

CHAPTER 73

AN ACT concerning transportation, providing for congestion relief and enhanced mobility in the State's transportation system, and for increased transportation funding, and revising various parts of the statutory law.

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

C.27:1B-21.14 Short title.

1. Sections 1 through 14 and 23 through 25 and section 27 of this act shall be known and may be cited as the "Congestion Relief and Transportation Trust Fund Renewal Act."

C.27:1B-21.15 Findings, declarations regarding the State's transportation system..

2. The Legislature hereby finds and declares that:

a. A balanced and improved transit and goods movement and highway system is of key importance to our State's continued prosperity and to the quality of life of our citizens.

b. The State's citizens and businesses require a transportation system which provides adequate mobility to all of its citizens utilizing all modes.

c. The State should consider and utilize, where appropriate, transportation approaches and concepts to reduce congestion, enhance mobility, discourage sprawl, and assist in the redevelopment of our cities, enhance suburbs and town centers, and otherwise improve the quality of life of our citizens.

d. Stable and adequate dedicated funding is a prerequisite to the sensible planning of transportation projects, most of which are conceived, planned, designed and built over a span of several years.

e. Additional investment is needed to bring the public highway and bridge system into a state of good repair, to reduce the backlog of infrastructure repair jobs, to maximize rail freight capacity, to promote bicycle and pedestrian safety, and to promote cycling and walking trips by providing and financing appropriate infrastructure.

f. Ferries and ferry facilities, including those providing interstate service to points in New Jersey, are an increasingly important component of the State's intermodal transportation system and should be eligible for transportation assistance from the State.

g. The system of financing under the New Jersey Transportation Trust Fund Authority has provided a stable source of funds to keep our transportation system in good repair and to provide funding for important new projects which have enhanced that system.

h. The renewal and improvement of the system of financing under the New Jersey Transportation Trust Fund Authority and a significant increase in the funding of that system are necessary to achieve the aforementioned goals and can be achieved without the necessity of increasing taxes.

C.27:1B-21.16 Program to improve traffic signal operation.

3. The Commissioner of Transportation (hereinafter, "the commissioner") shall establish and implement a program to employ the best available technology to improve traffic signal operation throughout the State so as to avoid unnecessary delays, reduce air pollution, and allow traffic to move sequentially through signals on roads and highways throughout the State without stopping, to the greatest extent practicable without endangering or limiting pedestrian travel.

C.27:1B-21.17 Reduction of single occupancy trips, report to Legislature.

4. No later than March 31, 2001, the commissioner shall submit a report to the Legislature containing recommended incentives to businesses to encourage a reduction in single occupancy trips.

C.27:1B-21.18 Telecommuting, report to Legislature.

5. No later than January 1, 2001, the Chief Executive Officer and Secretary of the New Jersey Commerce and Economic Growth Commission, in consultation with the commissioner and the State Treasurer, shall submit a report to the Legislature containing a program to identify sectors of the economy, or specific occupations, which are appropriate for telecommuting to increase telecommuting in the State.

C.27:1B-21.19 Context sensitive design.

6. Many State highways run through fully developed cities and suburban towns. In addition, many small villages in rural areas have State highways which pass through built-up residential areas or village centers. The traffic on many of these State highways, particularly large truck and speeding traffic, prevents these residential areas, town centers and future town centers from functioning as intended. The commissioner shall study this issue and develop a departmental program which authorizes context sensitive design and examines the functional classifications of State highways running through developed cities and suburban towns. As used in this section, "context sensitive design" means a planning technique that embraces a collaborative, interdisciplinary process and recognizes the uniqueness of the community in planning transportation projects.

C.27:1B-21.20 Large trucks, report to Legislature.

7. The commissioner shall report to the Legislature not later than January 1, 2001, on measures undertaken by the department and measures it recommends as necessary to improve the safety or to mitigate adverse impacts of large trucks which travel on New Jersey State and local roadways.

C.27:1B-21.21 LED lighting installation.

8. The commissioner shall install light emitting diodes lighting ("LED lighting"), or lighting similar in energy and life cycle savings, in traffic signals on the State highway system from the amounts appropriated from the revenues and other funds of the New Jersey Transportation Trust Fund Authority. It is anticipated that this lighting will result in operational energy savings for State, county and municipal governments and provide congestion relief because the diodes have a 10-year life cycle as compared to the one year replacement cycle for regular light bulbs. The State shall develop a program to assist local governments to install LED lighting or lighting similar in energy and life cycle savings, in approved local traffic signals throughout the State. The commissioner may consult with the State's public utility companies for assistance where appropriate to implement this program.

C.27:1B-21.22 Pavement Preservation and Preventive Maintenance Program.

9. There is hereby established in the Department of Transportation, a Pavement Preservation and Preventive Maintenance Program. In furtherance of this program, the commissioner shall utilize cost-effective road materials, surface treatments and base rehabilitation methodology including, but not limited to, micro-surfacing, white topping and cold-in-place recycling. These cost-effective materials, surface treatments and methodologies shall be used in conjunction with standard road materials and surface treatments including, but not limited to, superpave, asphalt milling, asphalt overlays and crack sealing. The commissioner shall authorize the use of cost-effective materials, surface treatments and methodologies where deemed appropriate by the department, but they shall be utilized as a regular and integral part of the road preservation and maintenance program, and in a manner sufficient to provide for safe roads as provided for in this act.

C.27:1B-21.23 Evaluation of road pavements.

10. The commissioner shall continue to evaluate roadway pavements on the State highway system and assign numerical ratings to roads for maintenance and repair similar to any nationally recognized method.

C.27:1B-21.24 Pavement maintenance, repair, report to Governor and Legislature.

11. The commissioner shall issue a report to the Governor and the Legislature at the end of each fiscal year containing the numerical ranking of pavements for roads needing maintenance and repair in accordance with the method developed in section 10 of this act. The report shall also identify the repair and maintenance projects that were completed during the fiscal year, including an estimate of the cost impact to the department for each maintenance and repair project that utilized road surface material or treatment.

C.27:1B-21.25 Life cycle cost analysis of pavements, report to Governor and Legislature.

12. The commissioner shall conduct a life cycle cost analysis of pavement surfaces and report the findings of the analysis to the Governor and the Legislature no later than one year after the date of enactment of this act. The analysis shall compare equivalent designs and shall be based upon New Jersey's actual historic project maintenance, repair and resurfacing schedules and costs as recorded by the Department of Transportation, and shall include estimates of user costs throughout the entire life of the pavement. As used in this section, "life cycle cost" means the total cost of the initial project and all anticipated costs for subsequent maintenance, repair or resurfacing over the life of the pavement.

C.27:1B-21.26 Congestion Buster Task Force.

13. a. There is created in the Department of Transportation a task force to be known as the "Congestion Buster Task Force" to study and make recommendations concerning the reduction of traffic congestion in the State.

The members of the task force shall be appointed by the commissioner in such number as the commissioner shall designate from the Department of Transportation, the New Jersey Transit Corporation, business organizations, Transportation Management Associations, the counties, and members of the public.

b. The task force shall organize as soon as may be practicable after the appointment of its members and shall select a chairperson from among the members. The members shall select a secretary, who need not be a member of the task force.

The task force shall meet at the call of the chairperson.

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

c. The task force shall conduct a study of highway traffic congestion in the State and develop a commuter options plan that would result in peak hour vehicle trips being "capped" at 1999 levels.

In developing the plan, the task force shall review relevant information and findings from other jurisdictions, both national and international. The plan shall include, but not be limited to, resources and incentives for public transportation, ridesharing, telecommuting and other travel reduction strategies. In making its recommendations for the plan, the task force shall include funding proposals, an implementation of the plan, and a method of evaluating progress toward the realization of the goal of the plan to cap peak hour vehicle trips at 1999 levels.

The task force shall also be charged with identifying the top 10 projects which can be quickly implemented to relieve congestion or improve safety.

d. The task force may meet and hold public hearings at such place or places as it shall designate and shall issue a final report containing its findings and recommendations, including any recommendations for legislation that it deems appropriate, no later than one year after the task force organizes, to the Governor, the President of the Senate and the Speaker of the General Assembly, and the members of the Senate Transportation Committee and the Assembly Transportation Committee, or the successor committees.

e. The task force shall dissolve one year following organization of the task force.

C.27:1B-21.27 Park-and-ride facility expansion, report to Governor and Legislature.

14. No later than July 1, 2001, the commissioner shall report to the Governor and the Legislature on steps which the commissioner recommends to provide for the establishment or expansion of park-and-ride facilities in areas of traffic congestion throughout the State and shall establish a goal of establishing or expanding at least two park-and-ride facilities in each of the successive 2001-2002, 2002-2003, 2003-2004 and 2004-2005 fiscal years. In the event that the department does not establish or expand at least two park-and-ride facilities in each of the preceding fiscal years, the commissioner shall report to the Governor and the Legislature the reasons for the failure to establish or expand such facilities.

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

C.27:1B-3 Definitions.

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

- a. "Act" means this New Jersey Transportation Trust Fund Authority Act of 1984.
- b. "Authority" means the New Jersey Transportation Trust Fund Authority created by section 4 of this act.
- c. "Bonds" means bonds issued by the authority pursuant to the act.
- d. "Commissioner" means the Commissioner of Transportation.
- e. "Department" means the Department of Transportation.
- f. "Federal aid highway" means any highway within the State in connection with which the State receives payment or reimbursement from the federal government under the terms of Title 23, United States Code or any amendment, successor, or replacement thereof, for the purposes contained in the act.
- g. "Federal government" means the United States of America, and any officer, department, board, commission, bureau, division, corporation, agency or instrumentality thereof.
- h. "South Jersey Transportation Authority" means the public corporation created by section 4 of P.L.1991, c.252 (C.27:25A-4) or its successor.
- i. "New Jersey Highway Authority" means the public corporation created by section 4 of P.L.1952, c.16 (C.27:12B-4) or its successor.
- j. "New Jersey Turnpike Authority" means the public corporation created by section 3 of P.L.1948, c.454 (C.27:23-3) or its successor.
- k. "Notes" means the notes issued by the authority pursuant to the act.
- l. "Public highways" means public roads, streets, expressways, freeways, parkways, motorways and boulevards, including bridges, tunnels, overpasses, underpasses, interchanges, rest areas, express bus roadways, bus pullouts and turnarounds, park-ride facilities, traffic circles, grade separations, traffic control devices, the elimination or improvement of crossings of railroads and highways, whether at grade or not at grade, bicycle and pedestrian pathways and pedestrian and bicycle bridges traversing public highways and any facilities, equipment, property, rights of way, easements and interests therein needed for the construction, improvement and maintenance of highways.
- m. "Public transportation project" means, in connection with public transportation service, passenger stations, shelters and terminals, automobile parking facilities, ferries and ferry facilities, including capital projects for ferry terminals, approach roadways, pedestrian accommodations, parking, docks, and other necessary land-side improvements, ramps, track connections, signal systems, power systems, information and communication systems, roadbeds, transit lanes or rights of way, equipment storage, pedestrian walkways and bridges connecting to passenger stations and servicing facilities, bridges, grade crossings, rail cars, locomotives, motorbuses and other motor vehicles, maintenance and garage facilities, revenue handling equipment and any other equipment, facility or property useful for or related to the provision of public transportation service.
- n. "State agency" means any officers, department, board, commission, bureau, division, agency or instrumentality of the State.
- o. "Toll road authorities" means and includes the New Jersey Turnpike Authority, the New Jersey Highway Authority and the South Jersey Transportation Authority.
- p. "Transportation project" means, in addition to public highways and public transportation projects, any equipment, facility or property useful or related to the provision of any ground, waterborne or air transportation for the movement of people and goods including rail freight infrastructure.
- q. "Transportation system" means public highways, public transportation projects, other transportation projects, and all other surface, airborne and waterborne methods of transportation for the movement of people and goods.
- r. "Permitted maintenance" means, in relation to public transportation projects, direct costs of work necessary for preserving or maintaining the useful life of public transportation projects,

provided the work performed is associated with the acquisition, installation and rehabilitation of components which are not included in the normal operating maintenance of equipment and facilities or replaced on a scheduled basis. The work shall ensure the useful life of the project for not less than five years and shall not include routine maintenance or inspection of equipment and facilities that is conducted on a scheduled basis. This definition shall not apply to the term "maintenance" as used in subsection 1. of this section. For purposes of this subsection, "permitted maintenance" means, in relation to public highways, the direct costs of work necessary for preserving or maintaining the useful life of public highways, provided the work is not associated with the regular and routine maintenance of public highways and their components. The work shall ensure the useful life of the project for not less than five years.

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

16. Section 5 of P.L.1984, c.73 (C.27:1B-5) is amended to read as follows:

C.27:1B-5 Purpose of authority.

5. It shall be the sole purpose of the authority created under this act to provide the payment for and financing of all, or a portion of, the costs incurred by the department for the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the State's transportation system, including, without limitation, the State's share (including State advances with respect to any federal share) under federal aid highway laws of the costs of planning, acquisition, engineering, construction, reconstruction, repair, resurfacing and rehabilitation of public highways, the State's share (including State advances with respect to any federal share) of the costs of planning, acquisition, engineering, construction, reconstruction, repair, permitted maintenance and rehabilitation of public transportation projects and other transportation projects in the State, and State aid to counties and municipalities for transportation projects, all in furtherance of the public policy declared in section 2 of the act, in the manner provided for in the act.

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

C.27:1B-6 Powers of authority.

6. In addition to all other powers granted to the authority in the act, the authority shall have power:

- a. To sue and be sued;
- b. To have an official seal and alter the same at its pleasure;

- c. To make and alter bylaws for its organization and internal management and rules and regulations for the conduct of its affairs and business;
- d. To maintain an office at a place or places within the State as it may determine;
- e. To acquire, hold, use and dispose of its income, revenues, funds and moneys;
- f. To acquire, own, lease as lessee or lessor, hold, use, sell, transfer, and dispose of real or personal property for its purposes;
- g. To borrow money and to issue its bonds, notes or other obligations and to secure the same by its revenues or other funds and otherwise to provide for and secure the payment thereof and to provide for the rights of the holders thereof and to provide for the refunding thereof, all as provided in the act;
- h. To issue subordinated indebtedness and to enter into any revolving credit agreement, agreement establishing a line of credit or letter of credit, reimbursement agreement, interest rate exchange agreement, insurance contract, surety bond, commitment to purchase or sell bonds, purchase or sale agreement, or commitments or other contracts or agreements, and other security agreements as approved by the authority in connection with the issuance of bonds or notes;
- i. In its own name, in the name of the New Jersey Transit Corporation or in the name of the State, to apply for and receive and accept appropriations or grants of property, money, services or reimbursements for money previously spent and other assistance offered or made available to it by or from any person, government agency, public authority or any public and private entity whatever for any lawful corporate purpose of the authority, including, without limitation, grants, appropriations or reimbursements from the State or federal government with respect to their respective shares under federal aid highway laws of the costs of planning, acquisition, engineering, construction, reconstruction, repair, resurfacing and rehabilitation of public highways or the costs of planning, acquisition, engineering, construction, reconstruction, repair, permitted maintenance and rehabilitation of public transportation projects and other transportation projects in the State and the authority's operating expenses and to apply and negotiate for the same upon such terms and conditions as may be required by any person, government agency, authority or entity or as the authority may determine to be necessary, convenient or desirable;
- j. Subject to any agreement with the holders of bonds, notes or other obligations, to invest moneys of the authority not required for immediate use, including proceeds from the sale of any bonds, notes or other obligations, in obligations, securities and other investments as the authority shall deem prudent;
- k. Subject to any agreements with holders of bonds, notes or other obligations, to purchase bonds, notes or other obligations of the authority out of any funds or moneys of the authority available therefor, and to hold, cancel or resell the bonds, notes or other obligations;
- l. For its sole purpose as established in section 5 of this act, to appoint and employ an executive director and such additional officers, who need not be members of the authority and such other personnel and staff as it may require, at an annual expense not to exceed \$100,000.00, all without regard to the provisions of Title 11A of the New Jersey Statutes;
- m. To do and perform any acts and things authorized by the act under, through, or by means of its officers, agents or employees or by contract with any person, firm or corporation or any public body;
- n. To procure insurance against any losses in connection with its property, operations, assets or obligations in amounts and from insurers as it deems desirable;
- o. To make and enter into any and all contracts and agreements which the authority determines are necessary, incidental, convenient or desirable to the performance of its duties and the execution of its powers under the act; and
- p. To do any and all things necessary, convenient or desirable to carry out its purposes and exercise the powers given and granted in the act.

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

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

9. a. The authority shall have the power and is hereby authorized after November 15, 1984

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

b. Except as may be otherwise expressly provided in the act or by the authority, every issue of bonds or notes shall be general obligations payable out of any revenues or funds of the authority, subject only to any agreements with the holders of particular bonds or notes pledging any particular revenues or funds. The authority may provide the security and payment provisions for its bonds or notes as it may determine, including (without limiting the generality of the foregoing) bonds or notes as to which the principal and interest are payable from and secured by all or any portion of the revenues of and payments to the authority, and other moneys or funds as the authority shall determine. In addition, the authority may, in anticipation of the issuance of the bonds or the receipt of appropriations, grants, reimbursements or other funds, including without limitation grants from the federal government for federal aid highways or public transportation systems, issue notes, the principal of or interest on which, or both, shall be payable out of the proceeds of notes, bonds or other obligations of the authority or appropriations, grants, reimbursements or other funds or revenues of the authority. The authority may also enter into bank loan agreements, lines of credit and other security agreements as authorized pursuant to subsection h. of section 6 of P.L.1984, c.73 (C.27:1B-6) and obtain for or on its behalf letters of credit in each case for the purpose of securing its bonds, notes or other obligations or to provide direct payment of any costs which the authority is authorized to pay by this act and to secure repayment of any borrowings under the loan agreement, line of credit, letter of credit or other security agreement by its bonds, notes or other obligations or the proceeds thereof or by any or all of the revenues of and payments to the authority or by any appropriation, grant or reimbursement to be received by the authority and other moneys or funds as the authority shall determine.

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

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

e. Bonds, notes or other obligations of the authority may be sold at public or private sale at a price or prices and in a manner as the authority shall determine, either on a negotiated or on a competitive basis. Every bond, or refunding bond, issued on or after the effective date of P.L.1995, c.108 (C.27:1B-25.1 et al.) shall mature and be paid no later than 21 years from the date of the issuance of that bond or refunding bond.

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

g. Bonds, notes and other obligations of the authority issued or incurred under the provisions of the act shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the authority and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision or be or constitute a pledge of the faith and credit of the State or of any political subdivision but all bonds, notes and obligations, unless funded or refunded by bonds, notes or other obligations of the authority, shall be payable solely from revenues or funds pledged or available for their payment as authorized in the act. Each bond, note or other obligation shall contain on its face a statement to the effect that the authority is obligated to pay the principal thereof or the interest thereon only from revenues or funds of the authority and that neither the State nor any political subdivision thereof is obligated to pay the principal or interest and that neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or the interest on the bonds, notes or other obligations. For the purposes of this subsection, political subdivision does not include the authority.

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

i. The authority shall minimize debt incurrence by first relying on appropriations and other revenues available to the authority before incurring debt to meet its statutory purposes.

Commencing on the 90th day following the date of enactment of this 1995 amendatory and supplementary act, the authority shall not incur debt in any fiscal year in excess of \$650,000,000, except that if that permitted amount of debt, or any portion thereof, is not incurred in a fiscal year it may be incurred in a subsequent fiscal year. Any increase in this limitation shall only occur if so provided for by law.

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

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

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

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

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

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

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

20. There is hereby established in the General Fund an account entitled "Transportation Trust Fund Account." During the fiscal year beginning July 1, 1984 and during each succeeding fiscal year in which the authority has bonds, notes or other obligations outstanding, the treasurer shall credit to this account:

a. An amount equivalent to the revenue derived from \$0.09 per gallon from the tax imposed on the sale of motor fuels pursuant to chapter 39 of Title 54 of the Revised Statutes, as provided in Article VIII, Section II, paragraph 4 of the State Constitution, provided, however, such amount during any fiscal year shall not be less than \$405,000,000;

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

c. An amount equivalent to moneys received by the State in accordance with contracts entered into with toll road authorities or other State agencies, provided that effective with the fiscal year beginning July 1, 1988 the amount so credited shall not be less than \$24,500,000.00 in any fiscal year.

The treasurer shall also credit to this account, in accordance with a contract between the treasurer and the authority, an amount equivalent to the sum of the revenues due from the increase of fees for motor vehicle registrations collected pursuant to the amendment to R.S.39:3-20 made by this act and from the increase in the tax on diesel fuels imposed pursuant to the amendment to R.S.54:39-27 made by this act and by P.L.1987, c.460, provided that the total amount credited during the fiscal year beginning July 1, 1984 shall not be less than \$20,000,000.00 and that the total amount credited during the fiscal year beginning July 1, 1985 and during every fiscal year thereafter shall not be less than \$30,000,000.00.

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

d. After approval by the voters of the constitutional amendment proposed in Senate Committee Substitute for Senate Concurrent Resolution No. 1 of 2000 or Assembly Concurrent Resolution No. 116 of 2000, in addition to the amount credited in subsection a. of this section, beginning January 1 following approval by the voters an amount equivalent to the revenue derived from the tax imposed on the sale of petroleum products pursuant to P.L.1990, c.42 (C.54:15B-1 et seq.), provided, however, such amount shall not be less than \$100,000,000 in the period January 1 through June 30 following approval by the voters and shall not be less than \$200,000,000 in any fiscal year thereafter and for the fiscal year commencing July 1, 2001 and for each fiscal year thereafter an amount equivalent to the revenue derived from the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) on the sale of new motor vehicles, provided, however, that such amount shall not be less than \$80,000,000 for the fiscal year commencing July 1, 2001, not less than \$140,000,000 for the fiscal year commencing July 1, 2002, and not less than \$200,000,000 for the fiscal year commencing July 1, 2003 and for each fiscal year thereafter, as provided in Article VIII, Section II, paragraph 4 of the State Constitution.

No later than the fifth business day of the month following the month in which a credit has been made, the treasurer shall pay to the authority, for its purposes as provided herein, the amounts then credited to the Transportation Trust Fund Account, provided that the payments to the authority shall be subject to and dependent upon appropriations being made from time to time by the Legislature of the amounts thereof for the purposes of the act.

20. Section 21 of P.L.1984, c.73 (C.27:1B-21) is amended to read as follows:

C.27:1B-21 Special Transportation Fund.

21. a. There is hereby established a separate fund entitled "Special Transportation Fund." This fund shall be maintained by the State Treasurer and may be held in depositories as may be

selected by the treasurer and invested and reinvested as other funds in the custody of the treasurer, in the manner provided by law. The commissioner may from time to time (but not more frequently than monthly) certify to the authority an amount necessary to fund payments made, or anticipated to be made by or on behalf of the department, from appropriations established for or made to the department from revenues or other funds of the authority. The commissioner's certification shall be deemed conclusive for purposes of the act. The authority shall, within 15 days of receipt of the certificate, transfer from available funds of the authority to the treasurer for deposit in the Special Transportation Fund the amount certified by the commissioner, provided that all funds transferred shall only be expended by the department by project pursuant to appropriations made from time to time by the Legislature for the purposes of the act.

b. The department shall not expend any money except as appropriated by law. Commencing with appropriations for the fiscal years beginning on July 1, 1988, the department shall not expend any funds except as are appropriated by specific projects identified by a description of the projects, the county or counties within which they are located, and amounts to be expended on each project, in the annual appropriations act.

c. No funds appropriated, authorized or expended pursuant to this act shall be used to finance the resurfacing of highways by department personnel, where that resurfacing would require the use of more than 100,000 tons of bituminous concrete for that purpose in any calendar year, except that the commissioner may waive this provision when he determines the existence of emergency conditions requiring the use of department personnel for the resurfacing of highways, after the department has effectively reached the 100,000 ton limit.

d. In order to provide the department with flexibility in administering the specific appropriations by project identified in the annual appropriations act, the commissioner may transfer a part of any item to any other item subject to the approval of the Director of the Division of Budget and Accounting and of the Joint Budget Oversight Committee or its successor. Upon approval of the director and the committee, the transfer shall take effect.

e. Any federal funds which become available to the State for transportation projects which have not been appropriated to the department in the annual appropriations act, shall be deemed appropriated to the department and may, subject to approval by the Joint Budget Oversight Committee and the State Treasurer, be expended for any purpose for which such funds are qualified.

f. There shall be no appropriations from the revenues and other funds of the authority for regular and routine maintenance of public highways and components thereof, or operational activities of the department unrelated to the implementation of, and indirect costs associated with, the capital program. The commissioner shall include in his annual budget request sufficient funding to effectuate the purposes of P.L.2000, c.73 (C.27:1B-21.14 et al.).

g. To the extent that salaries or overhead of the department or the New Jersey Transit Corporation are charged to transportation projects, each agency shall keep adequate and truthful personnel records, and time charts to adequately justify each such charge and shall make those records available to the external auditor to the authority.

h. The commissioner shall annually, on or before January 1 of each fiscal year, report to the Governor and the Legislature how much money was expended in the previous fiscal year for salaries and overhead of the department and the New Jersey Transit Corporation.

However, the amount expended from the revenues and other funds of the authority for salaries and overhead of the department and the New Jersey Transit Corporation for the fiscal years beginning July 1, 2001, July 1, 2002 and July 1, 2003 shall not exceed 13 percent of the total funds appropriated from the revenues and other nonfederal funds of the authority for those fiscal years.

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

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

8. a. Commencing with the report of the commissioner, as may be amended, required to be submitted pursuant to section 22 of P.L.1984, c.73 (C.27:1B-22) on or before March 1, 2000

for the fiscal year commencing July 1, 2000 the amount reported by the commissioner for proposed projects to be financed shall not exceed \$900,000,000 and for the fiscal year beginning July 1, 2001 through the fiscal year beginning July 1, 2003 the annual amounts shall not exceed \$950,000,000, all amounts exclusive of federal funds.

b. For the fiscal year beginning on July 1, 2000, the total amount authorized to be appropriated from the revenues and other nonfederal funds of the New Jersey Transportation Trust Fund Authority for the projects listed in the appropriations act pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21) shall not exceed \$900,000,000 and for the fiscal year beginning July 1, 2001 through the fiscal year beginning July 1, 2003 the annual amounts shall not exceed \$950,000,000, all amounts exclusive of federal funds.

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

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

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

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

22.Section 22 of P.L.1984, c.73 (C.27:1B-22) is amended to read as follows:

C.27:1B-22 Master plan; annual reports.

22. a. To the end that the transportation system of the State shall be planned in an orderly and efficient manner and that the Legislature shall be advised of the nature and extent of public highways, public transportation projects and other transportation projects contemplated to be financed under this act, the department shall submit a master plan, as provided in subsection (a) of section 5 of P.L.1966, c.301 (C.27:1A-5). Notwithstanding the provisions of that act, the plan shall be for a period of five years and shall be submitted to the Commission on Capital Budgeting and Planning, the Chairman of the Senate Transportation Committee and the Chairman of the Assembly Transportation and Communications Committee, or their successors, and the Legislative Budget and Finance Officer, and the metropolitan planning organizations, on or before March 1, 2001, and at five-year intervals thereafter. The master plan shall set the direction for the department's overall Capital Investment Strategy and subsequent annual Transportation Capital Programs submitted to the Legislature for approval pursuant to this section.

b. The Department of Transportation, in conjunction with the New Jersey Transit Corporation, shall prepare a "Capital Investment Strategy" for at least a five-year period which shall contain, at a minimum, a statement of the goals of the department and the corporation in major selected policy areas and the means by which the goals are to be attained during that period, using quantitative measures where appropriate. The Capital Investment Strategy may be updated and submitted no later than March 1 of each year. The Capital Investment Strategy shall provide for a multi-modal, intermodal, seamless and technologically advanced transportation system. It shall recommend investment for major program categories, set overall goals for investment in the State's infrastructure, and develop program targets and performance measures. It may rely on infrastructure management systems as developed by the department to assess bridge conditions, pavement conditions, bridge, traffic and pedestrian safety, traffic

congestion and public transit facilities. With respect to pavement conditions, the department shall set as a priority the utilization of efficient cost-effective materials and treatments as stated in section 9 of P.L.2000, c.73 (C.27:1B-21.22). In the event that there exist appropriate circumstances for the use of micro-surfacing and cold-in-place recycling, the department shall establish as a special priority the use of these materials and surface treatments. The goals of the Capital Investment Strategy shall include, but not be limited to, reduction of vehicular and pedestrian accidents, reduction in the backlog of projects, including one-half of the structurally deficient bridge repair projects and pavement deficiencies, and an increase in lane miles of bicycle paths, with a goal of constructing an additional 1,000 lane miles of bicycle paths in five years to reduce traffic congestion and for recreational uses. The construction of bicycle and pedestrian lanes, paths and facilities shall be subject to no stricter environmental requirements than are provided pursuant to federal law and regulations for such lanes, paths and facilities, notwithstanding the provisions to the contrary of State law and regulations, including State Executive Order No. 215 of 1989. With respect to the New Jersey Transit Corporation, the plan shall deal with the corporation's goals in the area of bus transportation and present a strategy and a preliminary timetable for the replacement of the current diesel bus fleet with a fleet of buses which have reduced emission of air pollutants. The corporation shall consider the feasibility of buses with improved pollution controls and that reduce particulate emissions and buses powered by fuel other than conventional diesel fuel, such as compressed natural gas vehicles, hybrid vehicles, fuel cell vehicles, biodiesel vehicles, vehicles operated on ultra low sulfur fuel, vehicles operated on any other bus fuel approved by the United States Environmental Protection Agency, and the like. The corporation may consider as part of its strategy, cooperative efforts with bus manufacturers, and the solicitation of federal support, in developing a "clean bus" with air pollution controls superior to currently available technology. For the fiscal year beginning July 1, 2007 and each fiscal year thereafter, all buses purchased by the New Jersey Transit Corporation shall be buses with improved pollution controls and that reduce particulate emissions or buses powered by fuel other than conventional diesel fuel, such as compressed natural gas vehicles, hybrid vehicles, fuel cell vehicles, biodiesel vehicles, vehicles operated on ultra low sulfur fuel, vehicles operated on any other bus fuel approved by the United States Environmental Protection Agency, and the like. In the event that the corporation is not able to meet the bus purchase requirements set forth in this section with respect to any fiscal year, prior to the commencement of the fiscal year the board of the corporation shall by resolution submit a report to the Legislature detailing its inability to meet the requirements and the reasons therefor and shall submit the report to the Senate and General Assembly when both houses are in session, including therein a request to be exempted from the bus purchase requirements of this section with regard to the fiscal year in question. The President of the Senate and the Speaker of the General Assembly shall cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly. If a joint resolution approving the exemption is passed by the Legislature and signed by the Governor prior to the commencement of the fiscal year in question, the corporation shall be exempt from the requirements for that fiscal year.

The plan shall also detail the planned investment of capital funds for public transportation projects of companies other than the New Jersey Transit Corporation engaged in the business of providing motor bus transportation. The plan shall demonstrate that such investment adequately addresses the finding in section 2 of P.L.1979, c.150 (C.27:25-2) that in the provision of public transportation services it is desirable to encourage to the maximum extent feasible the participation of private enterprise.

c. On or before March 1 of each year, the commissioner shall submit a report of general project categories and proposed projects thereunder to be financed in the ensuing fiscal year, including therewith a description of the projects, the county or counties within which they are to be located, a distinction between State and local projects, and the amount estimated to be expended on each project. This report shall be known as the "Annual Transportation Capital Program" for the upcoming fiscal year. It shall include proposed projects of both the Department of Transportation and the New Jersey Transit Corporation. The program shall be consistent with, and reflective of, the goals and priorities of the Capital Investment Strategy and the program shall include an explanation which demonstrates how it is consistent with, and

reflective of, the goals and priorities.

d. On or before March 1 of each year, the commissioner shall also submit a "Transportation Trust Fund Authority Financial Plan" designed to implement the financing of the proposed projects. The financial plan shall contain an enumeration of the bonds, notes or other obligations of the authority which the authority intends to issue, including the amounts thereof and the conditions therefor. The financial plan shall set forth a complete operating and financial statement covering the authority's proposed operations during the ensuing fiscal year, including amounts of income from all sources, including but not limited to the proceeds of bonds, notes or other obligations to be issued, as well as interest earned. In addition, the plan shall contain proposed amounts to be appropriated and expended, as well as amounts for which the department anticipates to obligate during the ensuing fiscal year for any future expenditures.

e. The Capital Investment Strategy, the Annual Transportation Capital Program, and the Transportation Trust Fund Authority Financial Plan shall be submitted to the Senate and General Assembly. Within 30 days of the receipt thereof, the Senate or the General Assembly may object in writing to the commissioner in regard to any project or projects in the Annual Transportation Capital Program it disapproves or which it is of the opinion should be modified or added to or any additional or alternative projects considered or in regard to any element of the financial plan. The commissioner shall consider the objections and recommendations and resubmit the report within 10 days, containing therein any modifications based upon the commissioner's consideration of the objections or recommendations.

C.27:1B-21.28 Use of debt service savings.

23. Any savings in the amount of debt service realized as a result of the sale of refunding bonds by the authority shall only be used to fund transportation projects.

C.27:1B-21.29 Additional funds.

24. In addition to those funds to be credited to the "Transportation Trust Fund Account" pursuant to section 20 of P.L.1984, c.73 (C.27:1B-20), the State Treasurer shall also credit to the account any and all additional funds which may now or hereafter be dedicated to transportation purposes by the State Constitution.

C.27:1B-21.30 Highway route construction, restriction.

25. No new State highway route shall be constructed using the revenues and other funds of the authority unless specifically authorized by joint resolution. Nothing in this section shall impair the commissioner's authority to modify, extend or widen existing State highway routes.

26. Section 4 of P.L.1984, c.73 (C.27:1B-4) is amended to read as follows:

C.27:1B-4 New Jersey Transportation Trust Fund Authority.

4. a. There is hereby established in the department a public body corporate and politic, with corporate succession, to be known as the "New Jersey Transportation Trust Fund Authority." For the purpose of complying with the provisions of Article V, Section IV, paragraph 1 of the New Jersey Constitution, the authority is hereby allocated within the Department of Transportation, but notwithstanding said allocation, the authority shall be independent of any supervision or control by the department or by any board or officer thereof. The authority is hereby constituted as an instrumentality of the State, exercising public and essential governmental functions, no part of whose revenues shall accrue to the benefit of any individual, and the exercise by the authority of the powers conferred by the act shall be deemed and held to be an essential governmental function of the State.

b. The authority shall consist of seven members as follows: the commissioner and the State Treasurer, who shall be members ex officio, and five public members, three of whom shall be appointed by the Governor, with the advice and consent of the Senate, one of whom shall represent the interests of trade unions that work on the construction of public highways and the other shall represent the interests of owners of firms that are eligible to submit bids for the construction of public highways. The two remaining public members shall be appointed by the

Governor, one of whom upon recommendation of the President of the Senate and the other upon recommendation of the Speaker of the General Assembly. No more than four members of the authority shall be of the same political party. The public members appointed by the Governor shall serve a four-year term, except that the public member appointed by the Governor upon recommendation of the President of the Senate shall serve for a four-year term and the public member appointed upon recommendation of the Speaker of the General Assembly shall serve for a two-year term.

With respect to those public members first appointed by the Governor: the Senate shall advise and consent to the appointment of the member not appointed upon recommendation of the President and the Speaker within 30 days of the receipt thereof from the Governor, such appointment having been sent by the Governor to the Senate within 20 days following the effective date of this act; the President of the Senate and the Speaker of the General Assembly shall send their recommendations for public members to the Governor within 20 days following the effective date of this act. The Governor has an additional 10 days to accept or reject in writing these recommendations. With respect to the two additional public members to be appointed by the Governor pursuant to P.L.2000, c.73 (C.27:1B-21.14 et al.), the Senate shall advise and consent to the appointment of the members, such appointments having been sent by the Governor to the Senate within 20 days following the date of enactment of P.L.2000, c.73 (C.27:1B-21.14 et al.).

Each public member shall hold office for the term of the member's appointment and until the member's successor shall have been appointed and qualified. A member shall be eligible for reappointment. Any vacancy in the membership occurring other than by expiration of term shall be filled in the same manner as the original appointment but for the unexpired term only.

c. Each public member, except those appointed upon recommendation of the President of the Senate and the Speaker of the General Assembly, may be removed from office by the Governor, for cause, after public hearing, and may be suspended by the Governor pending the completion of such hearing. All members before entering upon their duties shall take and subscribe an oath to perform the duties of their office faithfully, impartially and justly to the best of their ability. A record of such oaths shall be filed in the Office of the Secretary of State.

d. The authority shall not be deemed to be constituted and shall not take action or adopt motions or resolutions until at least four authorized members shall have been appointed and qualified in the manner provided in this section. The commissioner shall serve as chairperson of the authority. Prior to the authority being constituted, the chairperson is authorized to transfer up to \$75 million to the department from the appropriations made to the authority for the fiscal year commencing July 1, 1984. The members shall annually elect one of their members as vice chairperson. The members shall elect a secretary and a treasurer, who need not be members, and the same person may be elected to serve both as secretary and treasurer. The powers of the authority shall be vested in the members thereof in office from time to time and four members of the authority shall constitute a quorum at any meeting thereof. Action may be taken and motions and resolutions adopted by the authority at any meeting thereof by the affirmative vote of at least four members of the authority. No vacancy in the membership of the authority shall impair the right of a quorum of the members to exercise all the powers and perform all the duties of the authority.

e. The members of the authority shall serve without compensation, but the authority shall reimburse its members for actual expenses necessarily incurred in the discharge of their duties. Notwithstanding the provisions of any other law, no member shall be deemed to have forfeited nor shall the member forfeit the member's office or employment or any benefits or emoluments thereof by reason of the member's acceptance of the office of ex officio member of the authority or the member's services therein.

f. Each ex officio member may designate an employee of the member's department or agency to represent the member at meetings of the authority. All designees may lawfully vote and otherwise act on behalf of the member for whom they constitute the designee. The designation shall be in writing delivered to the authority and shall continue in effect until revoked or amended in writing delivered to the authority.

g. A true copy of the minutes of every meeting of the authority shall be forthwith delivered

by and under the certification of the secretary thereof to the Governor. No action taken at the meeting by the authority shall have force or effect until 15 days after such copy of the minutes shall have been so delivered, unless during this 15-day period the Governor shall approve in writing the same or any part thereof, in which case the action shall become effective upon approval. If, in said 15-day period, the Governor returns a copy of the minutes with his veto of any action taken by the authority or any member thereof at the meeting, the action shall be null and void and of no effect. Notwithstanding the foregoing, if the last day of the 15-day period shall be a Saturday, Sunday or legal holiday, then the 15-day period shall be deemed extended to the next following business day. The powers conferred in this paragraph upon the Governor shall be exercised with due regard for the rights of the holders of bonds, notes or other obligations of the authority at any time outstanding, and nothing in, or done pursuant to, this paragraph shall in any way limit, restrict or alter the obligation or powers of the authority or any representative or officer of the authority to carry out and perform in every detail each and every covenant, agreement or contract at any time made or entered into by or on behalf of the authority with respect to its bonds, notes or other obligations or for the benefit, protection or security of the holders thereof.

h. The authority shall continue in existence until dissolved by act of the Legislature. However, any dissolution of this authority shall be on condition that the authority has no debts, contractual duties or obligations outstanding, or that provision has been made for the payment, discharge or retirement of these debts, contractual duties or obligations. Upon any dissolution of the authority, all property, rights, funds and assets thereof shall pass to and become vested in the State.

C.27:1B-21.31 Transportation Trust Fund Advisory Board.

27. a. There is hereby established a Transportation Trust Fund Advisory Board to be comprised of seven members. The Governor shall appoint three public members and the President of the Senate and the Speaker of the General Assembly shall each appoint one public member. The commissioner or the commissioner's designee and the State Treasurer or the State Treasurer's designee shall serve as ex officio members of the board. All of the public members shall have some experience in the field of transportation or finance. Each public member shall serve for a term of three years and shall serve until the member's successor is appointed and has qualified. Of the public members first appointed pursuant to this act, one member appointed by the Governor shall serve one year, two members so appointed shall serve two years, and the remainder of the public members shall serve three years. The Governor shall designate one of the public members to serve as chairperson of the board. The board shall meet a minimum of four times each year. The department shall provide staff to support the board.

b. The purpose of the Advisory Board shall be to review the department's long range capital planning, master plan and Capital Investment Strategy, including the overall program and to make recommendations to the Governor and the Legislature concerning the department's capital investment strategies and the continuation of the funding of the State's transportation system under the New Jersey Transportation Trust Fund Authority.

28. This act shall take effect immediately except that sections 18 and 19 shall take effect on July 1, 2000.

Approved July 20, 2000.