

# ASSEMBLY, No. 5440

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 23, 2019

**Sponsored by:**

**Assemblywoman NANCY F. MUNOZ**

**District 21 (Morris, Somerset and Union)**

**Assemblywoman BETTYLOU DECROCE**

**District 26 (Essex, Morris and Passaic)**

**SYNOPSIS**

Changes reporting date and certain data requirements for NJT annual report; establishes penalty for failure to issue report in timely manner; and establishes quarterly reporting requirements.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/8/2019)**

1 AN ACT concerning reports issued by the New Jersey Transit  
2 Corporation and amending P.L.1979, c.150.

3

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

6

7 1. Section 20 of P.L.1979, c.150 (C.27:25-20) is amended to  
8 read as follows:

9 20. a. The corporation shall, **[by October 31 of]** on or before  
10 the 90th day following the end of each fiscal year, file with the  
11 Commissioner of Transportation a report in such format and detail  
12 as the Commissioner may require setting forth the actual,  
13 operational, capital, and financial results of the previous fiscal year,  
14 the operational, capital, and financial plan for the current fiscal year  
15 and a proposed operational, capital, and financial plan for the next  
16 ensuing fiscal year.

17 b. On or before **[October 31 of]** the 90th day following the end  
18 of each fiscal year, the corporation shall **[make]** submit an annual  
19 report of its activities for the preceding fiscal year to the Governor,  
20 the President of the Senate, the Speaker of the General Assembly,  
21 and the Assembly Transportation and Independent Authorities  
22 Committee and the Senate Transportation Committee, or their  
23 successor committees. Each such report shall set forth a complete  
24 operating and financial statement covering its operations and capital  
25 projects during the year. The report shall also include an account of  
26 the on-time performance of rail passenger service, including light  
27 rail service, operated by, or under contract to, the corporation,  
28 including data for each such passenger line and organized in such a  
29 manner to indicate separate on-time performance metrics for peak  
30 and off-peak time periods and for weekday and weekend  
31 performance. The report shall provide a detailed discussion of the  
32 methodology used by the corporation in measuring on-time  
33 performance. The report shall include information from the  
34 customer advocate, as required by section 16 of P.L.2018, c.162  
35 (C.27:25-5.27). The report shall include certain personnel  
36 information of employees of the corporation, including the average  
37 salary, number of employees in management positions, and number  
38 of employees that are not in management positions in key  
39 demographic groups, which shall include, at minimum, race,  
40 ethnicity, and gender. The report shall include certain accident  
41 information for reportable accidents that occurred during the  
42 previous year which involved a rail passenger vehicle or motorbus  
43 operated by, or under contract to, the corporation, including the  
44 total number of accidents and any fines, penalties, or judgments  
45 levied against the corporation related to any such accident. The

**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 report shall also include information regarding any safety violations  
2 for which the corporation received a notice of violation in the  
3 previous year, including the total number of safety violations and  
4 any fines or penalties levied against the corporation related to any  
5 such safety violation. For the purposes of this subsection,  
6 "reportable accidents" shall be defined in accordance with  
7 applicable federal reporting criteria.

8 If the corporation fails to submit the report by the 90th day  
9 following the end of the corporation's fiscal year, the corporation's  
10 board of directors shall not vote or act on any agenda item until the  
11 report is submitted to the appropriate officials in accordance with  
12 this subsection. If, by the 120th day following the end of the  
13 corporation's fiscal year, the corporation has not submitted a report  
14 in accordance with this subsection, the executive director of the  
15 corporation shall convene public hearings throughout the State, one  
16 to be held in each county, for the purposes of providing an  
17 explanation to the public for the failure to submit the report and for  
18 the executive director to receive public input concerning the  
19 corporation and its services. The executive director shall physically  
20 attend each public hearing required pursuant to this subsection. If  
21 the executive director fails to comply with the public hearing  
22 requirements of this subsection by the 150th day following the end  
23 of the corporation's fiscal year, the executive director shall  
24 immediately forfeit the office of executive director.

25 c. All records of minutes, accounts, bills, vouchers, contracts  
26 or other papers connected with or used or filed with the corporation  
27 or with any officer or employee acting on its behalf are hereby  
28 declared to be government records and shall be open to public  
29 inspection in accordance with P.L.1963, c.73 (C.47:1A-1 et seq.)  
30 and regulations prescribed by the corporation.

31 d. The corporation shall cause an audit of its books and  
32 accounts to be made at least once each year by certified public  
33 accountants and the cost thereof may be treated as a cost of  
34 operation. The audit shall be filed within four months after the  
35 close of the fiscal year of the corporation and a certified duplicate  
36 copy thereof shall be filed with the Division of Budget and  
37 Accounting in the Department of the Treasury.

38 e. Notwithstanding the provisions of any law to the contrary,  
39 the State Auditor or a legally authorized representative may  
40 examine the accounts and books of the corporation.

41 f. On or before October 1 of each year, the board shall approve  
42 and the corporation shall transmit to the Commissioner of  
43 Transportation and to the President of the Senate, the Speaker of the  
44 General Assembly, and the Assembly Transportation and  
45 Independent Authorities Committee and the Senate Transportation  
46 Committee, or their successor committees, a report containing: a list  
47 of each parcel of real property owned by the corporation; the most  
48 recent appraised value of that real property only if the corporation

1 has obtained an appraisal during the three years immediately  
2 preceding the report; the purpose for which the corporation holds  
3 the real property; any revenue the corporation receives that arises  
4 out of the real property; and any real property sold or otherwise  
5 disposed of, including the amount of money received by the  
6 corporation for that sale or disposition, during the one year period  
7 immediately preceding the report and including an accompanying  
8 explanation for any real property disposed of for less than market  
9 value and any real property acquired for more than market value.

10 g. On or before April 1 of each year, the board shall approve  
11 and the corporation shall transmit to the Commissioner of  
12 Transportation and to the President of the Senate, the Speaker of the  
13 General Assembly, and the Assembly Transportation and  
14 Independent Authorities Committee and the Senate Transportation  
15 Committee, or their successor committees, an annual proposed  
16 budget recommendation. The budget document shall be a two-year  
17 budget which covers the most recent completed fiscal year,  
18 estimated results for the fiscal year in progress, a recommendation  
19 for the fiscal year to commence, and estimated needs and  
20 projections for the following fiscal year. At a minimum, the budget  
21 shall provide detailed information in the following areas:

22 (1) An executive summary outlining the highlights of the budget  
23 document;

24 (2) A profile describing the history of the corporation and the  
25 services it provides;

26 (3) An analysis of regional and agency transportation trends,  
27 including a detailed ridership analysis;

28 (4) A synopsis of the current corporation business plan;

29 (5) A list of key performance indicators;

30 (6) A statement of current budget year assumptions regarding  
31 funding and ridership;

32 (7) A summary of the internal corporation budgeting process  
33 and its interaction with the Statewide budgeting process;

34 (8) A description of the current corporation organizational  
35 structure;

36 (9) Detailed operating revenue and expense projections for each  
37 division within the corporation, with 10 year revenue and expense  
38 trends and five year revenue and expense projections;

39 (10) A detailed headcount analysis by department or unit, which  
40 includes actual employee count, funded headcount, actual salary  
41 and fringe expenses, and recent employment trends; and

42 (11) A summary of the capital program and analysis of current  
43 capital projects for which capital funds have already been  
44 appropriated, but where the project is not yet complete, which  
45 includes the years of appropriation, amounts expended, future  
46 appropriations required to complete the project, and a brief analysis  
47 of project progress.



1       The bill provides that if NJ Transit does not comply with the  
2 deadline for the annual report, the NJ Transit board of directors is  
3 prohibited from voting or acting on any agenda item until the report  
4 is submitted. If NJ Transit is more than 90 days late in submitting  
5 the report, the bill requires the executive director of NJ Transit to  
6 convene public hearings throughout the State. The bill requires that  
7 one public hearing be held in each county for a minimum  
8 requirement of 21 public hearings. The executive director is  
9 required to physically attend each public hearing. If the executive  
10 director fails to comply with the public hearing requirements by the  
11 150th day following the adoption of the NJ Transit budget, the bill  
12 provides that the executive director thereby forfeits the office of  
13 executive director.

14       The bill also requires NJ Transit to submit quarterly reports to  
15 the Governor and the Legislature that provide the same data and  
16 information that is required to be included in the annual report.