New Jersey Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

• Counties have no authority to levy property taxes, sales and use taxes, franchise taxes, excise taxes, license taxes, or other miscellaneous taxes by themselves. Each year, the governing body of a county must produce a budget including the projected amount of revenues needed to fulfill the county’s obligations. The county board of taxation then collects the budgets of all local governments within the county, certifies all the local taxes to be levied, and apportions the proper amount of revenues to each local government. In general circumstances, a county may only increase its cap on revenues with approval from the state Local Finance Board or from a 60 percent majority of qualified voters in an election

• Counties may appropriate funds and distribute them to port and harbor authorities created by the legislature; however, the county lacks the authority create a harbor authority on its own.

• The county may contract with the department of transportation to provide for the construction of additional entrances and exits to highway projects operated by the New Jersey Highway Authority. The county cedes control of the property to the Highway Authority when completed. Counties may also require permitting fees when opening a new road

• The county has the authority to acquire, by purchase or lease, maintain, equip, improve, and operate any existing public transportation or rail line, including all appurtenant buildings and facilities

• The county may contract with a public or private entity to operate a public transportation system. The county may even sell some of said facilities to allow a private contractor to manage ticket sales. Counties may appropriate funds for this venture and may issue general obligation bonds for it.

• The county may also operate a mass transit system jointly with a municipality, subject to approval from the New Jersey transportation department

• The county may make regulations to ensure the efficient operation of an airport. The county governing body may adopt usage fees associated with the use of airfields and landing strips and may levy taxes and issue bonds to pay for any and all appropriations made for the airport.

## **Funding Sources for County Transportation Projects:**

• County Aid funds from the Transportation Trust Fund are appropriated by Legislature annually for public road and bridge improvements as well as public transportation. Counties are allotted funds not less than their combined total of 1984 apportioned Federal Aid Urban system funds and State match including their portion of any non-attributable funds made available to Small Urban Areas. The minimum allotment is $300,000. Each county must submit an Annual Transportation Program (ATP) that lists all of the eligible projects with a brief description and an estimate of the construction costs.

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## **Challenges in Funding and Financing Transportation Projects:**

• County governments have an annual need of $86.0 million for resurfacing, $277.0 million for bridges, $84.0 million for construction and reconstruction, and $67 million for design and contract administration for a total need of $514.0 million per year. The current Transportation Trust Fund (TTF) allocates $175.0 million per year as Local Aid with $78.75 million each for counties and municipalities, now $7.5 million in discretionary funding, and an additional $25.0 million for county bridges leaving county governments responsible for financing at least $403.0 million of its total need through the collection of local property taxes

## **Innovative Solutions to Funding and Financing Challenges**

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