SYNOPSIS

Requires Financial Policy Review Board to issue quarterly reports and create and maintain website.

CURRENT VERSION OF TEXT

As reported by the Assembly Transportation, Public Works and Independent Authorities Committee on March 8, 2012, with amendments.

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

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

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

The board shall be comprised of five public members with experience in transportation finance and policy. The Governor shall appoint three of the members with the advice and consent of the Senate. The remaining members shall be appointed by the Governor as follows: one upon the joint recommendation of the President of the Senate and the Minority Leader of the Senate, and one upon the joint recommendation of the Speaker of the General Assembly and the Minority Leader of the General Assembly. Each member shall serve for a four-year term and shall serve until the member's successor is appointed and qualified; provided, however, that in order to achieve non-concurrent terms, of the members first appointed pursuant to this section, two members appointed by the Governor shall serve for four years; while the two members appointed upon the joint recommendation of the President of the Senate and the Minority Leader of the Senate and upon the joint recommendation of the Speaker of the General Assembly and the Minority Leader of the General Assembly shall serve for three years each, and the remaining member appointed by the Governor shall serve for two years. The Financial Policy Review Board shall be deemed to be constituted immediately upon appointment and qualification in the manner provided in this section of at least three members.

The purpose of the board is to assure fiscal discipline through

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.
Matter enclosed in superscript numerals has been adopted as follows:

Assembly ATR committee amendments adopted March 8, 2012.
evaluating the financing of transportation and preparing an annual State of Condition of Transportation Financing certification. The certification shall ensure that the financing and expenditures of the New Jersey Transportation Trust Fund Authority (the “authority”) adhere to certain standards. The standards are:

a. The bonding limitation as provided in subsection i. of section 9 of P.L.1984, c.73 (C.27:1B-9).

b. For the fiscal year commencing July 1, 2007, the amount expended from the revenues and other funds of the authority for permitted maintenance shall not exceed the amount expended for permitted maintenance in the fiscal year commencing July 1, 2006.

c. The total amount authorized to be appropriated from the revenues and other funds of the authority for project costs shall not exceed $1,600,000,000 annually.

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

In each State fiscal year commencing with fiscal year 2012, the board, in consultation with the department, shall, in addition to submitting the annual State of Condition of Transportation Financing certification, report to the Legislature on a quarterly basis, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), detailed information concerning: the authority’s capital spending; the New Jersey Transit Corporation’s capital lease financing program; the Port Authority of New York and New Jersey’s capital spending on projects included in the department’s Annual Transportation Capital Program; the New Jersey Turnpike Authority’s capital spending and any contractual payments made to the State or the authority by the New Jersey Turnpike Authority; the receipt and expenditure of federal funds included in the department’s Annual Transportation Capital Program; the use of monies from the General Fund as projected in the department’s Annual Transportation Capital Program; and any other information that the board deems relevant in providing a financial overview and evaluation of the department’s Annual Transportation Capital Program. The quarterly report shall provide the Legislature with the board’s assessment of: the current and anticipated ability of the authority to continue to adequately fund the department’s Annual Transportation Capital Program; the use of federal capital funds spent on preventive maintenance; the ability of the State to make current and future debt service payments and other expenditures; and whether there is a need to limit bonding.

The board shall be entitled to call to its assistance, and avail itself of the services of, such employees of the department, as it may require and as may be made available to it for the purpose of carrying out its duties under this section. The department shall also provide the board, or any member thereof, with any information a
member deems necessary or useful in carrying out the functions of
the board.

The board, with assistance from the department, shall create and
maintain a website on which the quarterly reports issued by the
board shall be posted, and any other information that the board
deems relevant in providing transparency to the financing of the
department’s Annual Transportation Capital Program.

(cf: P.L.2006, c.3, s.6)

2. This act shall take effect immediately.