

[Second Reprint]
SENATE, No. 630

STATE OF NEW JERSEY
218th LEGISLATURE

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, Stack, Ruiz and Gopal

SYNOPSIS

Provides governance, oversight, and accountability reforms at NJT.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 4, 2018, with amendments.



(Sponsorship Updated As Of: 6/8/2018)

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]** ¹**[12]** ¹³ members, ¹each of whom shall be a
 25 voting member¹.

26 **[Seven]** ¹**[11]** of the members shall be voting members and **[The**
 27 board¹ 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, ¹two members appointed by the Governor
 31 upon the recommendation of labor organizations, in accordance
 32 with the provisions of this section,¹ and **[four other]** eight public
 33 members who shall be appointed by the Governor**[,]** as follows:

34 ¹**[three]** two¹ members ¹, with the advice and consent of the
 35 Senate,¹ 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, ¹real estate investment or
 42 development,¹ 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:

¹Senate STR committee amendments adopted March 12, 2018.

²Senate SBA committee amendments adopted June 4, 2018.

1 capital finance, ¹one upon the recommendation of the Tri-State
2 Transportation Campaign,]¹ one upon the recommendation of ¹the
3 New Jersey members of the¹ Delaware Valley Regional Planning
4 Commission ¹[.] and¹ one upon the recommendation of the North
5 Jersey Transportation Planning Authority;

6 two members ¹[, 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 rider¹; and

15 ¹[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 Senate¹.

39 All public members, except for those appointed upon the
40 recommendation of the ¹[Senate]¹ President ¹of the Senate¹ 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 ¹**【also】** be ¹**【one non-voting member】** two
13 members¹ of the board, ¹**【** who shall not be considered in
14 determining a quorum. The non-voting member shall be¹ one
15 appointed by the Governor upon the recommendation of the labor
16 organization representing the plurality of the employees of the
17 corporation ¹involved 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 operations¹. ¹**【The non-voting】** Each¹
21 member ¹appointed upon recommendation of a labor organization¹
22 shall be appointed for a term of four years, provided, however, that
23 if at any time during the term of appointment the ¹**【non-voting】**¹
24 member ceases to be affiliated with the labor organization
25 representing the plurality of the ¹relevant segment of¹ 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 ¹relevant segment of¹ employees may recommend a new member to
32 the Governor for appointment to serve the remainder of the term.
33 ¹**【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 Each¹ member ¹appointed upon recommendation of a labor
43 organization¹ 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
4 of the "Senator Byron M. Baer Open Public Meetings Act,"
5 P.L.1975, c.231 (C.10:4-6 et seq.) ¹, except that any agenda related
6 to a 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 website¹.

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) ¹A 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)¹ Each board member shall annually disclose to the board
29 of directors and to the chief ethics officer any contributions made
30 within the preceding two years to¹¹ 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 ¹[(3)] (2)¹ 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 ¹['plan'] policy¹ 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 ¹~~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 ¹~~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 ¹3. (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
18 Transit Corporation board of directors on issues affecting the
19 corporation and customers of the corporation, particularly those
20 issues that 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.】¹
35

36 ¹【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.】¹

14

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

39

40 ¹【5.】 4.¹ Section 5 of P.L.1979, c.150 (C.27:25-5) is
41 amended 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 l. 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
25 P.L. , c. (C.) (pending before the Legislature as this bill),
26 as appropriate] Upon the establishment of an operating division,
27 there 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 services¹.

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 ¹]. 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】¹;

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; ²~~and~~²

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) ²; and

16 y. Prior to the approval of any contract listed on a board
 17 agenda, issue and publish on the corporation's website a statement
 18 which (1) certifies that the contract complies with all provisions of
 19 current law, (2) certifies that services provided under the contract
 20 meet or exceed a standard of quality that would be provided by
 21 regular corporation employees, (3) provides a comparison of
 22 contract costs with the cost of providing the service through regular
 23 corporation employees for any proposed contract service that was
 24 previously being provided by regular corporation employees, (4)
 25 certifies that the designated bidder has no adjudicated record of
 26 substantial or repeated willful noncompliance with any relevant
 27 federal or state regulatory statute concerning labor relations,
 28 occupational safety and health, non-discrimination and affirmative
 29 action, environmental protection, and conflicts of interests, (5)
 30 certifies that the contract is in the public interest, and (6) certifies
 31 that the contract conforms to the provisions of any applicable
 32 collective bargaining agreement².

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

34

35 ¹~~[6.]~~ 5.¹ Section 8 of P.L.1979, c.150 (C.27:25-8) is
 36 amended to read as follows:

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

43 b. The authority hereby given to the corporation pursuant to
 44 section 6 of P.L.1979, c.150 (C.27:25-6) with respect to fares and
 45 service, shall be exercised without regard or reference to the
 46 jurisdiction formerly vested in the Department of Transportation
 47 regarding rates and rate schedules under R.S.48:2-21;
 48 discontinuance, curtailment, or abandonment of service under

1 R.S.48:2-24; and the issuance of a certificate of public convenience
2 and necessity under R.S.48:4-3, and transferred to the New Jersey
3 Motor Vehicle Commission by P.L.2003, c.13 (C.39:2A-1 et al.).
4 The New Jersey Motor Vehicle Commission shall resume
5 jurisdiction over service and fares upon the termination and
6 discontinuance of a contractual relationship between the corporation
7 and a private or public entity relating to the provision of public
8 transportation services operated under the authority of certificates
9 of public convenience and necessity previously issued by the New
10 Jersey Motor Vehicle Commission or its predecessors; provided,
11 however, that a private entity shall not be required to restore any
12 service discontinued or any fare changed during the existence of a
13 contractual relationship with the corporation, unless the New Jersey
14 Motor Vehicle Commission shall determine, after notice and
15 hearing, that the service or fare is required by public convenience
16 and necessity.

17 c. Notwithstanding any other provisions of P.L.1979, c.150
18 (C.27:25-1 et seq.), all vehicles used by any public or private entity
19 pursuant to contract authorized by P.L.1979, c.150 (C.27:25-1 et
20 seq.), and all vehicles operated by the corporation directly, shall be
21 subject to the jurisdiction of the department with respect to
22 maintenance, specifications, and safety to the same extent that
23 jurisdiction is conferred upon the department by Title 48 of the
24 Revised Statutes.

25 d. (1) Before implementing **any fare increase for any**
26 **motorbus regular route or rail passenger services, or any** the
27 substantial curtailment or abandonment of **those** motorbus regular
28 route or rail passenger services, the corporation shall hold **a public**
29 hearing in the area affected during evening hours, except that the
30 corporation shall not be required to hold a public hearing for a
31 change in service that does not: (1) increase fares; (2) eliminate a
32 current motorbus regular route or any rail passenger service; or (3)
33 change the time of a motorbus regular route or rail passenger
34 service by more than two hours from the corporation's currently
35 adopted schedule or timetable, so long as these services are
36 provided at least three times daily, excluding holidays **at least two**
37 public hearings in the affected counties, within one-half mile of the
38 route and, to the extent practicable, near each terminus of the route.
39 At least one of the two hearings shall take place on a State working
40 day. Each public hearing shall be attended by at least two members
41 of the corporation's board of directors. Each public hearing in an
42 affected county shall consist of two sessions, the first of which shall
43 be for at least two hours in the afternoon between 2:00 p.m. and
44 6:00 p.m. and the second of which shall take place in the evening in
45 the same place and on the same day for at least two hours between
46 6:00 p.m. and 10:00 p.m.

1 (2) Before implementing any fare increase for any motorbus
2 regular route or rail passenger services, at least 10 public hearings
3 shall be held and shall be distributed geographically throughout the
4 State. Not more than one hearing shall take place in each county,
5 and each hearing shall be located within one-quarter mile of both a
6 rail passenger service line and a motorbus regular route. At least
7 half of the hearings shall take place on State working days. Each
8 public hearing shall be attended by at least two members of the
9 corporation's board of directors. Each public hearing in an affected
10 county shall consist of two sessions, the first of which shall be for
11 at least two hours in the afternoon between 2:00 p.m. and 6:00 p.m.
12 and the second of which shall take place in the evening in the same
13 place and on the same day for at least two hours between 6:00 p.m.
14 and 10:00 p.m.

15 **【Notice】** For the hearings required under paragraphs (1) and (2)
16 of this subsection, notice of the hearing shall be given by the
17 corporation at least 15 days prior to the hearing to the governing
18 body of each county whose residents will be affected and to the
19 clerk of each municipality in the county or counties whose residents
20 will be affected; the notice shall also be posted at least 15 days prior
21 to the hearing in prominent places on the railroad cars and buses
22 serving the routes to be affected. In addition to the public hearing,
23 the corporation shall post, in prominent places on the railroad cars
24 and buses serving the routes to be affected, a postal mailing address
25 and electronic mailing address where members of the public may
26 provide written comments to the corporation regarding the proposed
27 fare increase or substantial curtailment or abandonment of service.
28 The corporation shall prepare and publish a written response
29 concerning any issue or concern raised by a member of the public at
30 any public hearing or in any written comment provided pursuant to
31 this subsection.

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

39 f. For the purposes of this section, "substantial curtailment"
40 and "substantially curtail" shall include, but need not be limited to:
41 the elimination of a motorbus regular route, scheduled trip, or
42 scheduled stop along a motorbus regular route or of a rail passenger
43 service line, scheduled trip, or scheduled stop along a rail passenger
44 service line; a reduction of 30 minutes or more in the beginning or
45 end of service for the corporation's adopted schedule or timetable
46 for a scheduled stop along a motorbus regular route or rail
47 passenger service line; and any change to a motorbus regular route

1 or rail passenger service which may increase barriers to
2 accessibility for a person with disabilities.

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

4
5 **¹[7.] 6.¹** (New section) a. The State Auditor shall conduct
6 audits of the corporation, which shall:

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

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

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

19 b. (1) At least once every five years, the corporation shall
20 hire an independent firm to: conduct a study on the financial
21 management practices and budget reporting practices of mass transit
22 agencies throughout the country; and prepare a report with findings
23 regarding the best practices for financial management and budget
24 reporting by mass transit agencies and a comparison of those best
25 practices with the practices and policies of the corporation.

26 (2) The first such report shall be issued within 24 months of the
27 effective date of P.L. , c. (C.) (pending before the
28 Legislature as this bill). Each report shall be submitted to the
29 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
30 19.1), to the Legislature.

31 (3) The corporation shall adopt any best practices included in
32 the report within six months of the issuance of any report issued
33 pursuant to subsection b. of this section. Upon the affirmative vote
34 of seven members of the board of directors, the corporation may opt
35 not to adopt individual policies or practices that are in line with the
36 best practices of mass transit agencies throughout the country. If
37 the corporation exercises this option, the corporation shall provide a
38 detailed explanation of why adoption of that policy or practice is
39 not in the best interest of the corporation.

40
41 **¹[8.] 7.¹** (New section) a. The corporation, at the request
42 of the chairperson of any standing legislative committee, as
43 approved by the Speaker of the General Assembly or the President
44 of the Senate, as appropriate, shall be required to appear before that
45 committee to present testimony and provide documents on any topic
46 or subject requested by the committee and to respond to any
47 questions by members of the committee.

1 b. Unless otherwise agreed to by the chairperson of the
2 committee, the corporation shall, at a minimum, be represented by
3 the chairperson of the board of directors, the executive director, and
4 the chief financial officer, and any staff deemed necessary by the
5 chairperson of the board, executive director, or chief financial
6 officer to present testimony, provide documents, or respond to
7 questions at any appearance required pursuant to this section. The
8 chairperson of the legislative committee may require the appearance
9 of any officer or employee of the corporation.

10
11 ¹**[9.] 8.¹** (New section) a. The corporation shall employ a
12 chief ethics officer who shall be provided staff, equipment, and
13 resources, as the board deems appropriate, in order to investigate
14 allegations and suspicions of unethical conduct or criminal activity
15 within the corporation and to determine whether the corporation is
16 in compliance with applicable State law. The chief ethics officer
17 shall operate independently of the executive director and shall
18 report directly to the board of directors. The executive director
19 shall not have any role in hiring, firing, disciplining, or directing the
20 chief ethics officer.

21 b. The chief ethics officer shall:

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

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

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

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

39 (5) establish a whistleblower access and assistance program
40 which shall include, but not be limited to: establishing toll-free
41 telephone and facsimile lines available to employees; offering
42 advice regarding employee rights under applicable state and federal
43 laws and advice and options available to all persons; and offering
44 an opportunity for employees to identify concerns regarding any
45 issue at the corporation.

46
47 ¹**[10.] 9.¹** Section 20 of P.L.1979, c.150 (C.27:25-20) is
48 amended to read as follows:

1 20. a. The corporation shall, by September 15 of each year, file
2 with the Commissioner of Transportation a report in such format
3 and detail as the Commissioner may require setting forth the actual,
4 operational, capital and financial results of the previous fiscal year,
5 the operational, capital and financial plan for the current fiscal year
6 and a proposed operational, capital and financial plan for the next
7 ensuing fiscal year.

8 b. On or before October 31 of each year, the corporation shall
9 make an annual report of its activities for the preceding fiscal year
10 to the Governor **【**and to the presiding officers and the
11 Transportation Committees of both Houses of the Legislature**】**, the
12 President of the Senate, the Speaker of the General Assembly, and
13 the Assembly Transportation and Independent Authorities
14 Committee and the Senate Transportation Committee, or their
15 successor committees. Each such report shall set forth a complete
16 operating and financial statement covering its operations and capital
17 projects during the year. The report shall also include an account of
18 the on-time performance of rail passenger service, including light
19 rail service, operated by, or under contract to, the corporation,
20 including data for each such passenger line. The report shall
21 provide a detailed discussion of the methodology used by the
22 corporation in measuring on-time performance. The report shall
23 include certain personnel information of employees of the
24 corporation, including the average salary, number of employees in
25 management positions, and number of employees that are not in
26 management positions in key demographic groups, which shall
27 include, at minimum, race, ethnicity, and gender. ¹The report shall
28 include certain accident information for accidents that occurred
29 during the previous year which involved a rail passenger vehicle or
30 motorbus operated by, or under contract to, the corporation,
31 including the total number of accidents and any fines, penalties, or
32 judgments levied against the corporation related to any such
33 accident. The report shall also include information regarding any
34 safety violations for which the corporation was cited in the previous
35 year, including the total number of safety violations and any fines
36 or penalties levied against the corporation related to any such safety
37 violation.¹

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

44 d. The corporation shall cause an audit of its books and
45 accounts to be made at least once each year by certified public
46 accountants and the cost thereof may be treated as a cost of
47 operation. The audit shall be filed within ¹**【**4**】** four¹ months after

1 the close of the fiscal year of the corporation and a certified
2 duplicate copy thereof shall be filed with the Division of Budget
3 and Accounting in the Department of the Treasury.

4 e. Notwithstanding the provisions of any law to the contrary,
5 the State Auditor or **his** a legally authorized representative may
6 examine the accounts and books of the corporation.

7 f. On or before ¹~~May~~ April¹ 1 of each year, the board shall
8 approve and the corporation shall transmit to the Commissioner of
9 Transportation and to the President of the Senate, the Speaker of the
10 General Assembly, and the Assembly Transportation and
11 Independent Authorities Committee and the Senate Transportation
12 Committee, or their successor committees, an annual proposed
13 budget recommendation. The budget document shall be a two-year
14 budget which covers the most recent completed fiscal year,
15 estimated results for the fiscal year in progress, a recommendation
16 for the fiscal year to commence, and estimated needs and
17 projections for the following fiscal year. At a minimum, the budget
18 shall provide detailed information in the following areas:

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

21 (2) A profile describing the history of the corporation and the
22 services it provides;

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

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

26 (5) A list of key performance indicators;

27 (6) A statement of current budget year assumptions regarding
28 funding and ridership;

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

31 (8) A description of the current corporation organizational
32 structure;

33 (9) Detailed operating revenue and expense projections for each
34 division within the corporation, with 10 year revenue and expense
35 trends and five year revenue and expense projections;

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

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

45 ¹g. On or before March 1 of each year, the board shall approve
46 and the corporation shall transmit to the Commissioner of
47 Transportation and to the President of the Senate, the Speaker of the
48 General Assembly, and the Assembly Transportation and

Independent Authorities Committee and the Senate Transportation Committee, or their successor committees, a report containing: a description of each parcel of real property in which the corporation holds a property interest; the appraised value of that property interest; the purpose for which the corporation holds the property interest; any revenue the corporation receives that arises out of the property interest; and any property interests sold or otherwise disposed of, including the amount of money received by the corporation for that sale or disposition, in the immediately preceding year and including an accompanying explanation for any property interest disposed of for less than market value and any property interest acquired for more than market value.¹

(cf: P.L.2007, c.263, s.1)

¹**[11.] 10.**¹ R.S.52:14-7 is amended to read as follows:

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

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

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

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

(4) with a school district or an authority, board, body, agency, commission, or instrumentality of the district,

shall have his or her principal residence in this State and shall execute such office, employment, or position.

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

1 ¹For the time period between the effective date of
2 P.L. , c. (C.) (pending before the Legislature as this bill) and
3 five years following the effective date of P.L. , c. (C.)
4 (pending before the Legislature as this bill), this¹ This¹ residency
5 requirement shall not apply to any person who is hired by the New
6 Jersey Transit Corporation as an engineer or mechanic. ¹provided
7 that the corporation is able to demonstrate that it is unable to hire a
8 suitable applicant who resides in this State. A person who is hired
9 during this five-year period shall not be subject to the residency
10 requirement of this subsection while the person continues to hold
11 office, employment, or position without a break in public service of
12 greater than seven days¹ or any other position certified by the board
13 of directors as a position of critical need¹.

14 For the purposes of this subsection, a person may have at most
15 one principal residence, and the state of a person's principal
16 residence means the state (1) where the person spends the majority
17 of the person's nonworking time, and (2) which is most clearly the
18 center of the person's domestic life, and (3) which is designated as
19 the person's legal address and legal residence for voting. The fact
20 that a person is domiciled in this State shall not by itself satisfy the
21 requirement of principal residency hereunder.

22 A person, regardless of the office, employment, or position, who
23 holds an office, employment, or position in this State on the
24 effective date of P.L.2011, c.70 but does not have principal
25 residence in this State on that effective date shall not be subject to
26 the residency requirement of this subsection while the person
27 continues to hold office, employment, or position without a break in
28 public service of greater than seven days.

29 Any person may request an exemption from the provisions of
30 this subsection on the basis of critical need or hardship from a five-
31 member committee hereby established to consider applications for
32 exemptions. The committee shall be composed of three persons
33 appointed by the Governor, a person appointed by the Speaker of
34 the General Assembly, and a person appointed by the President of
35 the Senate, each of whom shall serve at the pleasure of the person
36 making the appointment and shall have a term not to exceed five
37 years. A vacancy on the committee shall be filled in the same
38 manner as the original appointment was made. The Governor shall
39 make provision to provide such clerical, secretarial, and
40 administrative support to the committee as may be necessary for it
41 to conduct its responsibilities pursuant to this subsection.

42 The decision on whether to approve an application from any
43 person shall be made by a majority vote of the members of the
44 committee, and those voting in the affirmative shall so sign the
45 approved application. If the committee fails to act on an application
46 within 30 days after the receipt thereof, no exemption shall be
47 granted and the residency requirement of this subsection shall be

1 operative. The head of a principal department of the Executive
2 Branch of the State government, a Justice of the Supreme Court,
3 judge of the Superior Court, and judge of any inferior court
4 established under the laws of this State shall not be eligible to
5 request from the committee an exemption from the provisions of
6 this subsection.

7 The exemption provided in this subsection for certain persons
8 employed by a State college, university, or other higher educational
9 institution, or a county or community college, other than those
10 employed on a temporary or per-semester basis as a visiting
11 professor, teacher, lecturer, or researcher, shall apply only to those
12 persons holding positions that the college, university, or institution
13 has included in a report of those full or part-time positions as a
14 member of the faculty, the research staff, or the administrative staff
15 requiring special expertise or extraordinary qualifications in an
16 academic, scientific, technical, professional, or medical field or in
17 administration, that, if not exempt from the residency requirement,
18 would seriously impede the ability of the college, university, or
19 institution to compete successfully with similar colleges,
20 universities, or institutions in other states. The report shall be
21 compiled annually and shall also contain the reasons why the
22 positions were selected for inclusion in the report. The report shall
23 be compiled and filed within 60 days following the effective date of
24 P.L.2011, c.70. The report shall be reviewed, revised as necessary,
25 and filed by January 1 of each year thereafter. Each report shall be
26 filed with the Governor and, pursuant to section 2 of P.L.1991,
27 c.164 (C.52:14-19.1), with the Legislature, and a report may be
28 revised at any time by filing an amendment to the report with the
29 Governor and Legislature.

30 As used in this section, "school district" means any local or
31 regional school district established pursuant to chapter 8 or chapter
32 13 of Title 18A of the New Jersey Statutes and any jointure
33 commission, county vocational school, county special services
34 district, educational services commission, educational research and
35 demonstration center, environmental education center, and
36 educational information and resource center.

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

43 c. No person shall be appointed to or hold any position in this
44 State who has not the requisite qualifications for personally
45 performing the duties of such position in cases where scientific
46 engineering skill is necessary to the performance of the duties
47 thereof.

1 d. Any person holding or attempting to hold an office,
2 employment, or position in violation of this section shall be
3 considered as illegally holding or attempting to hold the same;
4 provided that a person holding an office, employment, or position in
5 this State shall have one year from the time of taking the office,
6 employment, or position to satisfy the requirement of principal
7 residency, and if thereafter the person fails to satisfy the
8 requirement of principal residency as defined herein with respect to
9 any 365-day period, that person shall be deemed unqualified for
10 holding the office, employment, or position. The Superior Court
11 shall, in a civil action in lieu of prerogative writ, give judgment of
12 ouster against the person, upon the complaint of any officer or
13 citizen of the State, provided that any complaint shall be brought
14 within one year of the alleged 365-day period of failure to have the
15 person's principal residence in this State.

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

17
18 ¹**[12.] 11.**¹ R.S.52:24-4 is amended to read as follows:

19 52:24-4. It shall be the duty of the State Auditor to conduct
20 post-audits of all transactions and accounts kept by or for all
21 departments, offices and agencies of the State Government, to
22 report to the Legislature or to any committee thereof and to the
23 Governor, and to the Executive Director of the Office of Legislative
24 Services, as provided by this chapter and as shall be required by
25 law, and to perform such other similar or related duties as shall,
26 from time to time, be required **[of him]** by law.

27 The State Auditor shall personally or by any **[of his]** duly
28 authorized assistants, or by contract with independent public
29 accountant firms, examine and post-audit all the accounts, reports
30 and statements and make independent verifications of all assets,
31 liabilities, revenues and expenditures of the State, its departments,
32 institutions, boards, commissions, officers, and any and all other
33 State agencies, now in existence or hereafter created, hereinafter in
34 this chapter called "accounting agencies."

35 The State Auditor shall conduct, at the direction of the
36 Legislative Services Commission or of the presiding officer of
37 either house of the Legislature or on the State Auditor's own
38 initiative, a performance review audit of any program of any
39 accounting agency, any independent authority, or any public entity
40 or grantee that receives State funds, in a manner that is consistent
41 with the Government Auditing Standards for performance audits
42 utilized by the United States Government Accountability Office or
43 its successor.

44 When the State Auditor conducts any audit or performance
45 review audit, the accounting agency, or authority, entity or grantee,
46 shall respond in writing to each item in the State Auditor's report
47 and the State Auditor, at an appropriate time determined by **[him]**
48 the State Auditor, shall conduct a post-audit review of the

1 accounting agency's, or authority's, entity's, or grantee's,
2 compliance with the State Auditor's recommendations.

3 The officers and employees of each accounting agency, or
4 authority, entity, or grantee, shall assist the State Auditor, when and
5 as required by **him** the State Auditor, and provide the State
6 Auditor with prompt access to all records necessary for the State
7 Auditor to perform **his** the duties of the State Auditor,
8 notwithstanding any statutory or regulatory requirements of
9 confidentiality with regard to the records, for the purpose of
10 carrying out the provisions of this chapter. The State Auditor shall
11 report the failure of any accounting agency, or authority, entity, or
12 grantee, to provide prompt access to any relevant record to the
13 presiding officer of each house of the Legislature. The State
14 Auditor shall not disclose a confidential record provided by an
15 accounting agency, or authority, entity, or grantee, except as may be
16 necessary for the State Auditor to fulfill **his** any constitutional or
17 statutory responsibilities. Working papers prepared by the State
18 Auditor shall be confidential and shall not be considered
19 government records under P.L.1963, c.73 (C.47:1A-1 et seq.).

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

24 Notwithstanding any law to the contrary, post-audits and
25 performance review audits shall be conducted within the limits of
26 the resources and personnel available to the State Auditor. If
27 resources and personnel are insufficient to conduct all such required
28 post-audits and performance review audits, the State Auditor may
29 prioritize certain audits and forgo others upon notice to the
30 Governor and the presiding officer of each house of the Legislature.
31 (cf: P.L.2006, c.82, s.1)

32
33 ¹**[13.] 12.**¹ (New section) a. All members of the New Jersey
34 Transit Corporation board of directors appointed pursuant to section
35 4 of P.L.1979, c.150 (C.27:25-4) shall be appointed within ¹**[30]**
36 ⁹⁰¹ days of the effective date of P.L. , c. (C.) (pending
37 before the Legislature as this bill), provided that any member
38 serving on the board as of the effective date of P.L. , c. (C.)
39 (pending before the Legislature as this bill) whose term has not yet
40 expired may continue to serve until the expiration of that member's
41 term.

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

45 (1) members appointed upon the recommendation of the
46 ¹**[Senate]**¹ President ¹of the Senate¹ and the Speaker of the General
47 Assembly;

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

3 (3) the member appointed upon the recommendation of the
4 'New Jersey members of the' Delaware Valley Regional Planning
5 Commission;

6 (4) '[the member appointed upon the recommendation of the
7 Tri-State Transportation Campaign;

8 (5)]' the member appointed by the Governor who is required to
9 have experience as a regular corporation motorbus regular route
10 service rider '[or] ;

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

14 (6) the members appointed by the Governor who are required to
15 have a professional background in passenger rail service, freight rail
16 management, transportation capital planning, transportation and
17 public transportation capital construction, federal transportation
18 policy, State transportation policy, 'real estate investment or
19 development.' human resources management, or transportation
20 capital finance.

21 c. The members appointed upon the recommendation of the
22 '[Tri-State Transportation Campaign,] New Jersey members of'
23 the Delaware Valley Regional Planning Commission '[,]' and the
24 North Jersey Transportation Planning Authority shall serve initial
25 terms of three years.

26 d. The members appointed upon the recommendation of the
27 '[Senate]' President 'of the Senate' and the Speaker of the General
28 Assembly shall serve initial terms of two years.

29 e. The member appointed by the Governor who is required to
30 have experience as a regular corporation motorbus regular route
31 service rider '[or] , the member appointed by the Governor who is
32 required to have experience' as a regular corporation rail passenger
33 service or light rail service rider^{1,1} and the members appointed by
34 the Governor who are required to have a professional background in
35 passenger rail service, freight rail management, transportation
36 capital planning, transportation and public transportation capital
37 construction, federal transportation policy, State transportation
38 policy, 'real estate investment or development.' human resources
39 management, or transportation capital finance shall serve initial
40 terms of one year.

41
42 '[14.] 13.' This act shall take effect immediately.