40 Governor, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).  
41 If the authority determines that additional bonding authorization is  
42 needed to fund the costs of the Annual Transportation Capital  
43 Program through Fiscal Year 2032, then the Legislature and  
44 Governor may authorize the authority to issue transportation  
45 program bonds not in excess of \$4,000,000,000 for the fiscal year  
46 beginning on July 1, 2028 through the fiscal year ending June 30,  
47 2032. Any increase in this limitation shall only occur if so provided  
48 for by law. In computing the foregoing limitation as to the amount



1 of bonds the authority may issue, the authority may exclude any  
2 bonds, notes or other obligations, including subordinated  
3 obligations of the authority, issued for refunding purposes; except  
4 that, any premiums received in connection with the issuance of  
5 transportation program bonds shall count against any limitation as  
6 to the amount of transportation program bonds the authority may  
7 issue. The payment of debt service on transportation program bonds  
8 and any agreements issued in connection with such transportation  
9 program bonds shall be paid solely from revenues dedicated  
10 pursuant to the New Jersey Constitution, including Article VIII,  
11 Section II, paragraph 4, and deposited into the "Transportation  
12 Trust Fund Account - Subaccount for Debt Service for  
13 Transportation Program Bonds."

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

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

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

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

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

47 o. No refunding bonds shall be issued unless the authority shall  
48 first determine that the present value of the aggregate principal of

1 and interest on the refunding bonds is less than the present value of  
2 the aggregate principal of and interest on the outstanding bonds to  
3 be refinanced, except that, for the purposes of this limitation,  
4 present value shall be computed using a discount rate equal to the  
5 yield of those refunding bonds, and yield shall be computed using  
6 an actuarial method based upon a 360-day year with semiannual  
7 compounding and upon the prices paid to the authority by the initial  
8 purchasers of those refunding bonds.

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

10

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

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

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

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

40 c. An amount equivalent to moneys received by the State in  
41 accordance with contracts entered into with toll road authorities or  
42 other State agencies, provided that effective with the fiscal year  
43 beginning July 1, 1988 the amount so credited shall not be less than  
44 \$24,500,000 in any fiscal year.

45 The treasurer shall also credit to the "Transportation Trust Fund  
46 Account - Subaccount for Debt Service for Prior Bonds," in  
47 accordance with a contract between the treasurer and the authority,  
48 an amount equivalent to the sum of the revenues due from the

1 increase of fees for motor vehicle registrations collected pursuant to  
2 the amendment to R.S.39:3-20 made by section 32 of P.L.1984,  
3 c.73 and from the increase in the tax on diesel fuels imposed  
4 pursuant to the amendment to R.S.54:39-27 made by section 35 of  
5 P.L.1984, c.73 and by P.L.1987, c.460, and as amended by section  
6 18 of P.L.1992, c.23, and repealed by section 56 of P.L.2010, c.22  
7 and now imposed pursuant to section 3 of P.L.2010, c.22  
8 (C.54:39-103), provided that the total amount credited during the  
9 fiscal year beginning July 1, 1984 shall not be less than  
10 \$20,000,000 and that the total amount credited during the fiscal  
11 year beginning July 1, 1985 and during every fiscal year thereafter  
12 shall not be less than \$30,000,000.

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

22 d. In addition to the amount credited in subsection a. of this  
23 section: beginning January 1 following approval by the voters an  
24 amount equivalent to the revenue derived from the tax imposed on  
25 the sale of petroleum products pursuant to P.L.1990, c.42  
26 (C.54:15B-1 et seq.), provided, however, such amount shall not be  
27 less than \$100,000,000 in the period January 1 through June 30  
28 following approval by the voters and shall not be less than  
29 \$200,000,000 in any fiscal year through the fiscal year commencing  
30 July 1, 2015; and in the fiscal year commencing July 1, 2016, an  
31 amount equivalent to all revenue derived from the sale of petroleum  
32 products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.) and in  
33 each year thereafter; and for the fiscal year commencing July 1,  
34 2001 and for each fiscal year thereafter an amount equivalent to the  
35 revenue derived from the tax imposed under the "Sales and Use Tax  
36 Act," P.L.1966, c.30 (C.54:32B-1 et seq.) on the sale of new motor  
37 vehicles, provided, however, that such amount shall not be less than  
38 \$200,000,000 for the fiscal year commencing July 1, 2003 and for  
39 each fiscal year thereafter, as provided in Article VIII, Section II,  
40 paragraph 4 of the State Constitution.

41 No later than the fifth business day of the month following the  
42 month in which a credit has been made, the treasurer shall pay to  
43 the authority, for its purposes as provided herein, the amounts then  
44 credited to the "Transportation Trust Fund Account - Subaccount  
45 for Debt Service for Prior Bonds," "Transportation Trust Fund  
46 Account - Subaccount for Debt Service for Transportation Program  
47 Bonds," and "Transportation Trust Fund Account - Subaccount for  
48 Capital Reserves," provided that the payments to the authority shall

1 be subject to and dependent upon appropriations being made from  
2 time to time by the Legislature of the amounts thereof for the  
3 purposes of the act, and further provided that the revenues  
4 deposited into the "Transportation Trust Fund Account -  
5 Subaccount for Debt Service for Transportation Program Bonds"  
6 and "Transportation Trust Fund Account - Subaccount for Capital  
7 Reserves" shall consist solely of revenues which are dedicated  
8 pursuant to the New Jersey Constitution, including Article VIII,  
9 Section II, paragraph 4, and subsections a. and d. of this section.

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

25 e. (1) For the fiscal year beginning July 1, 2024 and each  
26 fiscal year thereafter, an amount equivalent to the amount of  
27 revenue annually derived from the tax imposed under the "Sales and  
28 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) upon the receipts  
29 from the sales of electric vehicles, up to \$100,000,000, shall be  
30 credited to the "Transportation Trust Fund Account - Subaccount  
31 for Capital Reserves" to be used for transportation projects.

32 (2) For the fiscal year beginning July 1, 2024 and each fiscal  
33 year thereafter, an amount equivalent to the sum of all revenues  
34 derived from the imposition of an additional annual fee collected  
35 upon the registration of electric vehicles pursuant to section 8 of  
36 P.L. , c. (C. ) (pending before the Legislature as this bill)  
37 shall be credited to the "Transportation Trust Fund Account -  
38 Subaccount for Capital Reserves" to be used for transportation  
39 projects.

40 (3) No portion of the revenues dedicated pursuant to this  
41 subsection shall be appropriated to pay debt service on  
42 transportation system bonds, transportation program bonds, or any  
43 other bonds, notes or other obligations, including subordinated  
44 obligations of the authority; provided, however, if any such  
45 revenues are dedicated pursuant to the New Jersey Constitution,  
46 including Article VIII, Section II, paragraph 4, then those revenues  
47 may then be deposited into the "Transportation Trust Fund Account  
48 - Subaccount for Debt Service for Transportation Program Bonds"

1 and used to pay debt service on transportation program bonds and  
2 any agreements issued in connection with such transportation  
3 program bonds.

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

5

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

8 8. a. Commencing with the reports of the commissioner, which  
9 shall include the Transportation Master Plan, Statewide Capital  
10 Investment Strategy, Annual Transportation Capital Program,  
11 Transportation Trust Fund Authority Financial Plan, and Five-Year  
12 Capital Plan, as may be amended, required to be submitted pursuant  
13 to section 22 of P.L.1984, c.73 (C.27:1B-22) on or before March 1,  
14 2006 and on each succeeding March 1 thereafter through March 1,  
15 2015, the annual amount so reported by the commissioner for  
16 proposed projects shall not exceed \$1,600,000,000 exclusive of  
17 federal funds, and beginning with the reports due March 1, 2016,  
18 and on each succeeding March 1 thereafter through March 1, 2023,  
19 the amount so reported by the commissioner for proposed projects  
20 shall not exceed an aggregate \$16,600,000,000 over that eight year  
21 period, and beginning with the reports due March 1, 2024, and on  
22 each succeeding March 1 thereafter through March 1, 2032, the  
23 amount so reported by the commissioner for proposed projects shall  
24 not exceed an aggregate \$15,960,000,000 over that eight-year  
25 period.

26 b. For the fiscal year beginning on July 1, 2006 and for each  
27 fiscal year thereafter through the fiscal year beginning on July 1,  
28 2011, the total annual amount authorized to be appropriated from  
29 the revenues and other nonfederal funds of the New Jersey  
30 Transportation Trust Fund Authority for the projects listed in the  
31 appropriations act pursuant to section 21 of P.L.1984, c.73  
32 (C.27:1B-21) shall not exceed \$1,600,000,000, all amounts  
33 exclusive of federal funds. The total amount authorized to be  
34 appropriated from the revenues and other nonfederal funds of the  
35 New Jersey Transportation Trust Fund Authority for the projects  
36 listed in the appropriations act pursuant to section 21 of P.L.1984,  
37 c.73 (C.27:1B-21) shall not exceed: \$1,247,000,000 for the fiscal  
38 year beginning on July 1, 2012; \$1,224,000,000 for the fiscal year  
39 beginning on July 1, 2013; \$1,225,000,000 for the fiscal year  
40 beginning on July 1, 2014; and \$1,247,000,000 for the fiscal year  
41 beginning on July 1, 2015. The total amount authorized to be  
42 appropriated from the revenues and other nonfederal funds of the  
43 New Jersey Transportation Trust Fund Authority for the projects  
44 listed in the appropriations act pursuant to section 21 of P.L.1984,  
45 c.73 (C.27:1B-21) shall not exceed an aggregate \$16,600,000,000 in  
46 total for the fiscal year beginning on July 1, 2016 through the fiscal  
47 year beginning on July 1, 2023. The total amount authorized to be  
48 appropriated from the revenues and other nonfederal funds of the

1 New Jersey Transportation Trust Fund Authority for the projects  
2 listed in the appropriations act pursuant to section 21 of P.L.1984,  
3 c.73 (C.27:1B-21) shall not exceed an aggregate \$15,960,000,000 in  
4 total for the fiscal year beginning on July 1, 2024 through the fiscal  
5 year beginning on July 1, 2031; provided, however, that of this  
6 aggregate total, \$500,000,000 shall be annually appropriated to the  
7 corporation for capital projects during the fiscal year beginning on  
8 July 1, 2026 through the fiscal year beginning on July 1, 2031, and  
9 no monies shall be appropriated to the corporation for capital  
10 projects in the fiscal year beginning on July 1, 2024 or the fiscal  
11 year beginning on July 1, 2025.

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

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

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

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

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

36

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

39 6. There is hereby created in the Executive Branch of the State  
40 Government, a body corporate and politic, with corporate  
41 succession, to be known as the Transportation Policy Review  
42 Board. For the purpose of complying with the provisions of Article  
43 V, Section IV, paragraph 1 of the New Jersey Constitution, the  
44 board is hereby allocated within the Department of Transportation,  
45 but, notwithstanding that allocation, the board shall be independent  
46 of any supervision or control by the department or by any body or  
47 officer thereof. The board is hereby constituted as an  
48 instrumentality of the State exercising public and essential

1 governmental functions, and the exercise by the board of the powers  
2 conferred by this act shall be deemed and held to be an essential  
3 governmental function of the State.

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

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

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

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

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

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



1 The State of Condition of Transportation Financing certification  
2 shall ensure that the financing and expenditures of the New Jersey  
3 Transportation Trust Fund Authority (the "authority") adhere to  
4 certain standards. The standards are: a. The bonding limitation as  
5 provided in subsection i. of section 9 of P.L.1984, c.73 (C.27:1B-9).  
6 b. For the fiscal year commencing July 1, 2007, the amount  
7 expended from the revenues and other funds of the authority for  
8 permitted maintenance shall not exceed the amount expended for  
9 permitted maintenance in the fiscal year commencing July 1, 2006.  
10 c. The total amount authorized to be appropriated from the revenues  
11 and other funds of the authority for project costs commencing with  
12 the fiscal year beginning July 1, 2007 through the fiscal year  
13 beginning July 1, 2015 shall not exceed \$1,600,000,000 annually,  
14 and for the fiscal year beginning on July 1, 2016 through the fiscal  
15 year beginning on July 1, 2023 shall not exceed an aggregate  
16 \$16,000,000,000 over that eight-year period, and for the fiscal year  
17 beginning on July 1, 2024 through the fiscal year beginning on July  
18 1, 2031 shall not exceed an aggregate \$15,960,000,000 over that  
19 eight-year period.

20 Commencing with the fiscal year beginning July 1, 2007, the  
21 board shall submit to the Governor, the Legislature, and the  
22 commissioner on an annual basis the State of Condition of  
23 Transportation Financing certification as to the requirements of  
24 certification standard a. referencing therein a certification with  
25 regard to certification standards b. and c. to the extent feasible,  
26 given the other provisions of this section. The certifications shall be  
27 based on the board's review of the State's fiscal year final  
28 expenditures from the preceding fiscal year, including bonding and  
29 expenditures from the annual independent audit of the authority,  
30 and the amount of authority funds programmed for permitted  
31 maintenance. If the capital program and its financing are found to  
32 be in compliance, the first annual certification required by this  
33 paragraph shall be submitted by February 1, 2008, after the  
34 certification is concurred with by the members of the authority, and  
35 by February 1 of each year thereafter. The board shall advise the  
36 commissioner and the authority on February 1, 2008 and on each  
37 succeeding February 1, if the board finds that the authority is not in  
38 compliance with the bonding requirements as provided in  
39 certification standard a. of the section, and that a corrective action  
40 plan is needed. The authority shall submit a corrective action plan  
41 that would reduce its future bond sales to offset the amount of  
42 excess bonding or to reduce future debt service payments, or both,  
43 as the case may be. Upon approval of the corrective action plan by  
44 the board, the certification shall be issued with certain conditions.  
45 The Annual Transportation Capital Program submitted to the  
46 Legislature for the forthcoming year shall be in compliance with the  
47 provisions of the corrective action plan. If the board does not  
48 approve the corrective action plan, the authority shall submit a

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

25

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

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

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

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

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

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

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

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

41 (g) The cents-per-gallon rate determined pursuant to  
42 subparagraph (f) of this paragraph shall not be less than the rate  
43 determined for the average price per gallon, without State or federal  
44 tax included, of retail sales of number 2 fuel oil in the State on July  
45 1, 2016.

46 (h) On and after the 10th day following a certification by the  
47 review council pursuant to subsection c. of section 19 of P.L.2016,

1 c.57 (C.52:18A-257), no tax shall be imposed pursuant to this  
2 paragraph.

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

9 (b) In addition to the tax, if any, imposed by paragraph (1) of  
10 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 diesel fuel, blended fuel that contains  
13 diesel fuel or is intended for use as diesel fuel, and kerosene, other  
14 than aviation grade kerosene, at the rate of four cents per gallon  
15 before July 1, 2017 and at the rate of eight cents per gallon on and  
16 after July 1, 2017.

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

27 c. (1) For State fiscal years 2018 through ~~2026~~ 2032, the rate  
28 of tax imposed on highway fuel pursuant to subsection a. of this  
29 section shall be adjusted annually so that the total revenue derived  
30 from highway fuel shall not exceed the highway fuel cap amount.

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

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

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

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

42 (3) On or before August 15 of each State Fiscal Year following  
43 State Fiscal Year 2017, the State Treasurer and the Legislative  
44 Budget and Finance Officer shall determine the total revenue  
45 derived from:

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

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

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

6 (4) Upon consideration of the result of the determination  
7 pursuant to paragraph (3) of this subsection, and consultation with  
8 the Legislative Budget and Finance Officer, the State Treasurer  
9 shall determine the rate of tax to be imposed on highway fuel  
10 pursuant to subsection a. of this section that will result in revenue  
11 from:

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

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

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

23 (5) If the actual revenue determined pursuant to paragraph (3) of  
24 this subsection exceeds the highway fuel cap amount determined  
25 pursuant to paragraph (2) of this subsection, then the highway fuel  
26 cap amount for the succeeding year shall be decreased by the  
27 amount of the excess in setting the rate pursuant to paragraph (4) of  
28 this subsection. If the actual revenue determined pursuant to  
29 paragraph (3) of this subsection is less than the highway fuel cap  
30 amount determined pursuant to paragraph (2) of this subsection,  
31 then the highway fuel cap amount for the succeeding year shall be  
32 increased by the amount of the shortfall in setting the rate pursuant  
33 to paragraph (4) of this subsection.

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

35

36 7. Section 7 of P.L.2015, c.24 (C.54:32B-8.55a) is amended to  
37 read as follows:

38 7. Before March 1 annually, all motor vehicle franchisors and  
39 motor vehicle franchisees in the State, as defined pursuant to  
40 section 1 of P.L.1985, c.361 (C.56:10-26), shall report to the  
41 Division of Taxation the number of **【zero emission】** electric  
42 vehicles sold in the State each calendar year and **【exempt】** the  
43 amounts remitted from the tax imposed under the "Sales and Use  
44 Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) **【pursuant to section**  
45 **11 of P.L.2003, c.266 (C.54:32B-8.55)】** on such vehicles.

46 (cf: P.L.2015, c.24, s.7)

1       8. (New section) a. Beginning on July 1, 2024 and thereafter, in  
2 addition to the registration fees imposed pursuant to Article 2 of  
3 chapter 3 of Title 39 of the Revised Statutes, the Chief  
4 Administrator of the Motor Vehicle Commission shall impose and  
5 collect an additional annual fee, as follows, on each electric vehicle  
6 to be registered:

7       (1) \$300 for each passenger electric vehicle; and

8       (2) \$450 for each commercial electric vehicle.

9       b. The fee established pursuant to subsection a. of this section  
10 shall accrue and shall be collectible upon each electric vehicle  
11 under the same circumstances and shall be payable in the same  
12 manner and times as apply to vehicle registrations under the  
13 provisions of Article 2 of chapter 3 of Title 39 of the Revised  
14 Statutes, except that the fee shall be paid in full for the then current  
15 year at the time any electric vehicle is first registered in a calendar  
16 year.

17       c. Fees collected pursuant to this section shall be credited to  
18 the "Transportation Trust Fund Account," established pursuant to  
19 section 20 of P.L.1984, c.73 (C.27:1B-20), in accordance with the  
20 provisions of subsection f. of section 20 of P.L.1984, c.73  
21 (C.27:1B-20).

22       d. As used in this section:

23       "Commercial electric vehicle" means any electric vehicle that is  
24 operated in interstate or intrastate commerce and used for the  
25 transportation of persons for hire, compensation or profit, or  
26 designed or used primarily for the transportation of property.

27       "Electric vehicle" means any motor vehicle that is propelled  
28 solely by an electric motor or energy storage device, which electric  
29 motor or energy storage device can be charged from an electricity  
30 supply external to the vehicle.

31       "Passenger electric vehicle" means any electric vehicle that is  
32 not a commercial electric vehicle.

33  
34       9. a. There is appropriated from the General Fund to the New  
35 Jersey Transit Corporation the sum of \$1,000,000,000, which shall  
36 be allocated in the following amounts for the following purposes,  
37 subject to the approval of the Director of the Division of Budget  
38 and Accounting: (1) \$760,000,000 shall be for the financing of  
39 capital projects, and (2) \$240,000,000 shall be for the corporation's  
40 operating expenses.

41       b. The annual appropriations act for State Fiscal Year 2026  
42 shall include an appropriation from the General Fund to the New  
43 Jersey Transit Corporation in the sum of \$1,000,000,000, which  
44 shall be allocated in the following amounts for the following  
45 purposes, subject to the approval of the Director of the Division of  
46 Budget and Accounting: (1) \$760,000,000 shall be for the  
47 financing of capital projects, and (2) \$240,000,000 shall be for the  
48 corporation's operating expenses.

1       10. There is appropriated from the “New Jersey Debt  
2 Defeasance and Prevention Fund” the sum of \$1,500,000,000 to the  
3 “Transportation Trust Fund Account - Subaccount for Capital  
4 Reserves” to be used for the funding of transportation capital  
5 projects on a pay-as-you-go basis, subject to the approval of the  
6 Director of the Division of Budget and Accounting. No funds  
7 appropriated pursuant to this section shall be expended for the  
8 payment of debt service on transportation system bonds,  
9 transportation program bonds, or any other bonds, notes or other  
10 obligations, including subordinated obligations of the authority.

11

12       11. Section 11 of P.L.2003, c.266 (C.54:32B-8.55) is repealed.

13

14       12. This act shall take effect immediately, provided that section  
15 11 shall take effect on the first day of the fourth month next  
16 following enactment and shall apply to all sales occurring on or  
17 after such date.

18

19

20

#### STATEMENT

21

22       This bill amends the “New Jersey Transportation Trust Fund  
23 Authority Act of 1984” to make changes necessary to support the  
24 State’s Annual Transportation Capital Program (capital program)  
25 for Fiscal Years (FY) 2025 through 2032. These changes also (1)  
26 extend the process for calculating the rate of tax imposed on  
27 highway fuels under the Petroleum Products Gross Receipts Tax  
28 (PPGRT) through Fiscal Year 2032; (2) impose an additional  
29 registration fee for electric vehicles; (3) appropriate funds to the  
30 New Jersey Transit Corporation; (4) appropriate funds from the  
31 Debt Defeasance and Prevention Fund to the Transportation Trust  
32 Fund (TTF); and (5) repeal the sales and use tax exemption for zero  
33 emission vehicles.

34

#### *Transportation Trust Fund Authority Renewal*

35       This bill extends the New Jersey Transportation Trust Fund  
36 Authority’s (authority) existing authorization to issue transportation  
37 program bonds and creates the potential to increase the authority’s  
38 bonding authorization from FY 2029 through FY 2032. Under  
39 current law, the authority is authorized to issue such transportation  
40 program bonds as are necessary to fund the capital program, in an  
41 amount not to exceed \$12 billion, through June 30, 2024. The bill  
42 extends this authorization through June 30, 2032. The bill requires  
43 the authority, on or before June 30, 2028, to assess whether its  
44 remaining bonding capacity is sufficient to fund the capital program  
45 through FY 2032 and report its findings to the Legislature and  
46 Governor. If the authority determines that additional authorization  
47 is needed to fund the capital program, the Legislature and Governor  
48

1 may authorize the authority to issue a maximum of \$4 billion in  
2 transportation program bonds from FY 2029 through FY 2032.

3 This bill authorizes \$15.96 billion in capital program  
4 expenditures for an eight-year period from FY 2025 through FY  
5 2032. Specifically, this bill allows for an average annual capital  
6 program size of \$2 billion from FY 2025 through FY 2032. The bill  
7 requires \$500 million to be annually appropriated to the New Jersey  
8 Transit Corporation (NJ Transit) for capital projects during FY  
9 2027 through FY 2032. However, under the bill, no monies are to  
10 be appropriated in the capital program to NJ Transit for these  
11 purposes in FY 2025 and FY 2026.

12

13 *Extension of PPGRT Rate Adjustment Procedure Until 2032*

14 This bill extends the PPGRT annual rate adjustment procedure  
15 through FY 2032.

16 Under current law, the rate of tax imposed under the PPGRT is  
17 annually adjusted by the State Treasurer to ensure that the State  
18 realizes a statutorily prescribed revenue target, more commonly  
19 referred to as the “highway fuel cap,” based on 2016 collections of  
20 highway fuel taxes. The cap amount is based on the Fiscal Year  
21 2016 sum of: (1) the taxes collected under the Motor Fuel Tax, (2)  
22 the amount derived from taxing the gallonage of highway fuel  
23 subject to the four cent motor fuel tax, and (3) the amount that  
24 would have been derived from taxing the gallonage of highway fuel  
25 subject to the motor fuel tax at a rate of 23 cents per gallon. All  
26 revenues collected are deposited into the TTF to support  
27 transportation infrastructure projects and debt service on  
28 transportation bonds. This annual adjustment mechanism is  
29 currently set to expire at the conclusion of FY 2026. The bill  
30 allows this process to continue through FY 2032.

31

32 *Additional Vehicle Registration Fee for Electric Vehicles*

33 The bill imposes an additional registration fee for electric  
34 vehicles registered in the State. The fee would be collected by the  
35 Chief Administrator of the Motor Vehicle Commission at the same  
36 time the vehicle is initially registered or renewed, as the case may  
37 be. Beginning on July 1, 2024, the amount of the fee would be  
38 \$300 for passenger electric vehicles and \$450 for commercial  
39 electric vehicles.

40 Under the bill, the revenues generated from these fees would be  
41 credited to the “Transportation Trust Fund Account - Subaccount  
42 for Capital Reserves” to support transportation projects. However,  
43 the bill specifies that these collections may not be used to pay debt  
44 service on transportation system bonds, transportation program  
45 bonds, or any other bonds, notes or other obligations, including  
46 subordinated obligations of the authority until such time as these  
47 revenues may be constitutionally dedicated to the TTF.



1 *Appropriation of Funds to New Jersey Transit*

2 The bill makes a supplemental appropriation of \$1 billion from  
3 the General Fund to NJ Transit. The bill requires \$760 million of  
4 these funds to be used for the financing of capital projects and \$240  
5 million to be used for NJ Transit operating expenses. The bill also  
6 requires the State to appropriate an additional \$1 billion in FY 2026  
7 for those same purposes.

8

9 *Appropriation of Funds from Debt Defeasance and Prevention*  
10 *Fund to TTF*

11 The bill appropriates \$1.5 billion from the “New Jersey Debt  
12 Defeasance and Prevention Fund” to the “Transportation Trust Fund  
13 Account - Subaccount for Capital Reserves” to be used for the  
14 funding of transportation capital projects on a pay-as-you-go basis.  
15 The bill prohibits the expenditure of these funds for debt service on  
16 transportation system bonds, transportation program bonds, or any  
17 other bonds, notes, or other obligations, including subordinated  
18 obligations of the TTF.

19

20 *Repeal of Sales Tax Exemption for Electric Vehicles*

21 The bill repeals the sales and use tax exemption currently  
22 provided for the sales of zero emission vehicles and annually  
23 dedicates the revenues derived from the sales of these vehicles, up  
24 to \$100 million, to the TTF. Specifically, these revenues would be  
25 credited to the “Transportation Trust Fund Account - Subaccount  
26 for Capital Reserves” to be used for transportation projects. The  
27 bill also specifies that these collections may not be used to pay debt  
28 service on transportation system bonds, transportation program  
29 bonds, or any other bonds, notes, or other obligations, including  
30 subordinated obligations of the authority, until such time as these  
31 revenues may be constitutionally dedicated to the TTF.