

P.L. 2024, CHAPTER 7, *approved March 26, 2024*
Assembly, No. 4011

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

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 and Warren Counties to the North Jersey Transportation Rail
2 Centers; and commuter rail service in the central New Jersey region
3 terminating at the proposed Lakewood Transportation Center in
4 Ocean County or other location, as determined by the Board of the
5 New Jersey Transit Corporation, pursuant to a resolution of the
6 board providing for the achievement of a consensus among the
7 interested parties as to the direction of the proposed rail line;
8 provided, however, that this 2000 amendatory act shall not be
9 construed as affecting any priorities which may have been assigned
10 to any other project in the Circle of Mobility.

11 "Commissioner" means the Commissioner of Transportation.

12 "Department" means the Department of Transportation.

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

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

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

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

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

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

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

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

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

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

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

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

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

42 "Transportation project" means, in addition to public highways
43 and public transportation projects, any equipment, facility or
44 property useful or related to the provision of any ground,
45 waterborne, or air transportation for the movement of people and
46 goods including rail freight infrastructure, which equipment,
47 facility, or property may be acquired by purchase or lease.

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

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

6
7 2. Section 9 of P.L.1984, c.73 (C.27:1B-9) is amended to read
8 as follows:

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

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

32 (1) Every issue of bonds or notes shall be general obligations
33 payable out of any revenues or funds of the authority, subject only
34 to any agreements with the holders of particular bonds or notes
35 pledging any particular revenues or funds. The authority may
36 provide the security and payment provisions for its bonds or notes
37 as it may determine, including (without limiting the generality of
38 the foregoing) bonds or notes as to which the principal and interest
39 are payable from and secured by all or any portion of the revenues
40 of and payments to the authority, and other moneys or funds as the
41 authority shall determine, provided that for transportation program
42 bonds or notes issued in anticipation of such transportation program
43 bonds, only 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 may be used for such payment;

1 (2) In addition, the authority may issue notes, in anticipation of
2 the issuance of the bonds, provided that the issuance of such notes
3 shall be subject to the bonding limitations as provided in subsection
4 i. of this section, and the payment of such notes if issued in
5 anticipation of the issuance of transportation program bonds shall
6 be paid solely from revenues dedicated pursuant to the New Jersey
7 Constitution, including Article VIII, Section II, paragraph 4, and
8 deposited into the "Transportation Trust Fund Account -
9 Subaccount for Debt Service for Transportation Program Bonds."
10 The authority may also issue notes in anticipation of the receipt of
11 appropriations, grants, reimbursements or other funds, including
12 without limitation grants from the federal government for federal
13 aid highways or public transportation systems, the principal of or
14 interest on which, or both, shall be payable out of the proceeds of
15 appropriations, grants, reimbursements or other funds, including
16 without limitation grants from the federal government for federal
17 aid highways or public transportation systems. Such notes shall not
18 be subject to the bonding limitations as provided in subsection i. of
19 this section; and

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

41 c. Whether or not the bonds and notes are of the form and
42 character as to be negotiable instruments under the terms of Title
43 12A, Commercial Transactions, New Jersey Statutes, the bonds and
44 notes are hereby made negotiable instruments within the meaning of
45 and for all the purposes of Title 12A of the New Jersey Statutes.

46 d. Bonds or notes of the authority shall be authorized by a
47 resolution or resolutions of the authority and may be issued in one
48 or more series and shall bear the date, or dates, mature at the time

1 or times, bear interest at the rate or rates of interest per annum, be
2 in the denomination or denominations, be in the form, carry the
3 conversion or registration privileges, have the rank or priority, be
4 executed in the manner, be payable from the sources, in the medium
5 of payment, at the place or places within or without the State, and
6 be subject to the terms of redemption (with or without premium) as
7 the resolution or resolutions may provide. Bonds or notes may be
8 further secured by a trust indenture between the authority and a
9 corporate trustee within or without the State. All other obligations
10 of the authority shall be authorized by resolution containing terms
11 and conditions as the authority shall determine.

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

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

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

1 bonds, notes or other obligations. For the purposes of this
2 subsection, political subdivision does not include the authority.

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

9 i. Commencing with the fiscal year beginning July 1, 1995 and
10 ending within the fiscal year beginning July 1, 2005, the authority
11 shall not incur debt in any fiscal year in excess of \$650,000,000,
12 except that if that permitted amount of debt, or any portion thereof,
13 is not incurred in a fiscal year it may be incurred in a subsequent
14 fiscal year. Commencing with the fiscal year beginning July 1, 2006
15 and ending with the fiscal year beginning on July 1, 2010, the
16 authority shall not incur debt for any fiscal year in excess of
17 \$1,600,000,000, reduced in each of those fiscal years by the amount
18 by which the appropriation of State funds to the Transportation
19 Trust Fund Account for that fiscal year shall exceed \$895,000,000;
20 provided, however, that if a portion of that permitted amount of
21 debt, less any reduction as provided above, is not incurred in a
22 fiscal year, an amount not greater than the unused portion may be
23 incurred in a subsequent fiscal year in addition to the amount
24 otherwise permitted. Debt permitted for the fiscal year beginning
25 July 1, 2006 may be incurred prior to July 1, 2006. The authority
26 shall not issue transportation program bonds in excess of
27 \$1,247,000,000 for the fiscal year beginning July 1, 2012, in excess
28 of \$849,200,000 for the fiscal year beginning July 1, 2013, in
29 excess of \$735,300,000 for the fiscal year beginning July 1, 2014,
30 and in excess of \$626,800,000 for the fiscal year beginning July 1,
31 2015, except that (1) if that permitted amount of transportation
32 program bonds, or any portion thereof, is not incurred in a fiscal
33 year, it may be issued in a subsequent fiscal year and (2) 30 percent
34 of the permitted amount of transportation program bonds for a fiscal
35 year may be issued in the fiscal year preceding such fiscal year
36 provided that (a) any transportation program bonds issued pursuant
37 to this paragraph shall be deducted from the authorization for the
38 fiscal year from which it was taken, and (b) the proceeds of any
39 such transportation program bonds shall not be encumbered until
40 the fiscal year from which the deduction of the authorization was
41 taken pursuant to this paragraph. Transportation program bonds
42 authorized to be issued for the fiscal year beginning July 1, 2012
43 may be issued prior to July 1, 2012. Commencing on the day that
44 Assembly Concurrent Resolution No. 1 of 2015, a constitutional
45 amendment to Article VIII, Section II, paragraph 4 of the New
46 Jersey Constitution, takes effect, and ending June 30, **2024** 2029,
47 the authority shall not issue transportation program bonds in excess
48 of **[\$12,000,000,000]** \$15,600,000,000. Any increase in this

1 limitation shall only occur if so provided for by law. In computing
2 the foregoing limitation as to the amount of bonds the authority may
3 issue, the authority may exclude any bonds, notes or other
4 obligations, including subordinated obligations of the authority,
5 issued for refunding purposes; except that, for the fiscal year
6 beginning July 1, 2016 and thereafter, any net premiums received in
7 connection with the issuance of transportation program bonds shall
8 count against any limitation as to the amount of transportation
9 program bonds the authority may issue. The payment of debt
10 service on transportation program bonds and any agreements issued
11 in connection with such transportation program bonds shall be paid
12 solely from revenues dedicated pursuant to the New Jersey
13 Constitution, including Article VIII, Section II, paragraph 4, and
14 deposited into the "Transportation Trust Fund Account -
15 Subaccount for Debt Service for Transportation Program Bonds."

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

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

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

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

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

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

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

12

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

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

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

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

43 c. An amount equivalent to moneys received by the State in
44 accordance with contracts entered into with toll road authorities or
45 other State agencies, provided that effective with the fiscal year
46 beginning July 1, 1988 the amount so credited shall not be less than
47 \$24,500,000 in any fiscal year.

1 The treasurer shall also credit to the "Transportation Trust Fund
2 Account - Subaccount for Debt Service for Prior Bonds," in
3 accordance with a contract between the treasurer and the authority,
4 an amount equivalent to the sum of the revenues due from the
5 increase of fees for motor vehicle registrations collected pursuant to
6 the amendment to R.S.39:3-20 made by section 32 of P.L.1984,
7 c.73 and from the increase in the tax on diesel fuels imposed
8 pursuant to the amendment to R.S.54:39-27 made by section 35 of
9 P.L.1984, c.73 and by P.L.1987, c.460, and as amended by section
10 18 of P.L.1992, c.23, and repealed by section 56 of P.L.2010, c.22
11 and now imposed pursuant to section 3 of P.L.2010, c.22 (C.54:39-
12 103), provided that the total amount credited during the fiscal year
13 beginning July 1, 1984 shall not be less than \$20,000,000 and that
14 the total amount credited during the fiscal year beginning July 1,
15 1985 and during every fiscal year thereafter shall not be less than
16 \$30,000,000.

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

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

45 No later than the fifth business day of the month following the
46 month in which a credit has been made, the treasurer shall pay to
47 the authority, for its purposes as provided herein, the amounts then
48 credited to the "Transportation Trust Fund Account - Subaccount

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

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

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

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

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

3 8. a. Commencing with the reports of the commissioner, which
4 shall include the Transportation Master Plan, Statewide Capital
5 Investment Strategy, Annual Transportation Capital Program,
6 Transportation Trust Fund Authority Financial Plan, and Five-Year
7 Capital Plan, as may be amended, required to be submitted pursuant
8 to section 22 of P.L.1984, c.73 (C.27:1B-22) on or before March 1,
9 2006 and on each succeeding March 1 thereafter through March 1,
10 2015, the annual amount so reported by the commissioner for
11 proposed projects shall not exceed \$1,600,000,000 exclusive of
12 federal funds, and beginning with the reports due March 1, 2016,
13 and on each succeeding March 1 thereafter through March 1, 2023,
14 the amount so reported by the commissioner for proposed projects
15 shall not exceed an aggregate \$16,600,000,000 over that eight year
16 period, and beginning with the reports due March 1, 2024, and on
17 each succeeding March 1 thereafter through March 1, 2028, the
18 amount so reported by the commissioner for proposed projects shall
19 not exceed an aggregate \$10,367,000,000 over that five-year period.

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

46 (1) \$2,000,000,000 for State Fiscal Year 2025;

47 (2) \$2,000,000,000 for State Fiscal Year 2026;

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

12 (4) \$2,122,000,000 for State Fiscal Year 2028; provided,
13 however, in addition to any additional set-aside required under
14 section 25 of P.L.1984, c.73 (C.27:1B-25) for this fiscal year,
15 \$122,000,000 of the amount authorized pursuant to this subsection
16 shall be allocated as follows: 25 percent as State aid to counties for
17 transportation projects pursuant to subsection e. of section 25 of
18 P.L.1984, c.73 (C.27:1B-25); 25 percent as State aid to
19 municipalities for transportation projects pursuant to subsection c.
20 of section 25 of P.L.1984, c.73 (C.27:1B-25); 25 percent for
21 projects of the Department of Transportation; and 25 percent for
22 projects of the New Jersey Transit Corporation; and

23 (5) \$2,185,000,000 for State Fiscal Year 2029; provided,
24 however, in addition to any additional set-aside required under
25 section 25 of P.L.1984, c.73 (C.27:1B-25) for this fiscal year,
26 \$185,000,000 of the amount authorized pursuant to this subsection
27 shall be allocated as follows: 25 percent as State aid to counties for
28 transportation projects pursuant to subsection e. of section 25 of
29 P.L.1984, c.73 (C.27:1B-25); 25 percent as State aid to
30 municipalities for transportation projects pursuant to subsection c.
31 of section 25 of P.L.1984, c.73 (C.27:1B-25); 25 percent for
32 projects of the Department of Transportation; and 25 percent for
33 projects of the New Jersey Transit Corporation.

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

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

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

47 f. The State Auditor shall review bond issuances of the
48 authority and report to the Joint Budget Oversight Committee and

1 to the members of the Senate Budget and Appropriations
2 Committee and the Assembly Appropriations Committee, or their
3 successors, on the status of the bonds of the authority and projects
4 financed from the proceeds of the bonds. The report shall include
5 the investment status of all unexpended bond proceeds and provide
6 a description of any bond issues expected during a fiscal year,
7 including type of issue, estimated amount of bonds to be issued and
8 the expected month of sale.

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

10

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

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

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

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

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

23 The board shall annually appear before the Senate Budget and
24 Appropriations Committee, or its successor, and the Assembly
25 Budget Committee, or its successor, and provide independent
26 analysis of the transportation capital program, provide comments on
27 the cost effectiveness of the program, evaluate the condition of the
28 State transportation system, and identify needed infrastructure
29 investments. The board shall annually appear before the Senate
30 Transportation Committee, or its successor, and the Assembly
31 Transportation and Independent Authorities Committee, or its
32 successor, and report on best practices and cost savings in areas
33 related to transportation and public transportation construction,
34 planning, finance, infrastructure, and governance. The board shall
35 also make itself available to the aforementioned budget and
36 transportation committees to conduct research and provide
37 recommendations on policy issues that those committees request of
38 the board. The board shall issue an annual report on or before June
39 1 of each year which summarizes the work of the board for the prior
40 year, evaluates the reports issued by the department pursuant to
41 section 22 of P.L.1984, c.73 (C.27:1B-22), and provides
42 independent recommendations for administering the annual capital
43 program.

44 The board shall be provided with a budget each year to be funded
45 through the capital program, and the budget shall be sufficient to
46 allow the board to commission independent research from academic
47 and other experts in the area of research to be conducted, to avail
48 itself of any professional or consultant services necessary to

1 perform its functions, and to complete the reports and certifications
2 required pursuant to this section.

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

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

23 The State of Condition of Transportation Financing certification
24 shall ensure that the financing and expenditures of the New Jersey
25 Transportation Trust Fund Authority (the "authority") adhere to
26 certain standards. The standards are: a. The bonding limitation as
27 provided in subsection i. of section 9 of P.L.1984, c.73 (C.27:1B-9).
28 b. For the fiscal year commencing July 1, 2007, the amount
29 expended from the revenues and other funds of the authority for
30 permitted maintenance shall not exceed the amount expended for
31 permitted maintenance in the fiscal year commencing July 1, 2006.
32 c. The total amount authorized to be appropriated from the revenues
33 and other funds of the authority for project costs commencing with
34 the fiscal year beginning July 1, 2007 through the fiscal year
35 beginning July 1, 2015 shall not exceed \$1,600,000,000 annually,
36 and for the fiscal year beginning on July 1, 2016 through the fiscal
37 year beginning on July 1, 2023 shall not exceed an aggregate
38 \$16,000,000,000 over that eight-year period, and for the fiscal year
39 beginning on July 1, 2024 through the fiscal year beginning on July
40 1, 2028 shall not exceed an aggregate \$10,367,000,000 over that
41 five-year period.

42 Commencing with the fiscal year beginning July 1, 2007, the
43 board shall submit to the Governor, the Legislature, and the
44 commissioner on an annual basis the State of Condition of
45 Transportation Financing certification as to the requirements of
46 certification standard a. referencing therein a certification with
47 regard to certification standards b. and c. to the extent feasible,
48 given the other provisions of this section. The certifications shall be

1 based on the board's review of the State's fiscal year final
2 expenditures from the preceding fiscal year, including bonding and
3 expenditures from the annual independent audit of the authority,
4 and the amount of authority funds programmed for permitted
5 maintenance. If the capital program and its financing are found to
6 be in compliance, the first annual certification required by this
7 paragraph shall be submitted by February 1, 2008, after the
8 certification is concurred with by the members of the authority, and
9 by February 1 of each year thereafter. The board shall advise the
10 commissioner and the authority on February 1, 2008 and on each
11 succeeding February 1, if the board finds that the authority is not in
12 compliance with the bonding requirements as provided in
13 certification standard a. of the section, and that a corrective action
14 plan is needed. The authority shall submit a corrective action plan
15 that would reduce its future bond sales to offset the amount of
16 excess bonding or to reduce future debt service payments, or both,
17 as the case may be. Upon approval of the corrective action plan by
18 the board, the certification shall be issued with certain conditions.
19 The Annual Transportation Capital Program submitted to the
20 Legislature for the forthcoming year shall be in compliance with the
21 provisions of the corrective action plan. If the board does not
22 approve the corrective action plan, the authority shall submit a
23 financial plan showing bonding only for existing projects, noting
24 that no bonds shall be issued for new projects shown in the
25 department's Annual Transportation Capital Program. The board
26 shall advise the commissioner on February 1, 2008 and on each
27 succeeding February 1, if the board finds that the Department of
28 Transportation has exceeded the limitation for the amount of
29 authority funds spent on permitted maintenance pursuant to
30 certification standard b. of this section, or for the amount authorized
31 to be appropriated for project costs pursuant to certification
32 standard c. of this section and that a corrective action plan is
33 needed. The department shall submit a corrective action plan that
34 would offset the excess amount spent, or the excess amount
35 appropriated, in the prior year with less funding for permitted
36 maintenance or for projects, as the case may be, in the proposed
37 capital budget request. Upon approval of the corrective action plan
38 by the board, a certification as to these matters shall be issued with
39 certain conditions. The Annual Transportation Capital Program
40 submitted to the Legislature for the forthcoming year shall be in
41 compliance with the provisions of the corrective action plan. If the
42 board does not approve the corrective action plan, the authority
43 shall submit a financial plan showing bonding only for existing
44 projects, noting that no bonds shall be issued for new projects
45 shown in the department's Annual Transportation Capital Program.
46 (cf: P.L.2016, c.56, s.7)

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

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

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

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

$$33 \qquad \qquad \qquad \text{Pc} \qquad \qquad \text{Cm}$$

$$34 \qquad \text{DF} = \qquad \frac{\quad}{\text{Ps}} \qquad + \qquad \frac{\quad}{\text{Sm}}$$

$$35 \qquad \qquad \qquad \text{Ps} \qquad \qquad \text{Sm}$$

36 where, DF equals the distribution factor

37 Pc equals county population

38 Ps equals State population

39 Cm equals municipal road mileage within the county

40 Sm equals municipal road mileage within the State.

41 After the amount of aid has been allocated based on the above
42 formula, the commissioner shall determine priority for the funding
43 of municipal projects within each county, based upon criteria
44 relating to volume of traffic, safety considerations, growth
45 potential, readiness to obligate funds, and local taxing capacity. In
46 addition to the above criteria used in determining priority of
47 funding of municipal projects in each county, the commissioner
48 shall consider whether a project is intended to remedy hazardous

1 conditions as identified for the purposes of providing transportation
2 pursuant to N.J.S.18A:39-1.2 for school pupils or to improve
3 pedestrian safety.

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

9 d. There shall be appropriated at least \$175,000,000 for each
10 fiscal year commencing July 1, 2006 through the fiscal year
11 commencing July 1, 2015, and \$400,000,000 for each fiscal year
12 commencing July 1, 2016 and for each fiscal year thereafter, for the
13 purposes provided herein and in subsections b., c., e., f., and g. of
14 this section. (1) Of that appropriation, the commissioner shall
15 allocate 37.5 percent of the total appropriation as State aid for
16 municipalities pursuant to the provisions of subsection c. of this
17 section, provided that \$5,000,000 for each fiscal year commencing
18 July 1, 2006 through the fiscal year commencing July 1, 2015, and
19 \$10,000,000 for each fiscal year commencing July 1, 2016 and for
20 each fiscal year thereafter of the amount allocated as State aid for
21 municipalities shall be set aside and sub-allocated as State aid to
22 any municipality qualifying for aid pursuant to the provisions of
23 P.L.1978, c.14 (C.52:27D-178 et seq.). The commissioner shall
24 allocate the aid to each municipality in the same proportion that the
25 municipality receives aid under P.L.1978, c.14 (C.52:27D-178 et
26 seq.). (2) The commissioner shall allocate 37.5 percent of the total
27 appropriation pursuant to the provisions of subsection e. of this
28 section for the Local County Aid Program. (3) The commissioner
29 shall allocate seven percent of the total appropriation pursuant to
30 the provisions of subsection b. of this section for the "Local Aid
31 Infrastructure Fund." (4) The commissioner shall allocate seven
32 percent of the appropriation pursuant to the provisions of subsection
33 f. of this section for the "Local Freight Impact Fund." (5) The
34 remaining 11 percent of the appropriation shall be allocated
35 pursuant to the provisions of subsection g. of this section for the
36 "Local Bridges Fund."

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

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

1 and \$15,000,000 shall be allocated as State aid to municipalities for
2 transportation projects pursuant to subsection c. of this section;

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

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

15 e. The commissioner may, pursuant to appropriations or
16 authorizations being made from time to time by the Legislature
17 according to law, allocate additional funding to the Local County
18 Aid Program for public highway projects, in accordance with a
19 formula similar to that provided for in subsection c. of this section,
20 except that Cm equals road mileage under county jurisdiction and
21 Sm equals total county road mileage within the State.

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

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

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

46

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

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

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

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

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

38 Notwithstanding the provisions of subparagraph (a) of this
39 paragraph to the contrary, for the period from the 2016
40 implementation date through December 31, 2016, no rate of tax
41 shall be applied to diesel fuel, blended fuel that contains diesel fuel
42 or is intended for use as diesel fuel, or kerosene, other than aviation
43 grade kerosene; for the period from January 1, 2017 through June
44 30, 2017, the applicable rate for those fuels shall be 70 percent of
45 the rate otherwise determined pursuant to subparagraph (a) of this
46 paragraph, and for July 1, 2017 and thereafter the applicable rate for
47 those fuels determined pursuant to subparagraph (a) of this
48 paragraph.

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

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

15 (g) The cents-per-gallon rate determined pursuant to
16 subparagraph (f) of this paragraph shall not be less than the rate
17 determined for the average price per gallon, without State or federal
18 tax included, of retail sales of number 2 fuel oil in the State on July
19 1, 2016.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47 (5) **If** Commencing in State Fiscal Year 2017 and ending in
48 State Fiscal Year 2024, if the actual revenue determined pursuant to

1 paragraph (3) of this subsection exceeds the highway fuel cap
2 amount determined pursuant to paragraph (2) of this subsection,
3 then the highway fuel cap amount for the succeeding year shall be
4 decreased by the amount of the excess in setting the rate pursuant to
5 paragraph (4) of this subsection. If the actual revenue determined
6 pursuant to paragraph (3) of this subsection is less than the highway
7 fuel cap amount determined pursuant to paragraph (2) of this
8 subsection, then the highway fuel cap amount for the succeeding
9 year shall be increased by the amount of the shortfall in setting the
10 rate pursuant to paragraph (4) of this subsection.

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

16 (2) The highway fuel cap amount in effect for State fiscal years
17 2025 through 2029 shall be adjusted so that the total revenue
18 derived from highway fuel shall equal:

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

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

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

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

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

24 (3) Commencing in State Fiscal Year 2025, upon consideration
25 of the result of the determination pursuant to paragraph (3) of
26 subsection c. of this section, and consultation with the Legislative
27 Budget and Finance Officer, the State Treasurer shall determine the
28 rate of tax to be imposed on highway fuel pursuant to subsection a.
29 of this section that will result in revenue from:

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

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

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

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

1 c. of this section exceeds the highway fuel cap amount determined
2 pursuant to paragraph (2) of this subsection, then the highway fuel
3 cap amount for the succeeding year shall be decreased by the
4 amount of the excess in setting the rate pursuant to paragraph (3) of
5 this subsection.

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

7
8 8. (New section) a. In addition to the registration fees
9 imposed pursuant to Article 2 of chapter 3 of Title 39 of the
10 Revised Statutes:

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

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

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

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

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

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

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

44 d. As used in this section, "zero emission vehicle" means a
45 vehicle certified as a zero emission vehicle pursuant to the
46 California Air Resources Board zero emission vehicle standards for
47 the applicable model year, but shall not include any other type of
48 vehicle that may be delivered by a manufacturer for sale or lease to

1 satisfy the zero emission vehicle requirement established by the
2 California Air Resources Board in lieu of a vehicle that qualifies as
3 a pure zero emission vehicle.

4
5 9. Section 19 of P.L.2016, c.57 (C.52:18A-257) is repealed.

6
7 10. This act shall take effect immediately.

8
9
10 STATEMENT

11
12 This bill amends the “New Jersey Transportation Trust Fund
13 Authority Act of 1984” to make changes necessary to support the
14 State’s Annual Transportation Capital Program for Fiscal Years
15 2025 through 2029. These changes also revise the rate of tax
16 imposed on highway fuels under the Petroleum Products Gross
17 Receipts Tax and establish an additional annual fee for zero
18 emission vehicles from which all revenues would be dedicated to
19 the Transportation Trust Fund (TTF).

20
21 *Transportation Trust Fund Authority Renewal*

22 The bill extends and increases the New Jersey Transportation
23 Trust Fund Authority’s (authority) existing authorization to issue
24 transportation program bonds. Under current law, the authority is
25 authorized to issue such transportation program bonds as are
26 necessary to fund the Annual Transportation Capital Program, in an
27 amount not to exceed \$12 billion, through June 30, 2024. The bill
28 extends this authorization through June 30, 2029 and increases the
29 authority’s existing aggregate bonding capacity to \$15.6 billion.

30 The bill authorizes \$10.367 billion in capital program
31 expenditures for a five-year period from Fiscal Year 2025 through
32 Fiscal Year 2029. Specifically, this bill allows for an average
33 annual capital program size of \$2 billion from Fiscal Year 2025
34 through Fiscal Year 2029. However, during Fiscal Years 2027,
35 2028, and 2029, the bill requires certain amounts appropriated in
36 excess of \$2 billion to be allocated to counties, municipalities, the
37 Department of Transportation, and the New Jersey Transit
38 Corporation for transportation projects.

39 Under current law, the authority is required to count premiums,
40 and not bond discounts, against its authorized bonding capacity for
41 transportation program bonds. This bill provides that for Fiscal
42 Year 2016 and thereafter, any net premiums received by the
43 authority in connection with the issuance of transportation program
44 bonds are to be counted against the authority’s authorized bonding
45 capacity. This change allows the authority to account for the value
46 of remaining bond premiums after subtracting the value of bond
47 discounts in blended bond issuances when adjusting its bonding
48 capacity after issuing transportation program bonds.

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

2 Under current law, the rate of tax imposed under the Petroleum
3 Products Gross Receipts Tax (PPGRT) is annually adjusted by the
4 State Treasurer to ensure that the State realizes a statutorily
5 prescribed revenue target, more commonly referred to as the
6 “highway fuel cap,” based on 2016 collections of highway fuel
7 taxes. The cap amount is based on the Fiscal Year 2016 sum of:
8 (1) the taxes collected on the 12.48 percent and four cent tax rates
9 for highway fuels taxes, (2) the amount derived from taxing the
10 gallonage of highway fuel subject to the four cent motor fuel tax,
11 and (3) the amount that would have been derived from taxing the
12 gallonage of highway fuel subject to the motor fuel tax at a rate of
13 23 cents per gallon. All revenues collected are deposited into the
14 TTF to support transportation infrastructure projects and debt
15 service on transportation bonds. This annual adjustment
16 mechanism is currently set to expire at the conclusion of State
17 Fiscal Year 2026.

18 The bill would modify this mechanism, beginning with Fiscal
19 Year 2025, to gradually raise the highway fuel cap amount through
20 Fiscal Year 2029. The amount of revenue required to be collected
21 on highway fuel would be as follows: \$2,032,000,000 in Fiscal
22 Year 2025; \$2,115,000,000 in Fiscal Year 2026; \$2,199,000,000 in
23 Fiscal Year 2027; \$2,282,000,000 in Fiscal year 2028; and
24 \$2,366,000,000 in Fiscal Year 2029. If the actual revenues
25 generated fall above or below the highway fuel cap amount set for
26 the fiscal year, the rate of tax would be adjusted accordingly to
27 ensure the highway fuel cap amount is realized.

28 The bill also provides that after the State Treasurer has
29 determined the rate of tax pursuant to the bill, the new rate would
30 take effect on January 1 of Fiscal Year 2025 through Fiscal Year
31 2029 rather than October 1, as is done under current law.

32

33 *Abolishment of the Review Council*

34 The bill would also abolish the three-member review council
35 tasked with monitoring the implementation of the PPGRT. The
36 review council is currently composed of the State Treasurer, the
37 Legislative Budget and Finance Officer, and a public member
38 jointly selected by the other two members. Under current law,
39 following any legislative action that halts, delays, or reverses
40 implementation of changes to the PPGRT as enacted in 2016, the
41 review council is required to certify whether the scheduled
42 implementation of the 2016 changes to the tax have been impeded.

43

44 *Additional Fee for Zero Emission Vehicles*

45 The bill also institutes an additional fee for zero emission
46 vehicles registered in the State. The fee would be collected by the
47 Chief Administrator of the Motor Vehicle Commission at the same
48 time the vehicle is initially registered or renewed, as the case may

1 be. Beginning on July 1, 2024, the amount of the fee would be
2 \$250 and increase by \$10 on July 1 of each year until 2028. After
3 that time, the amount of the fee would be set at \$290.

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

9 These additional fees would be credited to the “Transportation
10 Trust Fund Account - Subaccount for Capital Reserves” to support
11 transportation projects. However, the bill specifies that these
12 collections may not be used to pay debt service on transportation
13 system bonds, transportation program bonds, or any other bonds,
14 notes or other obligations, including subordinated obligations of the
15 authority until such time as these revenues may be constitutionally
16 dedicated to the TTF.

17

18

19

20

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