

[First Reprint]

**SENATE, No. 630**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

**Sponsored by:**

**Senator ROBERT M. GORDON**

**District 38 (Bergen and Passaic)**

**Senator LORETTA WEINBERG**

**District 37 (Bergen)**

**Co-Sponsored by:**

**Senators T.Kean, Gill and Stack**

**SYNOPSIS**

Provides governance, oversight, and accountability reforms at NJT.

**CURRENT VERSION OF TEXT**

As reported by the Senate Transportation Committee on March 12, 2018,  
with amendments.



**(Sponsorship Updated As Of: 5/11/2018)**



1 AN ACT concerning reforms of the New Jersey Transit Corporation,  
 2 amending P.L.1979, c.150, R.S.52:14-7, and R.S.52:24-4, and  
 3 supplementing P.L.1979, c.150.

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

7  
 8 1. Section 4 of P.L.1979, c.150 (C.27:25-4) is amended to read  
 9 as follows:

10 4. a. There is hereby established in the Executive Branch of  
 11 the State Government the New Jersey Transit Corporation, a body  
 12 corporate and politic with corporate succession. For the purpose of  
 13 complying with the provisions of Article V, Section IV, paragraph 1  
 14 of the New Jersey Constitution, the corporation is hereby allocated  
 15 within the Department of Transportation, but, notwithstanding  
 16 **[said]** that allocation, the corporation shall be independent of any  
 17 supervision or control by the department or by any body or officer  
 18 thereof. The corporation is hereby constituted as an instrumentality  
 19 of the State exercising public and essential governmental functions,  
 20 and the exercise by the corporation of the powers conferred by this  
 21 act shall be deemed and held to be an essential governmental  
 22 function of the State.

23 b. The corporation shall be governed by a board which shall  
 24 consist of **[eight]** <sup>1</sup>**[12]** <sup>1</sup>13<sup>1</sup> members, <sup>1</sup>each of whom shall be a  
 25 voting member<sup>1</sup>.

26 **[Seven]** <sup>1</sup>**[11]** of the members shall be voting members and **[The**  
 27 board<sup>1</sup> shall consist of: the Commissioner of Transportation and the  
 28 State Treasurer, who shall be members ex officio, another member  
 29 of the Executive Branch to be selected by the Governor who shall  
 30 also serve ex officio, <sup>1</sup>two members appointed by the Governor  
 31 upon the recommendation of labor organizations, in accordance  
 32 with the provisions of this section,<sup>1</sup> and **[four other]** eight public  
 33 members who shall be appointed by the Governor**[,]** as follows:

34 <sup>1</sup>**[three]** two<sup>1</sup> members <sup>1</sup>, with the advice and consent of the  
 35 Senate,<sup>1</sup> who shall each have experience as either a regular  
 36 corporation motorbus regular route service rider or regular  
 37 corporation rail passenger service or light rail service rider or have  
 38 a professional background in passenger rail service, freight rail  
 39 management, transportation capital planning, transportation and  
 40 public transportation capital construction, federal transportation  
 41 policy, State transportation policy, <sup>1</sup>real estate investment or  
 42 development,<sup>1</sup> human resources management, or transportation

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:

<sup>1</sup>Senate STR committee amendments adopted March 12, 2018.



1 capital finance, <sup>1</sup>one upon the recommendation of the Tri-State  
2 Transportation Campaign,]<sup>1</sup> one upon the recommendation of <sup>1</sup>the  
3 New Jersey members of the<sup>1</sup> Delaware Valley Regional Planning  
4 Commission <sup>1</sup>[.] and<sup>1</sup> one upon the recommendation of the North  
5 Jersey Transportation Planning Authority;

6 two members <sup>1</sup>[, each of whom has a professional background in  
7 passenger rail service, freight rail management, transportation  
8 capital planning, transportation and public transportation capital  
9 construction, federal transportation policy, State transportation  
10 policy, human resources management, or transportation capital  
11 finance] , with the advice and consent of the Senate, one who shall  
12 have experience as a regular corporation motorbus regular route  
13 service rider and one who shall have experience as a regular  
14 corporation rail passenger service or light rail service rider<sup>1</sup>; and

15 <sup>1</sup>[three members, each of whom shall have experience as a  
16 regular corporation motorbus regular route service rider or as a  
17 regular corporation rail passenger service or light rail service rider,  
18 one of whom shall be appointed upon the recommendation of the  
19 Senate President and one of whom shall be appointed upon the  
20 recommendation of the Speaker of the General Assembly provided  
21 that if the Senate President and Speaker of the General Assembly  
22 both recommend motorbus regular route service riders then the third  
23 member appointed by the Governor shall be a regular corporation  
24 rail passenger service or light rail service rider and further provided  
25 that if the Senate President and Speaker of the General Assembly  
26 both recommend regular corporation rail passenger service or light  
27 rail service riders then the third member appointed by the Governor  
28 shall be a motorbus regular route service rider] four members, who  
29 shall each have a professional background in passenger rail service,  
30 freight rail management, transportation capital planning,  
31 transportation and public transportation capital construction, federal  
32 transportation policy, State transportation policy, real estate  
33 investment or development, human resources management, or  
34 transportation capital finance, one appointed by the Governor upon  
35 the recommendation of the President of the Senate, one appointed  
36 by the Governor upon the recommendation of the Speaker of the  
37 General Assembly, and two appointed by the Governor, with the  
38 advice and consent of the Senate<sup>1</sup>.

39 All public members, except for those appointed upon the  
40 recommendation of the <sup>1</sup>[Senate]<sup>1</sup> President <sup>1</sup>of the Senate<sup>1</sup> and the  
41 Speaker of the General Assembly, shall be appointed with the  
42 advice and consent of the Senate, and all public members shall  
43 serve for four year staggered terms and until their successors are  
44 appointed and qualified provided, however, that a board member  
45 shall not serve beyond the expiration of that board member's term  
46 for more than 90 days following the expiration of the term unless  
47 reappointed. No more than [two] three of the six public members



1 appointed by the Governor with the advice and consent of the  
2 Senate shall be members of the same political party. **【At least one**  
3 **public member shall be a regular public transportation rider.】** Each  
4 public member may be removed from office by the Governor for  
5 cause. A vacancy in the membership of the board occurring other  
6 than by expiration of term shall be filled in the same manner as the  
7 original appointment, but for the unexpired term only. **【The first**  
8 **appointments shall be for one, two, three and four years**  
9 **respectively, and thereafter for terms of four years as stated.】** The  
10 board shall annually designate a vice **【chairman】** chairperson and  
11 secretary. The secretary need not be a member.

12 There shall <sup>1</sup>**【also】** be <sup>1</sup>**【one non-voting member】** two  
13 members<sup>1</sup> of the board, <sup>1</sup>**【** who shall not be considered in  
14 determining a quorum. The non-voting member shall be<sup>1</sup> one  
15 appointed by the Governor upon the recommendation of the labor  
16 organization representing the plurality of the employees of the  
17 corporation <sup>1</sup>involved in rail operations and one appointed by the  
18 Governor upon the recommendation of the labor organization  
19 representing the plurality of the employees of the corporation  
20 involved in motorbus operations<sup>1</sup>. <sup>1</sup>**【The non-voting】** Each<sup>1</sup>  
21 member <sup>1</sup>appointed upon recommendation of a labor organization<sup>1</sup>  
22 shall be appointed for a term of four years, provided, however, that  
23 if at any time during the term of appointment the <sup>1</sup>**【non-voting】**<sup>1</sup>  
24 member ceases to be affiliated with the labor organization  
25 representing the plurality of the <sup>1</sup>relevant segment of<sup>1</sup> employees of  
26 the corporation, then such labor organization may, thereupon or at  
27 any time thereafter during such term, recommend a new member to  
28 the Governor for appointment to serve the remainder of the term. If  
29 the local bargaining unit decertifies its existing union affiliation and  
30 certifies a new union, the union which represents the plurality of the  
31 <sup>1</sup>relevant segment of<sup>1</sup> employees may recommend a new member to  
32 the Governor for appointment to serve the remainder of the term.  
33 <sup>1</sup>**【The chairman of the board may, at the chairman's discretion,**  
34 **exclude such non-voting member from attending any portion of a**  
35 **board meeting or any other meeting held for the purpose of**  
36 **discussing negotiations with labor organizations, pending litigation**  
37 **involving the labor organization, the investigation, evaluation, or**  
38 **discipline of an employee of the corporation, or matters concerning**  
39 **private entities engaged in the provision of motorbus regular route**  
40 **service, paratransit service, or motorbus charter service that would**  
41 **otherwise not be considered public information. The non-voting】**  
42 Each<sup>1</sup> member <sup>1</sup>appointed upon recommendation of a labor  
43 organization<sup>1</sup> may be removed by the Governor for cause.

44 For the purposes of this subsection:

45 “experience as a regular corporation motorbus regular route  
46 service rider” includes any rider who is a regular corporation



1 motorbus regular route service rider at the time of the member's  
2 appointment or reappointment and any rider who has been a regular  
3 corporation motorbus regular route service rider in three of the  
4 '[seven] five' years preceding the member's appointment or  
5 reappointment.

6 "experience as a regular corporation rail passenger service or  
7 light rail service rider" includes any rider who is a regular  
8 corporation rail passenger service or light rail service rider at the  
9 time of the member's appointment or reappointment and any rider  
10 who has been a regular corporation rail passenger service or light  
11 rail service rider in three of the '[seven] five' years preceding the  
12 member's appointment or reappointment.

13 c. Board members other than those serving ex officio shall  
14 serve without compensation, but members shall be reimbursed for  
15 actual expenses necessarily incurred in the performance of their  
16 duties.

17 d. The Commissioner of Transportation shall serve as  
18 **[chairman]** chairperson of the board **[. He]** , shall chair board  
19 meetings, and shall have responsibility for the scheduling and  
20 convening of all meetings of the board. In **[his]** the absence of the  
21 chairperson, the vice **[chairman]** chairperson shall chair the board  
22 meeting. Each ex officio member of the board may designate two  
23 employees of **[his]** the ex officio member's department or agency,  
24 one of whom may represent **[him]** the ex officio member at  
25 meetings of the board. A designee may lawfully vote and otherwise  
26 act on behalf of the member for whom **[he]** the person constitutes  
27 the designee. Any such designation shall be in writing delivered to  
28 the board and shall continue in effect until revoked or amended by  
29 writing delivered to the board.

30 e. The powers of the corporation shall be vested in the voting  
31 members of the board thereof and **[four]** '[six] seven' voting  
32 members of the board shall constitute a quorum at any meeting  
33 thereof. Actions may be taken and motions and resolutions adopted  
34 by the board at any meeting thereof by the affirmative vote of at  
35 least **[four]** '[six] seven' members. No vacancy in the  
36 membership of the board shall impair the right of a quorum to  
37 exercise all the rights and perform all the duties of the board.

38 f. A true copy of the minutes of every meeting of the board  
39 shall be delivered forthwith, by and under the certification of the  
40 secretary thereof, to the Governor. No action taken at such meeting  
41 by the board shall have force or effect until approved by the  
42 Governor or until 10 days after such copy of the minutes shall have  
43 been delivered. If, in said 10-day period, the Governor returns such  
44 copy of the minutes with veto of any action taken by the board or  
45 any member thereof at such meeting, such action shall be null and  
46 of no effect. The Governor may approve all or part of the action



1 taken at such meeting prior to the expiration of the said 10-day  
2 period.

3 g. (1) The board meetings shall be subject to the provisions of  
4 the "Senator Byron M. Baer Open Public Meetings Act," P.L.1975,  
5 c.231 (C.10:4-6 et seq.) <sup>1</sup>, except that any agenda related to a  
6 meeting of the corporation's board of directors, including any  
7 revised agenda, shall be provided to the public at least five calendar  
8 days prior to the meeting and except that one-half of the total  
9 number of meetings of the board shall be held in the evening after  
10 6:00 p.m. Each notice of a board meeting and each agenda for a  
11 board meeting shall be published on the corporation's website.  
12 Board meetings shall be viewable on the corporation's website in  
13 real time and shall be archived and made available to the public for  
14 subsequent viewing on the corporation's website. Meeting minutes  
15 shall be archived and published on the corporation's website<sup>1</sup>.

16 (2) The board shall hold a minimum of 10 public board  
17 meetings per year. Public hearings held pursuant to subsection d. of  
18 section 8 of P.L.1979, c.150 (C.27:25-8) shall not be considered  
19 public board meetings for the purposes of this subsection.

20 h. (1) <sup>1</sup> [A person shall not be eligible to serve on the board if  
21 the person has contributed money or made any in-kind contribution  
22 to any: candidate for political office; candidate committee; joint  
23 candidate committee; political committee; continuing political  
24 committee; political action committee; State, county, or municipal  
25 party committee; legislative leadership committee; or any similar  
26 committee in an amount or manner that would create the appearance  
27 of impropriety, as determined by the State Ethics Commission.

28 (2) <sup>1</sup> Each board member shall annually disclose to the board of  
29 directors and to the chief ethics officer any contributions made  
30 within the preceding two years to<sup>1</sup>; <sup>1</sup> any candidate for political  
31 office; candidate committee; joint candidate committee; political  
32 committee; continuing political committee; political action  
33 committee; State, county, or municipal party committee; legislative  
34 leadership committee; or any similar committee.

35 <sup>1</sup> [(3)] (2) <sup>1</sup> Each board member shall annually disclose to the  
36 board of directors and to the chief ethics officer any gifts received  
37 in excess of \$250.

38 (cf: P.L.2009, c.179, s.1)

39

40 2. (New section) a. The board of directors of the corporation  
41 shall:

42 (1) Execute direct oversight of the corporation's executive  
43 director and other management in the effective and ethical  
44 management of the corporation, including review and approval of  
45 any quarterly changes to the schedules for motorbus regular route  
46 service, rail passenger service, or light rail service;



1 (2) Understand, review, and monitor the implementation of  
2 fundamental financial and management controls and operational  
3 decisions of the corporation, including review and approval of any  
4 quarterly changes to the schedules for motorbus regular route  
5 service, rail passenger service, or light rail service;

6 (3) Establish policies regarding the payment of salary,  
7 compensation, and reimbursements to, and establish rules for the  
8 time and attendance of, the executive director and management  
9 consistent with State law;

10 (4) Adopt a code of ethics, in consultation with the chief ethics  
11 officer, applicable to each board member, officer, and employee  
12 that, at a minimum, includes the applicable standards established by  
13 State law;

14 (5) Require that the corporation establish written policies and  
15 procedures on personnel including policies protecting employees  
16 from retaliation for disclosing information concerning acts of  
17 wrongdoing, misconduct, malfeasance, or other inappropriate  
18 behavior by an employee of the corporation;

19 (6) Adopt a policy that provides guidelines for when it is  
20 appropriate for the chief ethics officer to forward the results and  
21 findings of a preliminary investigation conducted by the chief ethics  
22 officer to the State Ethics Commission, Office of the Attorney  
23 General, county prosecutor's office, or any other appropriate  
24 agency for further investigation or action; and

25 (7) Adopt a defense and indemnification policy and disclose  
26 such <sup>1</sup>['plan'] policy<sup>1</sup> to any and all prospective board members.

27 b. (1) The members of the board shall perform each of their  
28 duties as board members, including but not limited to those imposed  
29 by this section, in good faith and with that degree of diligence, care,  
30 and skill which an ordinarily prudent person in like position would  
31 use under similar circumstances, and may take into consideration  
32 the views and policies of any elected official or body, or other  
33 person and ultimately apply independent judgment in the best  
34 interest of the corporation, its mission, and the public.

35 (2) At the time that a board member takes and subscribes the  
36 board member's oath of office, or within 60 days after the effective  
37 date of P.L. , c. (C. ) (pending before the Legislature as this  
38 bill) if the board member has already taken and subscribed the  
39 board member's oath of office, the board member shall execute an  
40 acknowledgement, in a form developed by the corporation, in which  
41 the board member shall, at a minimum:

42 (a) acknowledge that the board member understands that a  
43 board member has a fiduciary obligation to perform duties and  
44 responsibilities to the best of the board member's abilities, in good  
45 faith and with proper diligence and care, consistent with the  
46 enabling compact, mission, and by-laws of the corporation and the  
47 applicable laws of this State; and that the fiduciary duty to the  
48 corporation is derived from and governed by its mission;



- 1 (b) acknowledge that the board member understands the board  
2 member's duty of loyalty and care to the corporation and  
3 commitment to the corporation's mission and the public interest;  
4 and the board member's obligation to act in the best interests of the  
5 corporation and the people whom the corporation serves;
- 6 (c) agree that a board member has an obligation to become  
7 knowledgeable about the mission, purpose, functions,  
8 responsibilities, and statutory duties of the corporation and, when  
9 necessary, to make reasonable inquiry of management and others  
10 with knowledge and expertise so as to inform the board member's  
11 decisions;
- 12 (d) agree to exercise independent judgment on all matters before  
13 the board;
- 14 (e) agree not to divulge confidential discussions and  
15 confidential matters that come before the board for consideration or  
16 action;
- 17 (f) agree to disclose to the board any conflicts, or the  
18 appearance of a conflict, of a personal, financial, ethical, or  
19 professional nature that could inhibit the board member from  
20 performing the board member's duties in good faith and with due  
21 diligence and care; and
- 22 (g) certify that the board member does not have any interest in,  
23 financial or otherwise, direct or indirect, or engage in any business  
24 or transaction or professional activity or incur any obligation of any  
25 nature, which is in substantial conflict with the proper discharge of  
26 the board member's duties in the public interest.
- 27 c. Individuals appointed to the board of directors shall  
28 participate in training regarding their legal, fiduciary, financial, and  
29 ethical responsibilities as directors of the corporation within six  
30 months of appointment to the board. Board members shall  
31 participate in continuing training as may be required to remain  
32 informed of best practices, regulatory and statutory changes relating  
33 to the effective oversight of the management and financial activities  
34 of public authorities, and to adhere to the highest standards of  
35 responsible governance.
- 36 d. No board member, including the chairperson, shall serve as  
37 the corporation's executive director, chief financial officer, or hold  
38 any senior management position while serving as a member of the  
39 board.
- 40 e. The board of directors shall require that the members of the  
41 audit committee possess the necessary skills to understand the  
42 duties and functions of the committee, including having sufficient  
43 knowledge in the areas of finance and accounting.
- 44 f. (1) The board of directors shall establish an employee  
45 relations committee to be comprised of not less than three  
46 independent members, who shall constitute a majority on the  
47 committee, and who shall possess the necessary skills to understand  
48 the duties and functions of the committee; provided, however, that



1 in the event that a board has less than three independent members,  
2 the board may appoint non-independent members to the committee,  
3 provided that the independent members shall constitute a majority  
4 of the members of the committee.

5 (2) The employee relations committee shall receive a  
6 <sup>1</sup>~~monthly~~ quarterly report from the director of the Office of  
7 Equal Opportunity and Affirmative Action, or any successor office,  
8 regarding the activities of that office, including a summary of the  
9 reports and complaints involving discrimination or harassment  
10 received by that office and any actions taken or expected to be  
11 taken by that office in response to said reports or complaints. The  
12 executive director shall be present at any committee meeting where  
13 such a report is provided.

14 (3) The employee relations committee shall receive a  
15 <sup>1</sup>~~monthly~~ quarterly report from the director of the Human  
16 Resources Office, or any successor office, regarding the activities  
17 of that office, including a summary of job vacancies, job postings,  
18 new employees, reclassification of job titles, retirements,  
19 terminations, disciplinary actions, and any other personnel  
20 decisions. The executive director shall be present at any committee  
21 meeting where such a report is provided.

22 (4) The employee relations committee shall meet with  
23 representatives of each labor organization representing employees  
24 of the corporation and shall provide those representatives access to  
25 the meetings of the committee, provided, however, that the  
26 employee relations committee may exclude the labor organization  
27 representatives and any other person that the committee deems  
28 appropriate from any portion of a committee meeting or any other  
29 meeting held by members of the committee for the purpose of  
30 discussing negotiations with labor organizations, pending litigation,  
31 the investigation, evaluation, or discipline of an employee of the  
32 corporation, or any other matters that would otherwise not be  
33 considered public information. The committee shall meet at least  
34 twice annually with representatives of each labor organization  
35 representing employees of the corporation.

36 g. For the purposes of this section, an independent member is  
37 one who:

38 (1) is not, and in the past two years has not been, employed by  
39 the corporation or an affiliate in an executive capacity;

40 (2) is not, and in the past two years has not been, employed by  
41 an entity that received remuneration valued at more than \$15,000  
42 for goods and services provided to the corporation or received any  
43 other form of financial assistance valued at more than \$15,000 from  
44 the corporation;

45 (3) is not a relative of an executive officer or employee in an  
46 executive position of the corporation or an affiliate; and

47 (4) is not, and in the past two years has not been, a lobbyist  
48 registered under a state or local law and paid by a client to influence



1 the management decisions, contract awards, rate determinations, or  
2 any other similar actions of the corporation or an affiliate.

3 h. Notwithstanding the provisions of any general, special, or  
4 local law, municipal charter, or ordinance to the contrary, the board  
5 shall not directly or indirectly, including through any subsidiary,  
6 extend or maintain credit, arrange for the extension of credit, or  
7 renew an extension of credit, in the form of a personal loan to or for  
8 any officer, board member, or employee, or equivalent thereof, of  
9 the corporation.

10  
11 <sup>1</sup>3. (New section) a. There is hereby established the North  
12 Jersey Passenger Advisory Committee within the New Jersey  
13 Transit Corporation for the purpose of providing advice, input, and  
14 guidance to the corporation's board of directors from customers of  
15 the corporation who reside in North Jersey.

16 b. The committee shall:

17 (1) Provide advice, input, and guidance to the New Jersey Transit  
18 Corporation board of directors on issues affecting the corporation  
19 and customers of the corporation, particularly those issues that  
20 affect services provided in the northern part of the State;

21 (2) Review proposals to be considered before the corporation's  
22 board of directors concerning fare increases, curtailment of  
23 services, and expansion of services; and

24 (3) Review items listed on the agenda for meetings of the  
25 corporation's board of directors that would increase fares, curtail  
26 services, or expand services and provide written feedback to the  
27 board prior to the board meeting concerning those agenda items.

28 c. A member of the committee shall be required to:

29 (1) reside in one of the following counties: Bergen, Essex,  
30 Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris,  
31 Ocean, Passaic, Somerset, Sussex, Union, or Warren;

32 (2) be a regular corporation motorbus regular route service rider  
33 or a regular corporation rail passenger service or light rail service  
34 rider; and

35 (3) primarily use corporation motorbus regular route service,  
36 rail passenger service, or light rail service in the northern part of the  
37 State.

38 d. The committee shall consist of 10 voting members, who  
39 shall serve a term of four years and without compensation, to be  
40 appointed as follows:

41 (1) three members to be appointed by the board of the North  
42 Jersey Transportation Planning Authority;

43 (2) one member to be appointed by the Governor;

44 (3) one member to be appointed by the Speaker of the General  
45 Assembly;

46 (4) one member to be appointed by the President of the Senate;

47 (5) one member to be appointed by the Minority Leader of the  
48 General Assembly;



1 (6) one member to be appointed by the Minority Leader of the  
2 Senate;

3 (7) one member to be appointed by a nonprofit entity, which  
4 shall be selected jointly by the Speaker of the General Assembly  
5 and the President of the Senate, with a history of rider advocacy,  
6 encouraging smart growth, and advocating for investment in public  
7 transportation and transit-oriented development initiatives; and

8 (8) one member to be appointed by a nonprofit entity, which  
9 shall be selected jointly by the Speaker of the General Assembly  
10 and the President of the Senate, that serves as a consumer rail  
11 passenger organization in the State.

12 e. The powers of the committee shall be vested in the members  
13 of the committee and six members shall constitute a quorum at any  
14 meeting thereof. Actions may be taken and motions and resolutions  
15 adopted by the committee at any meeting thereof by the affirmative  
16 vote of six members. The seat of any member who fails to maintain  
17 the requirements established in subsection c. of this section shall be  
18 deemed vacant. A vacancy in the membership of the committee  
19 shall not impair the right of a quorum to exercise all rights and  
20 perform all duties of the committee. Any vacancy in the  
21 membership of the committee shall be filled in the same manner as  
22 the original appointment and for the remainder of the unexpired  
23 term.

24 f. The committee shall elect from among its members a  
25 chairperson and vice chairperson. The chairperson shall preside  
26 over meetings of the committee. In the absence of the chairperson,  
27 the vice chairperson shall preside over meetings of the committee.  
28 The chairperson shall have the responsibility of scheduling and  
29 convening all meetings of the committee. The committee shall  
30 designate an individual to serve as secretary to the committee who  
31 need not be a member of the committee.

32 g. A person serving as a member of the South Jersey Passenger  
33 Advisory Committee shall not be eligible to simultaneously serve as  
34 a member of the North Jersey Passenger Advisory Committee.】<sup>1</sup>  
35

36 <sup>1</sup>【4. (New section) a. There is hereby established the South  
37 Jersey Passenger Advisory Committee within the New Jersey  
38 Transit Corporation for the purpose of providing advice, input, and  
39 guidance to the corporation's board of directors from customers of  
40 the corporation who reside in South Jersey.

41 b. The committee shall:

42 (1) Provide advice, input, and guidance to the New Jersey  
43 Transit Corporation board of directors on issues affecting the  
44 corporation and customers of the corporation, particularly those  
45 issues that affect services provided in the southern part of the State;

46 (2) Review proposals to be considered before the corporation's  
47 board of directors concerning fare increases, curtailment of  
48 services, and expansion of services; and



1 (3) Review items listed on the agenda for meetings of the  
2 corporation's board of directors that would increase fares, curtail  
3 services, or expand services and provide written feedback to the  
4 board prior to the board meeting concerning those agenda items.

5 c. A member of the committee shall be required to:

6 (1) reside in one of the following counties: Atlantic, Burlington,  
7 Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean, or  
8 Salem;

9 (2) be a regular corporation motorbus regular route service rider  
10 or a regular corporation rail passenger service or light rail service  
11 rider; and

12 (3) primarily use corporation motorbus regular route service,  
13 rail passenger service, or light rail service in the southern part of the  
14 State.

15 d. The committee shall consist of 10 voting members, who  
16 shall serve a term of four years and without compensation, to be  
17 appointed as follows:

18 (1) two members to be appointed by the board members of the  
19 Delaware Valley Regional Planning Commission from New Jersey;

20 (2) one member to be appointed by the Governor;

21 (3) one member to be appointed by the Speaker of the General  
22 Assembly;

23 (4) one member to be appointed by the President of the Senate;

24 (5) one member to be appointed by the Minority Leader of the  
25 General Assembly;

26 (6) one member to be appointed by the Minority Leader of the  
27 Senate;

28 (7) one member to be appointed by the board of the South  
29 Jersey Transportation Planning Organization;

30 (8) one member to be appointed by a nonprofit transportation  
31 management association, which shall be selected jointly by the  
32 Speaker of the General Assembly and the President of the Senate,  
33 that provides transportation-related services in the southern portion  
34 of the State; and

35 (9) one member to be appointed by a nonprofit entity, which  
36 shall be selected jointly by the Speaker of the General Assembly  
37 and the President of the Senate, that serves as a consumer rail  
38 passenger organization in the State.

39 e. The powers of the committee shall be vested in the members  
40 of the committee and six members shall constitute a quorum at any  
41 meeting thereof. Actions may be taken and motions and resolutions  
42 adopted by the committee at any meeting thereof by the affirmative  
43 vote of six members. The seat of any member who fails to maintain  
44 the requirements established in subsection c. of this section shall be  
45 deemed vacant. A vacancy in the membership of the committee  
46 shall not impair the right of a quorum to exercise all rights and  
47 perform all duties of the committee. Any vacancy in the  
48 membership of the committee shall be filled in the same manner as



1 the original appointment and for the remainder of the unexpired  
2 term.

3 f. The committee shall elect from among its members a  
4 chairperson and vice chairperson. The chairperson shall preside  
5 over meetings of the committee. In the absence of the chairperson,  
6 the vice chairperson shall preside over meetings of the committee.  
7 The chairperson shall have the responsibility of scheduling and  
8 convening all meetings of the committee. The committee shall  
9 designate an individual to serve as secretary to the committee who  
10 need not be a member of the committee.

11 g. A person serving as a member of the North Jersey Passenger  
12 Advisory Committee shall not be eligible to simultaneously serve as  
13 a member of the South Jersey Passenger Advisory Committee.】<sup>1</sup>  
14

15 <sup>1</sup>3. (New section) a. The board of directors for the corporation  
16 shall appoint members of any advisory committee established  
17 pursuant to subsection m. of section 5 of P.L.1979, c.150 (C.27:25-  
18 5). Each advisory committee shall consist of county and municipal  
19 government representatives and concerned citizens, in the number  
20 and for such terms as may be fixed by the board, except that no  
21 committee shall have fewer than nine members or greater than 15  
22 members. Members of an advisory committee shall be selected  
23 upon a merit-based application process established by the board of  
24 directors and the membership shall ensure representation of senior  
25 citizen, disabled, minority, and low income populations. At least  
26 two members of each advisory committee shall have experience as a  
27 regular corporation motorbus regular route service rider and at least  
28 two members of each advisory committee shall have experience as a  
29 regular corporation rail passenger service or light rail service rider,  
30 as those terms are defined pursuant to section 4 of P.L.1979, c.150  
31 (C.27:25-4).

32 b. Each advisory committee shall conduct at least two public  
33 hearings per year in two different counties within its geographical  
34 limits in order to gather information from interested parties and the  
35 general public.

36 c. Each advisory committee shall issue an annual report of its  
37 activities and recommendations and provide that report to the board  
38 of directors.<sup>1</sup>  
39

40 <sup>1</sup>【5.】4.<sup>1</sup> Section 5 of P.L.1979, c.150 (C.27:25-5) is amended  
41 to read as follows:

42 5. In addition to the powers and duties conferred upon it  
43 elsewhere in this act, the corporation may do all acts necessary and  
44 reasonably incident to carrying out the objectives of this act,  
45 including but not in limitation thereof the following:

46 a. Sue and be sued;

47 b. Have an official seal and alter the same at pleasure;



- 1       c. Make and alter bylaws for its organization and internal  
2 management and for the conduct of its affairs and business;
- 3       d. Maintain an office at such place or places within the State as  
4 it may determine;
- 5       e. Adopt, amend and repeal such rules and regulations as it  
6 may deem necessary to effectuate the purposes of this act, which  
7 shall have the force and effect of law; it shall publish the same and  
8 file them in accordance with the "Administrative Procedure Act,"  
9 P.L.1968, c.410 (C.52:14B-1 et seq.) with the Director of the Office  
10 of Administrative Law;
- 11      f. Call to its assistance and avail itself of the service of such  
12 employees of any federal, State, county or municipal department or  
13 agency as it may require and as may be available to it for said  
14 purpose;
- 15      g. Apply for, accept and expend money from any federal, State,  
16 county or municipal agency or instrumentality and from any private  
17 source; comply with federal statutes, rules and regulations, and  
18 qualify for and receive all forms of financial assistance available  
19 under federal law to assure the continuance of, or for the support or  
20 improvement of public transportation and as may be necessary for  
21 that purpose to enter into agreements, including federally required  
22 labor protective agreements;
- 23      h. Plan, design, construct, equip, operate, improve and  
24 maintain, either directly or by contract with any public or private  
25 entity, public transportation services, capital equipment and  
26 facilities or any parts or functions thereof, and other transportation  
27 projects, or any parts or functions thereof, which may be funded  
28 under section 3 of the federal Urban Mass Transportation Act of  
29 1964, Pub.L.88-365 (49 U.S.C. s.1602), or any successor or  
30 additional federal act having substantially the same or similar  
31 purposes or functions; the operation of the facilities of the  
32 corporation, by the corporation or any public or private entity, may  
33 include appropriate and reasonable limitations on competition in  
34 order that maximum service may be provided most efficiently to the  
35 public;
- 36      i. Apply for and accept, from appropriate regulatory bodies,  
37 authority to operate public transportation services where necessary;
- 38      j. Purchase, lease as lessee, or otherwise acquire, own, hold,  
39 improve, use and otherwise deal in and with real or personal  
40 property, or any interest therein, from any public or private entity,  
41 wherever situated;
- 42      k. Lease as lessor, sell or otherwise dispose of on terms which  
43 the corporation may prescribe, real and personal property, including  
44 tangible or intangible property and consumable goods, or any  
45 interest therein, to any public or private entity, in the exercise of its  
46 powers and the performance of its duties under this act. In order to  
47 provide or encourage adequate and efficient public transportation



1 service, the corporation may lease or otherwise permit the use or  
2 occupancy of property without cost or at a nominal rental;

3 1. Restrict the rights of persons to enter upon or construct any  
4 works in or upon any property owned or leased by the corporation,  
5 except under such terms as the corporation may prescribe; perform  
6 or contract for the performance of all acts necessary for the  
7 management, maintenance and repair of real or personal property  
8 leased or otherwise used or occupied pursuant to this act;

9 m. Establish one or more operating divisions as deemed  
10 necessary. ~~Upon the establishment of an operating division, there~~  
11 ~~shall be established a geographically coincident advisory committee~~  
12 ~~to be appointed by the Governor with the advice and consent of the~~  
13 ~~Senate. The committee shall consist of county and municipal~~  
14 ~~government representatives and concerned citizens, in the number~~  
15 ~~and for such terms as may be fixed by the corporation, and shall~~  
16 ~~advise the corporation as to the public transportation service~~  
17 ~~provided in the operating division. At least two members of each~~  
18 ~~advisory committee shall be public transportation riders, including~~  
19 ~~but not limited to urban transit users and suburban commuters as~~  
20 ~~appropriate]~~ '[Each operating division shall solicit advice and  
21 feedback from the North Jersey Passenger Advisory Committee  
22 established pursuant to section 3 of P.L. , c. (C. ) (pending  
23 before the Legislature as this bill) and the South Jersey Passenger  
24 Advisory Committee established pursuant to section 4 of P.L. ,  
25 c. (C. ) (pending before the Legislature as this bill), as  
26 appropriate] ~~Upon the establishment of an operating division, there~~  
27 ~~shall be established a geographically coincident advisory~~  
28 ~~committee, whose members are selected by the board of directors~~  
29 ~~and whose staff services are provided by the corporation. The~~  
30 ~~committee shall advise the corporation as to the public~~  
31 ~~transportation service provided in the operating division. The board~~  
32 ~~of directors shall review recommendations and solicit written input~~  
33 ~~from each advisory committee prior to the adoption of any proposed~~  
34 ~~fare increase, curtailment of services, or expansion of services~~<sup>1</sup>.  
35 One public member from the board of the corporation shall serve as  
36 a liaison to each advisory committee;

37 n. Set and collect fares and determine levels of service for  
38 service provided by the corporation either directly or by contract  
39 including, but not limited to, such reduced fare programs as deemed  
40 appropriate by the corporation; revenues derived from such service  
41 may be collected by the corporation and shall be available to the  
42 corporation for use in furtherance of any of the purposes of this act;

43 o. Set and collect rentals, fees, charges or other payments from  
44 the lease, use, occupancy or disposition of properties owned or  
45 leased by the corporation; such revenues shall be available to the  
46 corporation for use in furtherance of any of the purposes of this act;



1 p. Deposit corporate revenues in interest bearing accounts or in  
2 the State of New Jersey Cash Management Fund established  
3 pursuant to section 1 of P.L.1977, c.281 (C.52:18A-90.4);

4 q. Delegate to subordinate officers of the corporation such  
5 powers and duties as the corporation shall deem necessary and  
6 proper to carry out the purposes of this act;

7 r. Procure and enter into contracts for any type of insurance  
8 and indemnify against loss or damage to property from any cause,  
9 including loss of use and occupancy, against death or injury of any  
10 person, against employees' liability, against any act of any member,  
11 officer, employee or servant of the corporation, whether part-time,  
12 full-time, compensated or noncompensated, in the performance of  
13 the duties of his office or employment or any other insurable risk.  
14 In addition, the corporation may carry its own liability insurance  
15 and may also establish and utilize a wholly-owned insurance  
16 subsidiary or captive provided the subsidiary or captive is  
17 domiciled in the United States in a state which is accredited by the  
18 National Association of Insurance Commissioners and which  
19 licenses and regulates wholly-owned insurance subsidiaries or  
20 captives;

21 s. Promote the use of public transportation services, coordinate  
22 ticket sales and passenger information and sell, lease or otherwise  
23 contract for advertising in or on the equipment or facilities of the  
24 corporation;

25 t. Adopt and maintain employee benefit programs for  
26 employees of the corporation including, but not limited to, pension,  
27 deferred compensation, medical disability, and death benefits, and  
28 which programs may utilize insurance contracts, trust funds, and  
29 any other appropriate means of providing the stipulated benefits,  
30 and may involve new plans or the continuation of plans previously  
31 established by entities acquired by the corporation;

32 u. Own, control, vote, and exercise any and all other rights  
33 incidental to the ownership of any equity, membership interest, or  
34 any shares of the capital stock of any incorporated entity acquired ,  
35 formed, incorporated, or established by law by the corporation  
36 pursuant to the powers granted by this act <sup>1</sup>]. Any such corporate  
37 entity may be utilized in order to enable the corporation to  
38 participate with other private or public entities in any transaction,  
39 memorandum of understanding, undertaking, or arrangement that  
40 the corporation would have the power to conduct by itself, whether  
41 or not such participation involves sharing or delegation of control  
42 with or to other public or private entities regarding the ownership,  
43 operation, control, and management of services, equipment, or  
44 facilities. For purposes of this subsection, "corporate entity" means  
45 any business entity, including but not limited to, any corporation,  
46 limited liability company, joint venture, limited partnership, general  
47 partnership, association of any kind, or collaborative arrangement



1 that may be jointly owned by the corporation and any other public  
2 or private entities that provide public transportation services】<sup>1</sup>;

3 v. Enter into any and all agreements or contracts, execute any  
4 and all instruments, and do and perform any and all acts or things  
5 necessary, convenient or desirable for the purposes of the  
6 corporation, or to carry out any power expressly or implicitly given  
7 in this act;

8 w. Notwithstanding the provisions of section 17 of P.L.1979,  
9 c.150 (C.27:25-17) or any other law to the contrary, (1) issue  
10 operating grant anticipation notes which shall be secured and retired  
11 from operating assistance grants authorized under section 9 of the  
12 federal Urban Mass Transportation Act of 1964, Pub.L.88-365 (49  
13 U.S.C. s.1602), or any successor or additional federal act having  
14 substantially the same or similar purposes or functions and (2) issue  
15 capital grant anticipation notes which shall be secured and retired  
16 from capital assistance grants authorized under section 3 or section  
17 9 of the federal Urban Mass Transportation Act of 1964, Pub.L.88-  
18 365 (49 U.S.C. s.1602), or any successor or additional federal act  
19 having substantially the same or similar purposes or functions. As  
20 used in this subsection, "operating grant anticipation notes" or  
21 "capital grant anticipation notes" (hereinafter referred to as "notes")  
22 means credit obligations issued in anticipation of these grants. The  
23 notes shall be authorized by a resolution or resolutions of the  
24 corporation, and may be issued in one or more series and shall bear  
25 the date, or dates, bear interest at the rate or rates of interest per  
26 annum, be in the denomination or denominations, be in the form,  
27 carry the conversion or registration privileges, have the rank or  
28 priority, be executed in such manner as the resolution or resolutions  
29 require. The notes may be sold at public or private sale at the price  
30 or prices and in the manner that the corporation determines. The  
31 notes of the corporation, the sale or transfer thereof, and the income  
32 derived therefrom by the purchasers of the notes, shall, at all times,  
33 be free from taxation for State or local purposes, under any law of  
34 the State or any political subdivision thereof. Notes may be issued  
35 under the provisions of P.L.1979, c.150 (C.27:25-1 et seq.) without  
36 obtaining the consent of any department, division, commission,  
37 board, bureau or agency of the State, and without any other  
38 proceedings, conditions, or things which are specifically required  
39 by P.L.1979, c.150 (C.27:25-1 et seq.). The notes issued pursuant  
40 to P.L.1979, c.150 (C.27:25-1 et seq.) shall not in any way create or  
41 constitute any indebtedness, liability or obligation of the State or of  
42 any political subdivision thereof or of the corporation, except as  
43 provided herein.

44 The notes shall be payable solely from (1) note proceeds, to the  
45 extent not disbursed to the corporation, (2) grant payments if, as,  
46 and when received from the federal government, and (3) investment  
47 earnings on note proceeds, to the extent not disbursed to the  
48 corporation. Each note shall contain on its face a statement to the



1 effect that the corporation is obligated to pay the principal thereof  
2 or the interest thereon only from these grants to the corporation and  
3 from the proceeds of the notes and investment earnings on the  
4 proceeds of the notes, to the extent not disbursed to the corporation,  
5 and that neither the faith and credit nor the taxing power of the  
6 State or of any political subdivision thereof or of the corporation is  
7 pledged to the payment of the principal and interest on these notes.  
8 Neither the members of the corporation's board nor any person  
9 executing the transactions are personally liable on those notes nor  
10 are they otherwise liable for their actions; and

11 x. Enter into agreements with a public or private entity or  
12 consortia thereof to provide for the development of demonstration  
13 projects through the use of public-private partnerships pursuant to  
14 sections 1 through 9 of P.L.1997, c.136 (C.27:1D-1 through  
15 C.27:1D-9).

16 (cf: P.L.2004, c.1, s.1)

17

18 <sup>1</sup>**[6.] 5.** Section 8 of P.L.1979, c.150 (C.27:25-8) is amended  
19 to read as follows:

20 8. a. The corporation or any subsidiary thereof shall not be  
21 considered a public utility as defined in R.S.48:2-13, and except  
22 with regard to subsection c. of this section, subsection b. of  
23 R.S.48:3-38, section 2 of P.L.1989, c.291 (C.27:25-15.1), and  
24 R.S.48:12-152, the provisions of Title 48 of the Revised Statutes  
25 shall not apply to the corporation or any subsidiary thereof.

26 b. The authority hereby given to the corporation pursuant to  
27 section 6 of P.L.1979, c.150 (C.27:25-6) with respect to fares and  
28 service, shall be exercised without regard or reference to the  
29 jurisdiction formerly vested in the Department of Transportation  
30 regarding rates and rate schedules under R.S.48:2-21;  
31 discontinuance, curtailment, or abandonment of service under  
32 R.S.48:2-24; and the issuance of a certificate of public convenience  
33 and necessity under R.S.48:4-3, and transferred to the New Jersey  
34 Motor Vehicle Commission by P.L.2003, c.13 (C.39:2A-1 et al.).  
35 The New Jersey Motor Vehicle Commission shall resume  
36 jurisdiction over service and fares upon the termination and  
37 discontinuance of a contractual relationship between the corporation  
38 and a private or public entity relating to the provision of public  
39 transportation services operated under the authority of certificates  
40 of public convenience and necessity previously issued by the New  
41 Jersey Motor Vehicle Commission or its predecessors; provided,  
42 however, that a private entity shall not be required to restore any  
43 service discontinued or any fare changed during the existence of a  
44 contractual relationship with the corporation, unless the New Jersey  
45 Motor Vehicle Commission shall determine, after notice and  
46 hearing, that the service or fare is required by public convenience  
47 and necessity.



1 c. Notwithstanding any other provisions of P.L.1979, c.150  
2 (C.27:25-1 et seq.), all vehicles used by any public or private entity  
3 pursuant to contract authorized by P.L.1979, c.150 (C.27:25-1 et  
4 seq.), and all vehicles operated by the corporation directly, shall be  
5 subject to the jurisdiction of the department with respect to  
6 maintenance, specifications, and safety to the same extent that  
7 jurisdiction is conferred upon the department by Title 48 of the  
8 Revised Statutes.

9 d. (1) Before implementing **any** fare increase for any  
10 motorbus regular route or rail passenger services, or any **the**  
11 substantial curtailment or abandonment of **those** motorbus regular  
12 route or rail passenger services, the corporation shall hold **a** public  
13 hearing in the area affected during evening hours, except that the  
14 corporation shall not be required to hold a public hearing for a  
15 change in service that does not: (1) increase fares; (2) eliminate a  
16 current motorbus regular route or any rail passenger service; or (3)  
17 change the time of a motorbus regular route or rail passenger  
18 service by more than two hours from the corporation's currently  
19 adopted schedule or timetable, so long as these services are  
20 provided at least three times daily, excluding holidays **at least two**  
21 public hearings in the affected counties, within one-half mile of the  
22 route and, to the extent practicable, near each terminus of the route.  
23 At least one of the two hearings shall take place on a State working  
24 day. Each public hearing shall be attended by at least two members  
25 of the corporation's board of directors. Each public hearing in an  
26 affected county shall consist of two sessions, the first of which shall  
27 be for at least two hours in the afternoon between 2:00 p.m. and  
28 6:00 p.m. and the second of which shall take place in the evening in  
29 the same place and on the same day for at least two hours between  
30 6:00 p.m. and 10:00 p.m.

31 (2) Before implementing any fare increase for any motorbus  
32 regular route or rail passenger services, at least 10 public hearings  
33 shall be held and shall be distributed geographically throughout the  
34 State. Not more than one hearing shall take place in each county,  
35 and each hearing shall be located within one-quarter mile of both a  
36 rail passenger service line and a motorbus regular route. At least  
37 half of the hearings shall take place on State working days. Each  
38 public hearing shall be attended by at least two members of the  
39 corporation's board of directors. Each public hearing in an affected  
40 county shall consist of two sessions, the first of which shall be for  
41 at least two hours in the afternoon between 2:00 p.m. and 6:00 p.m.  
42 and the second of which shall take place in the evening in the same  
43 place and on the same day for at least two hours between 6:00 p.m.  
44 and 10:00 p.m.

45 **Notice** For the hearings required under paragraphs (1) and (2)  
46 of this subsection, notice of the hearing shall be given by the  
47 corporation at least 15 days prior to the hearing to the governing



body of each county whose residents will be affected and to the clerk of each municipality in the county or counties whose residents will be affected; the notice shall also be posted at least 15 days prior to the hearing in prominent places on the railroad cars and buses serving the routes to be affected. In addition to the public hearing, the corporation shall post, in prominent places on the railroad cars and buses serving the routes to be affected, a postal mailing address and electronic mailing address where members of the public may provide written comments to the corporation regarding the proposed fare increase or substantial curtailment or abandonment of service. The corporation shall prepare and publish a written response concerning any issue or concern raised by a member of the public at any public hearing or in any written comment provided pursuant to this subsection.

e. Notice of its intent to discontinue, substantially curtail, or abandon any motorbus regular route service or rail passenger service shall be given by the corporation to the governing body of each county whose residents will be affected and to the clerk of each municipality in the county or counties whose residents will be affected at least 45 days prior to implementation of the change in service.

f. For the purposes of this section, “substantial curtailment” and “substantially curtail” shall include, but need not be limited to: the elimination of a motorbus regular route, scheduled trip, or scheduled stop along a motorbus regular route or of a rail passenger service line, scheduled trip, or scheduled stop along a rail passenger service line; a reduction of 30 minutes or more in the beginning or end of service for the corporation’s adopted schedule or timetable for a scheduled stop along a motorbus regular route or rail passenger service line; and any change to a motorbus regular route or rail passenger service which may increase barriers to accessibility for a person with disabilities.

(cf: P.L.2016, c.52, s.1)

<sup>1</sup>**[7.] 6.**<sup>1</sup> (New section) a. The State Auditor shall conduct audits of the corporation, which shall:

(1) occur at least once every 72 months in a manner that is consistent with the Government Auditing Standards for audits utilized by the United States Government Accountability Office or its successor, the first of which shall be completed within 12 months of the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill);

(2) to the extent practicable, not duplicate the scope of work of the annual audit required to be made of the corporation’s financial statements pursuant to subsection d. of section 20 of P.L.1979, c.150 (C.27:25-20); and

(3) focus on a specific area of the corporation’s operations, as determined by the State Auditor.



1       b. (1) At least once every five years, the corporation shall hire  
2 an independent firm to: conduct a study on the financial  
3 management practices and budget reporting practices of mass transit  
4 agencies throughout the country; and prepare a report with findings  
5 regarding the best practices for financial management and budget  
6 reporting by mass transit agencies and a comparison of those best  
7 practices with the practices and policies of the corporation.

8       (2) The first such report shall be issued within 24 months of the  
9 effective date of P.L.     , c.     (C.     ) (pending before the  
10 Legislature as this bill). Each report shall be submitted to the  
11 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-  
12 19.1), to the Legislature.

13       (3) The corporation shall adopt any best practices included in  
14 the report within six months of the issuance of any report issued  
15 pursuant to subsection b. of this section. Upon the affirmative vote  
16 of seven members of the board of directors, the corporation may opt  
17 not to adopt individual policies or practices that are in line with the  
18 best practices of mass transit agencies throughout the country. If  
19 the corporation exercises this option, the corporation shall provide a  
20 detailed explanation of why adoption of that policy or practice is  
21 not in the best interest of the corporation.

22  
23       <sup>1</sup>**[8.] 7.**<sup>1</sup> (New section) a. The corporation, at the request of  
24 the chairperson of any standing legislative committee, as approved  
25 by the Speaker of the General Assembly or the President of the  
26 Senate, as appropriate, shall be required to appear before that  
27 committee to present testimony and provide documents on any topic  
28 or subject requested by the committee and to respond to any  
29 questions by members of the committee.

30       b. Unless otherwise agreed to by the chairperson of the  
31 committee, the corporation shall, at a minimum, be represented by  
32 the chairperson of the board of directors, the executive director, and  
33 the chief financial officer, and any staff deemed necessary by the  
34 chairperson of the board, executive director, or chief financial  
35 officer to present testimony, provide documents, or respond to  
36 questions at any appearance required pursuant to this section. The  
37 chairperson of the legislative committee may require the appearance  
38 of any officer or employee of the corporation.

39  
40       <sup>1</sup>**[9.] 8.**<sup>1</sup> (New section) a. The corporation shall employ a chief  
41 ethics officer who shall be provided staff, equipment, and resources,  
42 as the board deems appropriate, in order to investigate allegations  
43 and suspicions of unethical conduct or criminal activity within the  
44 corporation and to determine whether the corporation is in  
45 compliance with applicable State law. The chief ethics officer shall  
46 operate independently of the executive director and shall report  
47 directly to the board of directors. The executive director shall not



1 have any role in hiring, firing, disciplining, or directing the chief  
2 ethics officer.

3 b. The chief ethics officer shall:

4 (1) be responsible for receiving and conducting preliminary  
5 investigations of all complaints regarding fraud, waste, abuse, and  
6 corruption by board members, officers, and employees of the  
7 corporation or third-parties doing business with the corporation;

8 (2) be responsible for conducting preliminary investigations, sua  
9 sponte, regarding all suspected fraud, waste, abuse, and corruption  
10 by board members, officers, and employees of the corporation or  
11 third-parties doing business with the corporation;

12 (3) provide reports to the board of directors containing the  
13 results and findings of each preliminary investigation conducted  
14 pursuant to paragraphs (1) and (2) of this subsection;

15 (4) where appropriate, as determined by a policy to be adopted  
16 by the board of directors, forward the results and findings of a  
17 preliminary investigation conducted pursuant to paragraphs (1) and  
18 (2) of this subsection to the State Ethics Commission, Office of the  
19 Attorney General, county prosecutor's office, or any other  
20 appropriate agency for further investigation or action; and

21 (5) establish a whistleblower access and assistance program  
22 which shall include, but not be limited to: establishing toll-free  
23 telephone and facsimile lines available to employees; offering  
24 advice regarding employee rights under applicable state and federal  
25 laws and advice and options available to all persons; and offering  
26 an opportunity for employees to identify concerns regarding any  
27 issue at the corporation.

28

29 <sup>1</sup>~~10.~~ 9.<sup>1</sup> Section 20 of P.L.1979, c.150 (C.27:25-20) is  
30 amended to read as follows:

31 20. a. The corporation shall, by September 15 of each year, file  
32 with the Commissioner of Transportation a report in such format  
33 and detail as the Commissioner may require setting forth the actual,  
34 operational, capital and financial results of the previous fiscal year,  
35 the operational, capital and financial plan for the current fiscal year  
36 and a proposed operational, capital and financial plan for the next  
37 ensuing fiscal year.

38 b. On or before October 31 of each year, the corporation shall  
39 make an annual report of its activities for the preceding fiscal year  
40 to the Governor ~~and to the presiding officers and the~~  
41 ~~Transportation Committees of both Houses of the Legislature~~ , the  
42 President of the Senate, the Speaker of the General Assembly, and  
43 the Assembly Transportation and Independent Authorities  
44 Committee and the Senate Transportation Committee, or their  
45 successor committees. Each such report shall set forth a complete  
46 operating and financial statement covering its operations and capital  
47 projects during the year. The report shall also include an account of  
48 the on-time performance of rail passenger service, including light



1 rail service, operated by, or under contract to, the corporation,  
2 including data for each such passenger line. The report shall  
3 provide a detailed discussion of the methodology used by the  
4 corporation in measuring on-time performance. The report shall  
5 include certain personnel information of employees of the  
6 corporation, including the average salary, number of employees in  
7 management positions, and number of employees that are not in  
8 management positions in key demographic groups, which shall  
9 include, at minimum, race, ethnicity, and gender. <sup>1</sup>The report shall  
10 include certain accident information for accidents that occurred  
11 during the previous year which involved a rail passenger vehicle or  
12 motorbus operated by, or under contract to, the corporation,  
13 including the total number of accidents and any fines, penalties, or  
14 judgments levied against the corporation related to any such  
15 accident. The report shall also include information regarding any  
16 safety violations for which the corporation was cited in the previous  
17 year, including the total number of safety violations and any fines  
18 or penalties levied against the corporation related to any such safety  
19 violation.<sup>1</sup>

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

26 d. The corporation shall cause an audit of its books and  
27 accounts to be made at least once each year by certified public  
28 accountants and the cost thereof may be treated as a cost of  
29 operation. The audit shall be filed within <sup>1</sup>**【4】** four<sup>1</sup> months after  
30 the close of the fiscal year of the corporation and a certified  
31 duplicate copy thereof shall be filed with the Division of Budget  
32 and Accounting in the Department of the Treasury.

33 e. Notwithstanding the provisions of any law to the contrary,  
34 the State Auditor or **【his】** a legally authorized representative may  
35 examine the accounts and books of the corporation.

36 f. On or before <sup>1</sup>**【May】** April<sup>1</sup> 1 of each year, the board shall  
37 approve and the corporation shall transmit to the Commissioner of  
38 Transportation and to the President of the Senate, the Speaker of the  
39 General Assembly, and the Assembly Transportation and  
40 Independent Authorities Committee and the Senate Transportation  
41 Committee, or their successor committees, an annual proposed  
42 budget recommendation. The budget document shall be a two-year  
43 budget which covers the most recent completed fiscal year,  
44 estimated results for the fiscal year in progress, a recommendation  
45 for the fiscal year to commence, and estimated needs and  
46 projections for the following fiscal year. At a minimum, the budget  
47 shall provide detailed information in the following areas:



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

3     (2) A profile describing the history of the corporation and the  
4     services it provides;

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

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

8     (5) A list of key performance indicators;

9     (6) A statement of current budget year assumptions regarding  
10    funding and ridership;

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

13    (8) A description of the current corporation organizational  
14    structure;

15    (9) Detailed operating revenue and expense projections for each  
16    division within the corporation, with 10 year revenue and expense  
17    trends and five year revenue and expense projections;

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

21    (11) A summary of the capital program and analysis of current  
22    capital projects for which capital funds have already been  
23    appropriated, but where the project is not yet complete, which  
24    includes the years of appropriation, amounts expended, future  
25    appropriations required to complete the project, and a brief analysis  
26    of project progress.

27    <sup>1</sup>g. On or before March 1 of each year, the board shall approve  
28    and the corporation shall transmit to the Commissioner of  
29    Transportation and to the President of the Senate, the Speaker of the  
30    General Assembly, and the Assembly Transportation and  
31    Independent Authorities Committee and the Senate Transportation  
32    Committee, or their successor committees, a report containing: a  
33    description of each parcel of real property in which the corporation  
34    holds a property interest; the appraised value of that property  
35    interest; the purpose for which the corporation holds the property  
36    interest; any revenue the corporation receives that arises out of the  
37    property interest; and any property interests sold or otherwise  
38    disposed of, including the amount of money received by the  
39    corporation for that sale or disposition, in the immediately  
40    preceding year and including an accompanying explanation for any  
41    property interest disposed of for less than market value and any  
42    property interest acquired for more than market value.<sup>1</sup>

43    (cf: P.L.2007, c.263, s.1)

44  
45    <sup>1</sup>**[11.] 10.**<sup>1</sup> R.S.52:14-7 is amended to read as follows:

46    52:14-7. a. Every person holding an office, employment, or  
47    position



1 (1) in the Executive, Legislative, or Judicial Branch of this  
2 State, or

3 (2) with an authority, board, body, agency, commission, or  
4 instrumentality of the State including any State college, university,  
5 or other higher educational institution, and, to the extent consistent  
6 with law, any interstate agency to which New Jersey is a party, or

7 (3) with a county, municipality, or other political subdivision of  
8 the State or an authority, board, body, agency, district, commission,  
9 or instrumentality of the county, municipality, or subdivision, or

10 (4) with a school district or an authority, board, body, agency,  
11 commission, or instrumentality of the district,  
12 shall have his or her principal residence in this State and shall  
13 execute such office, employment, or position.

14 This residency requirement shall not apply to any person: (a)  
15 who is employed on a temporary or per-semester basis as a visiting  
16 professor, teacher, lecturer, or researcher by any State college,  
17 university, or other higher educational institution, or county or  
18 community college, or in a full or part-time position as a member of  
19 the faculty, the research staff, or the administrative staff by any  
20 State college, university, or other higher educational institution, or  
21 county or community college, that the college, university, or  
22 institution has included in the report required to be filed pursuant to  
23 this subsection; (b) who is employed full-time by the State who  
24 serves in an office, employment, or position that requires the person  
25 to spend the majority of the person's working hours in a location  
26 outside of this State; or (c) an officer of the waterfront commission  
27 of New York harbor, employed by the commission on the effective  
28 date of P.L.2017, <sup>1</sup>**[c.234] c.324<sup>1</sup>** (C.32:23-229 et al.), who seeks  
29 to be transferred to the Division of State Police in the Department  
30 of Law and Public Safety pursuant to section 4 of P.L.2017,  
31 <sup>1</sup>**[c.234] c.324<sup>1</sup>** (C.53:2-9).

32 <sup>1</sup>**[For the time period between the effective date of P.L. ,**  
33 **c. (C. ) (pending before the Legislature as this bill) and five**  
34 **years following the effective date of P.L. , c. (C. ) (pending**  
35 **before the Legislature as this bill), this<sup>1</sup> This<sup>1</sup> residency**  
36 **requirement shall not apply to any person who is hired by the New**  
37 **Jersey Transit Corporation as an engineer or mechanic, <sup>1</sup>**[provided**  
38 **that the corporation is able to demonstrate that it is unable to hire a**  
39 **suitable applicant who resides in this State. A person who is hired**  
40 **during this five-year period shall not be subject to the residency**  
41 **requirement of this subsection while the person continues to hold**  
42 **office, employment, or position without a break in public service of**  
43 **greater than seven days<sup>1</sup> or any other position certified by the board**  
44 **of directors as a position of critical need<sup>1</sup>.****

45 For the purposes of this subsection, a person may have at most  
46 one principal residence, and the state of a person's principal  
47 residence means the state (1) where the person spends the majority



1 of the person's nonworking time, and (2) which is most clearly the  
2 center of the person's domestic life, and (3) which is designated as  
3 the person's legal address and legal residence for voting. The fact  
4 that a person is domiciled in this State shall not by itself satisfy the  
5 requirement of principal residency hereunder.

6 A person, regardless of the office, employment, or position, who  
7 holds an office, employment, or position in this State on the  
8 effective date of P.L.2011, c.70 but does not have principal  
9 residence in this State on that effective date shall not be subject to  
10 the residency requirement of this subsection while the person  
11 continues to hold office, employment, or position without a break in  
12 public service of greater than seven days.

13 Any person may request an exemption from the provisions of  
14 this subsection on the basis of critical need or hardship from a five-  
15 member committee hereby established to consider applications for  
16 exemptions. The committee shall be composed of three persons  
17 appointed by the Governor, a person appointed by the Speaker of  
18 the General Assembly, and a person appointed by the President of  
19 the Senate, each of whom shall serve at the pleasure of the person  
20 making the appointment and shall have a term not to exceed five  
21 years. A vacancy on the committee shall be filled in the same  
22 manner as the original appointment was made. The Governor shall  
23 make provision to provide such clerical, secretarial, and  
24 administrative support to the committee as may be necessary for it  
25 to conduct its responsibilities pursuant to this subsection.

26 The decision on whether to approve an application from any  
27 person shall be made by a majority vote of the members of the  
28 committee, and those voting in the affirmative shall so sign the  
29 approved application. If the committee fails to act on an application  
30 within 30 days after the receipt thereof, no exemption shall be  
31 granted and the residency requirement of this subsection shall be  
32 operative. The head of a principal department of the Executive  
33 Branch of the State government, a Justice of the Supreme Court,  
34 judge of the Superior Court, and judge of any inferior court  
35 established under the laws of this State shall not be eligible to  
36 request from the committee an exemption from the provisions of  
37 this subsection.

38 The exemption provided in this subsection for certain persons  
39 employed by a State college, university, or other higher educational  
40 institution, or a county or community college, other than those  
41 employed on a temporary or per-semester basis as a visiting  
42 professor, teacher, lecturer, or researcher, shall apply only to those  
43 persons holding positions that the college, university, or institution  
44 has included in a report of those full or part-time positions as a  
45 member of the faculty, the research staff, or the administrative staff  
46 requiring special expertise or extraordinary qualifications in an  
47 academic, scientific, technical, professional, or medical field or in  
48 administration, that, if not exempt from the residency requirement,



1 would seriously impede the ability of the college, university, or  
2 institution to compete successfully with similar colleges,  
3 universities, or institutions in other states. The report shall be  
4 compiled annually and shall also contain the reasons why the  
5 positions were selected for inclusion in the report. The report shall  
6 be compiled and filed within 60 days following the effective date of  
7 P.L.2011, c.70. The report shall be reviewed, revised as necessary,  
8 and filed by January 1 of each year thereafter. Each report shall be  
9 filed with the Governor and, pursuant to section 2 of P.L.1991,  
10 c.164 (C.52:14-19.1), with the Legislature, and a report may be  
11 revised at any time by filing an amendment to the report with the  
12 Governor and Legislature.

13 As used in this section, "school district" means any local or  
14 regional school district established pursuant to chapter 8 or chapter  
15 13 of Title 18A of the New Jersey Statutes and any jointure  
16 commission, county vocational school, county special services  
17 district, educational services commission, educational research and  
18 demonstration center, environmental education center, and  
19 educational information and resource center.

20 b. If any person holding any office, employment, or other  
21 position in this State shall attempt to let, farm out, or transfer office,  
22 employment, or position or any part thereof to any person, the  
23 person shall forfeit the sum of \$1,500, to be recovered with costs by  
24 any person who shall sue for the same, one-half to the prosecutor  
25 and the other half to the State Treasurer for the use of the State.

26 c. No person shall be appointed to or hold any position in this  
27 State who has not the requisite qualifications for personally  
28 performing the duties of such position in cases where scientific  
29 engineering skill is necessary to the performance of the duties  
30 thereof.

31 d. Any person holding or attempting to hold an office,  
32 employment, or position in violation of this section shall be  
33 considered as illegally holding or attempting to hold the same;  
34 provided that a person holding an office, employment, or position in  
35 this State shall have one year from the time of taking the office,  
36 employment, or position to satisfy the requirement of principal  
37 residency, and if thereafter the person fails to satisfy the  
38 requirement of principal residency as defined herein with respect to  
39 any 365-day period, that person shall be deemed unqualified for  
40 holding the office, employment, or position. The Superior Court  
41 shall, in a civil action in lieu of prerogative writ, give judgment of  
42 ouster against the person, upon the complaint of any officer or  
43 citizen of the State, provided that any complaint shall be brought  
44 within one year of the alleged 365-day period of failure to have the  
45 person's principal residence in this State.

46 (cf: P.L.2017, c.324, s.32)

47

48 <sup>1</sup>**[12.] 11.**<sup>1</sup> R.S.52:24-4 is amended to read as follows:



1       52:24-4. It shall be the duty of the State Auditor to conduct  
2 post-audits of all transactions and accounts kept by or for all  
3 departments, offices and agencies of the State Government, to  
4 report to the Legislature or to any committee thereof and to the  
5 Governor, and to the Executive Director of the Office of Legislative  
6 Services, as provided by this chapter and as shall be required by  
7 law, and to perform such other similar or related duties as shall,  
8 from time to time, be required **【of him】** by law.

9       The State Auditor shall personally or by any **【of his】** duly  
10 authorized assistants, or by contract with independent public  
11 accountant firms, examine and post-audit all the accounts, reports  
12 and statements and make independent verifications of all assets,  
13 liabilities, revenues and expenditures of the State, its departments,  
14 institutions, boards, commissions, officers, and any and all other  
15 State agencies, now in existence or hereafter created, hereinafter in  
16 this chapter called "accounting agencies."

17       The State Auditor shall conduct, at the direction of the  
18 Legislative Services Commission or of the presiding officer of  
19 either house of the Legislature or on the State Auditor's own  
20 initiative, a performance review audit of any program of any  
21 accounting agency, any independent authority, or any public entity  
22 or grantee that receives State funds, in a manner that is consistent  
23 with the Government Auditing Standards for performance audits  
24 utilized by the United States Government Accountability Office or  
25 its successor.

26       When the State Auditor conducts any audit or performance  
27 review audit, the accounting agency, or authority, entity or grantee,  
28 shall respond in writing to each item in the State Auditor's report  
29 and the State Auditor, at an appropriate time determined by **【him】**  
30 the State Auditor, shall conduct a post-audit review of the  
31 accounting agency's, or authority's, entity's, or grantee's,  
32 compliance with the State Auditor's recommendations.

33       The officers and employees of each accounting agency, or  
34 authority, entity, or grantee, shall assist the State Auditor, when and  
35 as required by **【him】** the State Auditor, and provide the State  
36 Auditor with prompt access to all records necessary for the State  
37 Auditor to perform **【his】** the duties of the State Auditor,  
38 notwithstanding any statutory or regulatory requirements of  
39 confidentiality with regard to the records, for the purpose of  
40 carrying out the provisions of this chapter. The State Auditor shall  
41 report the failure of any accounting agency, or authority, entity, or  
42 grantee, to provide prompt access to any relevant record to the  
43 presiding officer of each house of the Legislature. The State  
44 Auditor shall not disclose a confidential record provided by an  
45 accounting agency, or authority, entity, or grantee, except as may be  
46 necessary for the State Auditor to fulfill **【his】** any constitutional or  
47 statutory responsibilities. Working papers prepared by the State



1 Auditor shall be confidential and shall not be considered  
2 government records under P.L.1963, c.73 (C.47:1A-1 et seq.).

3 The State Auditor shall conduct audits of the New Jersey Transit  
4 Corporation in accordance with the requirements of subsection a. of  
5 section '1[7] 6' of P.L. , c. (C. ) (pending before the  
6 Legislature as this bill).

7 Notwithstanding any law to the contrary, post-audits and  
8 performance review audits shall be conducted within the limits of  
9 the resources and personnel available to the State Auditor. If  
10 resources and personnel are insufficient to conduct all such required  
11 post-audits and performance review audits, the State Auditor may  
12 prioritize certain audits and forgo others upon notice to the  
13 Governor and the presiding officer of each house of the Legislature.  
14 (cf: P.L.2006, c.82, s.1)  
15

16 '1[13.] 12.' (New section) a. All members of the New Jersey  
17 Transit Corporation board of directors appointed pursuant to section  
18 4 of P.L.1979, c.150 (C.27:25-4) shall be appointed within '1[30]  
19 90' days of the effective date of P.L. , c. (C. ) (pending  
20 before the Legislature as this bill), provided that any member  
21 serving on the board as of the effective date of P.L. , c. (C. )  
22 (pending before the Legislature as this bill) whose term has not yet  
23 expired may continue to serve until the expiration of that member's  
24 term.

25 b. Any vacancy in the membership of the board on the effective  
26 date of P.L. , c. (C. ) (pending before the Legislature as this  
27 bill) shall be filled in accordance with the following priority:

28 (1) members appointed upon the recommendation of the  
29 '1[Senate]' President '1of the Senate' and the Speaker of the General  
30 Assembly;

31 (2) the member appointed upon the recommendation of the  
32 North Jersey Transportation Planning Authority;

33 (3) the member appointed upon the recommendation of the  
34 '1New Jersey members of the' Delaware Valley Regional Planning  
35 Commission;

36 (4) '1[the member appointed upon the recommendation of the  
37 Tri-State Transportation Campaign;

38 (5)]' the member appointed by the Governor who is required to  
39 have experience as a regular corporation motorbus regular route  
40 service rider '1[or] ;

41 (5) the member appointed by the Governor who is required to  
42 have experience' as a regular corporation rail passenger service or  
43 light rail service rider; and

44 (6) the members appointed by the Governor who are required to  
45 have a professional background in passenger rail service, freight rail  
46 management, transportation capital planning, transportation and  
47 public transportation capital construction, federal transportation



- 1 policy, State transportation policy, <sup>1</sup>real estate investment or  
2 development,<sup>1</sup> human resources management, or transportation  
3 capital finance.
- 4 c. The members appointed upon the recommendation of the  
5 <sup>1</sup>Tri-State Transportation Campaign,<sup>1</sup> New Jersey members of<sup>1</sup>  
6 the Delaware Valley Regional Planning Commission <sup>1</sup>,<sup>1</sup> and the  
7 North Jersey Transportation Planning Authority shall serve initial  
8 terms of three years.
- 9 d. The members appointed upon the recommendation of the  
10 <sup>1</sup>Senate<sup>1</sup> President <sup>1</sup>of the Senate<sup>1</sup> and the Speaker of the General  
11 Assembly shall serve initial terms of two years.
- 12 e. The member appointed by the Governor who is required to  
13 have experience as a regular corporation motorbus regular route  
14 service rider <sup>1</sup>[or] <sup>1</sup>, the member appointed by the Governor who is  
15 required to have experience<sup>1</sup> as a regular corporation rail passenger  
16 service or light rail service rider<sup>1</sup>,<sup>1</sup> and the members appointed by  
17 the Governor who are required to have a professional background in  
18 passenger rail service, freight rail management, transportation  
19 capital planning, transportation and public transportation capital  
20 construction, federal transportation policy, State transportation  
21 policy, <sup>1</sup>real estate investment or development,<sup>1</sup> human resources  
22 management, or transportation capital finance shall serve initial  
23 terms of one year.
- 24
- 25 <sup>1</sup>[14.] 13.<sup>1</sup> This act shall take effect immediately.