

[Passed Both Houses]

[Second Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 2370

STATE OF NEW JERSEY

ADOPTED DECEMBER 16, 1996

Sponsored by Assemblymen BODINE, GEIST, LeFevre, Blee,
Senators Haines, Bryant and Adler

1 AN ACT concerning the unification of the ports of the Delaware river
2 ² supplementing² and revising various parts of the statutory law.
3

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

6
7 1. (New section) Sections 2 through 19 of this act shall be known
8 and may be cited as the "Port Unification and Financing Act."
9

10 2. (New section) The Legislature finds and declares:

11 a. The Legislature of the State of New Jersey approved legislation
12 in 1992, concurred in by the Commonwealth of Pennsylvania and
13 approved by the Congress of the United States, amending the Compact
14 creating the Delaware River Port Authority to facilitate the unification
15 of the ports of the Delaware river by authorizing the creation of a
16 subsidiary corporation or corporations and the taking of other
17 measures to effectuate the unification.

18 b. Pursuant to the provisions of the Compact amendments, the
19 merger or unification of port facilities in the State of New Jersey must
20 be done in accordance with State law.

21 c. It is therefore in the public interest, pursuant to existing law, for
22 this Legislature to consent to legislation that will direct that, upon the
23 refunding ¹ refinancing or defeasance¹ of the outstanding bonds of the

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted January 9, 1997.

² Senate SBA committee amendments adopted May 8, 1997.

1 South Jersey Port Corporation, the port facilities of that corporation,
2 along with its assets, liabilities and obligations, will be transferred to
3 the New Jersey Economic Development Authority for operation and
4 maintenance of all or a portion of the facilities by a subsidiary
5 corporation of the Delaware River Port Authority, with the employees
6 of the South Jersey Port Corporation to be employed by the subsidiary
7 corporation. ²The subsidiary corporation shall operate pursuant to the
8 same principles set forth in R.S.32:3-1 et seq. for the operation of the
9 Delaware River Port Authority.²

10

11 3. (New section) As used in this act:

12 "Authority" or "New Jersey Economic Development Authority"
13 means the New Jersey Economic Development Authority created
14 pursuant to section 4 of P.L.1974, c.80 (C.34:1B-4) ¹or a subsidiary
15 corporation of the authority created pursuant to section 16 of this act¹.

16 "Compact creating the Delaware River Port Authority" or
17 "Compact" means the compact or agreement between the State of
18 New Jersey and the Commonwealth of Pennsylvania entitled
19 "Agreement between the Commonwealth of Pennsylvania and the State
20 of New Jersey creating the Delaware River Joint Commission as a
21 body corporate and politic and defining its powers and duties," as
22 amended and supplemented (R.S.32:3-1 et seq.).

23 "Marine facilities" means port facilities to be used for piers,
24 wharves, docks, bulkheads, slips, basins, vehicular roadways, railroad
25 connections, side tracks, sidings, warehousing, storage or other
26 buildings and structures, facilities or improvements, or other real
27 property, necessary, convenient or accessory to the support, operation,
28 maintenance or accommodation of steamships or other vessels and
29 their cargoes or passengers, as shall be determined by the authority on
30 or before the entering into of the initial agreement provided for in
31 subsection ²[c.] b.² of section 4 of this act ¹with respect to the lease,
32 management, or other operation of all or a portion of the port
33 facilities¹, and upon subsequent changes in use or control ¹of the
34 marine facilities¹.

35 "Port facility" means a marine terminal or part thereof or any port
36 property or facility ²[and, in] . In² the case of the port facilities of the
37 South Jersey Port Corporation, shall include the foregoing and any
38 other real or personal property under the jurisdiction, ownership or
39 control of that corporation and transferred to or acquired by the
40 authority pursuant to this act ²[except]² ¹[for the property of the
41 South Jersey Port Corporation located in the City of Salem or the
42 county of Salem and leased to the Salem Terminals, limited liability
43 company, an Ohio limited liability company, which property consists
44 of the former port facilities of the Salem Municipal Port Authority
45 acquired previously from that authority by the South Jersey Port
46 Corporation or certain other real property previously acquired by the

1 corporation from the county of Salem or the City of Salem and located
2 in the City of Salem]² [Salem facility rights¹]².

3 "Port Facility Revenue Fund" means the fund created by section 6
4 of this act.

5 "Redevelopment facilities" means port facilities excluding the
6 marine facilities and any personal property.

7 ¹"Salem facility rights" means (1) property owned by the South
8 Jersey Port Corporation and leased to Salem Terminals, Limited
9 Liability Company, an Ohio limited liability company; (2) property
10 owned by the South Jersey Port Corporation and leased to the Mid-
11 Atlantic Shipping and Stevedoring, Inc.; and (3) all rights under the
12 foreign trade zone approved by the United States Department of
13 Commerce-Foreign Trade Zone Board by Order Number 358
14 establishing Foreign Trade Zone 142; provided, however, that the
15 property described in paragraphs (1) and (2) of this definition shall not
16 be deemed to be Salem facility rights at the time such property is no
17 longer subject to the leases described in this definition.¹

18 "South Jersey Port Corporation" means the South Jersey Port
19 Corporation ²[,]² created pursuant to P.L.1968, c.60 (C.12:11A-1 et
20 seq.).

21 "State contract" means the contract or agreement entered into by
22 the State Treasurer and the authority concerning the payment of the
23 bonds issued pursuant to this act.

24 "Subsidiary" means a subsidiary corporation of the New Jersey
25 Economic Development Authority created pursuant to section 16 of
26 this act.

27 "Subsidiary corporation" means a subsidiary corporation ²[or other
28 corporation]² which has been established by the Delaware River Port
29 Authority pursuant to subdivision (m) of Article I of the compact
30 creating the Delaware River Port Authority (R.S.32:3-2).

31 "Transfer date" means the date on which all bonds issued by the
32 South Jersey Port Corporation cease to be outstanding within the
33 meaning of the resolutions pursuant to which those bonds were issued,
34 as certified by the trustee or trustees thereunder.

35

36 4. (New section) a. For the purpose of providing funds for the
37 financing of the establishment, acquisition, construction, rehabilitation,
38 improvement and ownership of port facilities, the authority shall have
39 the power to issue bonds or notes, incur indebtedness, borrow money
40 or incur other obligations secured in whole or in part by the monies in
41 the Port Facility Revenue Fund or by any state contract or both and
42 also to issue such bonds, notes or other indebtedness for the purpose
43 of ¹defeasing,¹ refinancing or refunding the existing bonded and other
44 indebtedness of an authority or corporation having jurisdiction,
45 ownership or control of port facilities. However, the authority shall
46 not issue bonds, notes or other obligations for ²defeasing,² refinancing

1 or refunding the bonds or notes of the South Jersey Port Corporation
2 until ²a subsidiary corporation has been formally established by the
3 Delaware River Port Authority and² the State Treasurer and the
4 authority have approved an agreement pursuant to subsection ²[c.] b.²
5 of this section providing for the ¹[operation and maintenance] lease,
6 management or other operation¹ of all or a portion of the port facilities
7 of the South Jersey Port Corporation. The bonds or notes shall be
8 authorized by resolution, which shall stipulate the manner of execution
9 and form of the bonds or notes, whether the bonds or notes are in one
10 or more series, the date of issue, time or times of maturity, which (in
11 the case of bonds) shall not exceed 30 years, the rate or rates of
12 interest payable on the bonds or notes, the denomination or
13 denominations in which the bonds or notes are issued, conversion or
14 registration privileges, the sources and medium of payment and place
15 or places of payment and terms of redemption. The bonds or notes
16 may be sold at a public or private sale at a price or prices determined
17 by the authority.

18 ²[b. The authority is hereby authorized to acquire or lease port
19 facilities additional to the port facilities transferred to it pursuant to
20 this act either (1) from the proceeds of bonds or notes, (2) in
21 consideration of the assumption of the liabilities of another entity,
22 either directly or by virtue of the refinancing of outstanding
23 obligations, (3) with any monies in the Port Facility Revenue Fund, or
24 (4) with funds from any other source, including any appropriations by
25 the Legislature, subject to the approval of the State Treasurer.

26 c.] b.² The authority is hereby authorized to enter into any
27 agreement with a subsidiary corporation ²[or any other entity,
28 including the South Jersey Port Corporation,]² with respect to the
29 lease, management or other operation of all or a portion of the port
30 facilities ²[, including defense of litigation against the South Jersey
31 Port Corporation,]² on such terms as the authority shall deem
32 appropriate, such agreement to be subject to the approval of the State
33 Treasurer.

34 The authority shall, however, be authorized to enter into an
35 agreement with a subsidiary corporation ²[or any other entity]² under
36 this section where ²[some of]² the directors ²[or members]² of such
37 subsidiary corporation ²[or other entity]² are required to be residents
38 of the State of New Jersey and ²[of]² one or more other states only on
39 the following conditions: The by-laws of the subsidiary corporation
40 ²[or other entity]² shall provide, and continue to provide, for the
41 exercise of a veto by the Governor of the State of New Jersey with
42 respect to an action of a director of the subsidiary corporation ²[or of
43 a director or member of the other entity]² appointed from the State of
44 New Jersey, which exercise is hereby authorized in the same form and
45 manner as provided in P.L.1991, c.516 (C.32:3-4a et seq.) for the veto
46 of an action of a commissioner of the Delaware River Port Authority

1 appointed from the State of New Jersey; the exercise of the veto by
2 the Governor of the State of New Jersey pursuant to this section shall
3 not serve to dissolve the subsidiary corporation ²[or other entity]²; the
4 number of directors of the corporation ²[or directors or members of
5 the other entity]² from the State of New Jersey shall be the same as the
6 number of directors of the corporation ²[or directors or members of
7 the other entity]² from each ²of the² other ²[state] states²; ²four of the
8 total number of directors of the corporation from the State of New
9 Jersey provided for in the by-laws shall be appointed by the
10 Legislature, two by the President of the Senate and two by the
11 Speaker of the General Assembly;² and no action of the corporation
12 ²[or of the other entity]² shall be binding unless at least a simple
13 majority of the directors ²[or members]² from each ²[other]² state and
14 at least a simple majority of the directors ²[or members]² from New
15 Jersey shall vote in favor thereof. The provisions of this section shall
16 also be binding on any entity which is a successor to the authority.

17 ²The authority is hereby authorized also to enter into any
18 agreement with the South Jersey Port Corporation with respect to the
19 defense of litigation against the South Jersey Port Corporation.²

20 ²[d.] c.² The authority is hereby authorized to convey or reconvey
21 the port facilities to any other entity, including but not limited to the
22 South Jersey Port Corporation, subject to the approval of the State
23 Treasurer ²and the Legislature. The authority shall submit for
24 approval to the Legislature, on a day when both the General Assembly
25 and the Senate are in session, a plan for conveying or reconveying the
26 port facilities to an entity other than the subsidiary corporation. The
27 date of the submission shall be entered into the Senate Journal and the
28 Minutes of the General Assembly. The Legislature shall be deemed to
29 have approved the plan unless within 45 days of the submission of the
30 plan by the authority to the Legislature, the Legislature adopts by
31 affirmative vote of a majority of the authorized membership of both of
32 the houses a concurrent resolution disapproving the plan. The time
33 period shall commence on the day of submission and expire on the
34 45th day after submission or for a house not meeting on the 45th day,
35 on the next meeting of that house.

36 d. In addition to any other provisions of an agreement, an
37 agreement between the authority and a subsidiary corporation for the
38 lease, management or other operation of port facilities acquired from
39 the South Jersey Port Corporation, except as provided in section 15
40 of this act, shall require, for a period of ten years from the date the
41 agreement is executed, an annual payment to the authority for the
42 rental of the port facilities in New Jersey. The annual payment amount
43 shall equal the average for the three years immediately preceding the
44 year in which the port facilities of the South Jersey Port Corporation
45 are acquired by the authority of revenues realized by the South Jersey
46 Port Corporation in excess of operation expenses. The annual

1 payment shall be deposited into the Port Facility Revenue Fund
2 created by section 6 of this act. Following the ten year period, the
3 agreement between the authority and the subsidiary corporation may
4 continue to provide for such payments².

5
6 5. (New section) The authority may, in any resolution authorizing
7 the issuance of bonds or notes pursuant to this act, pledge the Port
8 Facility Revenue Fund or a portion thereof for payment of the
9 redemption of the bonds or notes, or the principal and interest thereon,
10 and covenant as to the use and disposition of monies in the Port
11 Facility Revenue Fund. All costs associated with the issuance of the
12 bonds or notes by the authority for the purposes set forth in this act
13 may be paid by the authority from the proceeds of bonds or notes or
14 from the Port Facility Revenue Fund, as the authority shall determine,
15 which costs may include, but shall not be limited to, any costs related
16 to the issuance of bonds or notes, operating expenses of the authority
17 attributable to the payment of current and anticipated liabilities and
18 expenses, and costs of, and any payment due under, any agreement,
19 including any agreement entered into pursuant to the provisions of
20 subsection b. of section 7 of this act. Monies in the Port Facility
21 Revenue Fund shall not be used for any other purposes of the authority
22 than those provided in this act.

23
24 6. (New section) There is created within the authority a special
25 nonlapsing fund, to be known as the "Port Facility Revenue Fund."
26 This fund shall consist of:

27 a. Such monies as may be transferred to the fund by the State
28 Treasurer, upon appropriation by the Legislature;

29 b. Such monies as may have been or may be authorized by, or
30 appropriated to, the South Jersey Port Corporation for the payment of
31 debt service with respect to the port facilities of the corporation and
32 which may be transferred to the authority by the corporation on or
33 after the acquisition of the port facilities of the corporation by the
34 authority ¹or which may be transferred to the authority pursuant to
35 section 14 of this act¹; ²[and]²

36 c. Interest or other income derived from the investment of monies
37 in the fund ²; and

38 d. Payments received by the authority under subsection d. of
39 section 4 of this act².

40 Monies in the fund shall be managed and invested by the Division
41 of Investment in the Department of the Treasury.

42
43 7. (New section) a. The authority may use monies in the Port
44 Facility Revenue Fund to pay the principal and interest and premium,
45 if any, on the bonds or notes issued by it pursuant to this act ¹and in
46 connection with the lease, management, or other operation of the port

1 facilities transferred pursuant to this act and as provided in subsection
2 b. of section 4 of this act¹. The authority may create any other fund
3 or funds by resolution of the authority which it deems necessary to
4 further secure the bonds or notes or otherwise effectuate the purposes
5 of this act, including funds for the deposit of the proceeds from bonds
6 or notes issued pursuant to this act.

7 b. The authority may, in connection with its duties and
8 responsibilities under this act or in connection with any duties and
9 responsibilities provided for in P.L.1974, c.80 (C.34:1B-1 et seq.),
10 enter into any revolving credit agreement, agreement establishing a
11 line of credit or letter of credit, reimbursement agreement, interest rate
12 exchange or other like agreement, forward purchase
13 agreement, insurance contract, surety bond, commitment to purchase
14 bonds or notes, purchase or sale agreement or commitments or other
15 contracts or agreements in connection with the authorization, issuance,
16 sale or payment of bonds or notes.

17 c. All bonds or notes issued by the authority are deemed to be
18 issued by a body corporate and politic of the State for an essential
19 governmental purpose, and the interest thereon or to be received by
20 the authority and pledged and available to pay or secure the payment
21 on bonds or notes or pledged or available to pay or secure payment on
22 such bonds or notes or interest thereon shall be exempt from all taxes
23 levied pursuant to the provisions of Title 54 of the Revised Statutes or
24 Title 54A of the New Jersey Statutes, except for transfer, inheritance
25 and estate taxes pursuant to Subtitle 5 of Title 54 of the Revised
26 Statutes.

27
28 8. (New section) Bonds and notes issued by the authority
29 pursuant to the provisions of this act shall be special and limited
30 obligations which are payable only from the sources enumerated in this
31 act. Neither the members of the authority nor any other person
32 executing the bonds or notes issued pursuant to this act shall be liable
33 personally with respect to payment of interest and principal on these
34 bonds, notes, or any other obligations issued pursuant to this act. The
35 bonds, notes, or any other obligations issued pursuant to the
36 provisions of this act shall not be a debt or liability of the State or any
37 agency or instrumentality thereof, either legal, moral or otherwise, and
38 nothing contained in this act shall be construed to authorize the
39 authority to incur any indebtedness on behalf of or in any way to
40 obligate the State or any political subdivision and all debt instruments
41 issued by the authority shall contain a statement to that effect on their
42 face.

1 9. (New section) The State hereby pledges and covenants with
2 holders of any bonds, notes or other obligations issued pursuant to this
3 act that it will not limit or alter the rights or powers vested in the
4 authority by this act, nor limit or alter the rights or powers of the State
5 Treasurer in any manner which would jeopardize the interest of the
6 holders or any trustee of such holders, or inhibit or prevent
7 performance or fulfillment by the authority or the State Treasurer with
8 respect to the terms of any agreement made with the holders of these
9 bonds, notes or other obligations. The State also pledges and
10 covenants with the holders of any such bonds, notes or obligations,
11 that it will not act to prevent the authority from obtaining any of the
12 revenues provided for in this act, which shall be sufficient to meet all
13 costs and expenses in connection with the issuance of such obligations,
14 until the bonds, notes or other obligations, together with interest
15 thereon, are fully met and discharged or payment thereof is fully
16 provided for, except that the failure of the State to appropriate monies
17 for any purposes of this act shall not be deemed a violation of this
18 section.

19

20 10. (New section) Notwithstanding the provisions of any other
21 law to the contrary, the State shall indemnify and save harmless the
22 authority, its members or employees from any actions, claims,
23 judgments or awards of any type, arising from or as the result of any
24 act or omission by or on behalf of the South Jersey Port Corporation
25 or the subsidiary corporation or in relation to the port facilities
26 transferred to the authority pursuant to this act or arising from or as
27 the result of the condition of those facilities. The State may, in
28 addition, enter into an agreement with the authority to provide for the
29 payment of liability insurance premiums for the provision of liability
30 insurance coverage for the authority, its members or employees with
31 respect to any such action or claim instituted or asserted after the
32 transfer of the port facilities. The amount and terms of such liability
33 coverage shall be subject to the approval of the State Treasurer. The
34 State shall, in addition, provide for the payment of annual
35 administrative expenses of the authority associated with the ownership
36 and operation of port facilities, in an amount authorized by the State
37 Treasurer.

38

39 11. (New section) Notwithstanding the provisions of any other
40 law to the contrary, the State Treasurer is authorized to enter into an
41 agreement with the South Jersey Port Corporation on or after the
42 transfer of the port facilities of the corporation to the authority, which
43 shall provide that the State shall indemnify and save harmless the
44 South Jersey Port Corporation, its members, or employees from any
45 actions, claims, judgments or awards of any type, arising from or as
46 the result of any act or omission by or on behalf of the South Jersey

1 Port Corporation. Such agreement may, in addition, provide for the
2 payment of liability insurance premiums for the provision of liability
3 insurance coverage for the South Jersey Port Corporation, its
4 members, or employees with respect to any such action or claim
5 instituted or asserted after the transfer of the port facilities to the
6 authority. The amount and terms of any such liability insurance
7 coverage shall be subject to the approval of the State Treasurer.

8
9 12. (New section) Notwithstanding any other provision of law to
10 the contrary, the State Treasurer is authorized to enter into an
11 agreement with the Delaware River Port Authority or the subsidiary
12 corporation, or both, which would provide that the State shall
13 indemnify and save harmless the Delaware River Port Authority or the
14 subsidiary corporation, or both, from any and all claims or causes of
15 action which are based on the condition of the port facilities
16 transferred pursuant to this act. The State Treasurer is not authorized
17 to enter into an agreement which obligates the State to indemnify or
18 save harmless the Delaware River Port Authority or the subsidiary
19 corporation from any damages which directly result from any act or
20 omission by the Delaware River Port Authority or the subsidiary
21 corporation, or both, or any of their agents, servants or employees.

22
23 13. (New section) The State Treasurer and the authority may
24 enter into any agreements as may be necessary to effectuate the
25 provisions of this act, which may include, but not be limited to,
26 procedures for the transfer of monies to the Port Facility Revenue
27 Fund as provided for in section 6 of this act, with respect to the terms
28 and conditions relative to the securing of bonds, notes and other
29 obligations of the authority, the pledge and assignment of any
30 agreement or agreements authorized by this act, or any payments to
31 the trustees of the holders of these bonds. Notwithstanding any
32 provision of P.L.1974, c.80 (C.34:1B-1 et seq.), this act or any
33 regulation of the authority to the contrary, the authority shall be paid
34 only such fees as shall be determined by an agreement entered into
35 pursuant to this section. Any such agreements entered into pursuant
36 to this section shall require that the subsidiary corporation shall
37 indemnify and save harmless the authority, its members or employees
38 from any actions, claims, judgments or awards of any type regarding
39 the lease, operation and management of the port facilities by the
40 subsidiary corporation.

41
42 14. (New section) a. The South Jersey Port Corporation shall
43 cooperate with the authority in the ²defeasing, ²refunding or
44 refinancing of the outstanding obligations of the corporation by the
45 authority as authorized by this act and the corporation shall take such
46 steps as are necessary in order to implement such ²defeasing.²

1 refunding or refinancing.

2 b. On the transfer date:

3 (1) All right, title and interest of the South Jersey Port
4 Corporation in its port facilities, ²except as provided in section 15 of
5 this act.² and in any of its records and papers, as well as its assets,
6 funds, obligations and liabilities, are hereby transferred to the
7 authority to be held, used and applied for the purposes of this act.

8 (2) All powers and duties which hitherto were exercised by the
9 corporation with respect to its port facilities transferred pursuant to
10 this section may henceforth be exercised by the authority. The
11 authority may permit the exercise of these powers and duties by the
12 subsidiary corporation as may be necessary or convenient to operate
13 and maintain the port facilities which are the subject of the lease,
14 management or operational agreement between the authority and the
15 subsidiary corporation authorized pursuant to subsection ²[c.] b.² of
16 section 4 of this act.

17 (3) All monies transferred pursuant to this act shall be deposited
18 in the "Port Facility Revenue Fund" established by section 6 of this
19 act.

20 (4) All creditors of the corporation and persons having claims
21 against or contracts with the corporation of any kind or character may
22 enforce such debts, claims and contracts against the authority in the
23 same manner as they might have had against the corporation, and the
24 rights and remedies of such creditors and persons having claims or
25 contracts shall not be limited or restricted in any manner by this act,
26 except as provided in this section. All debts, liabilities, obligations,
27 agreements and covenants of the corporation, except to the extent
28 otherwise specifically provided or established to the contrary in this
29 act, are hereby imposed upon the authority. In continuing the
30 functions and carrying out the contracts, obligations, powers and
31 duties of the corporation, the authority, or the subsidiary corporation,
32 as the case may be, are authorized to act in their own name or in the
33 name of the corporation as may be convenient or advisable under the
34 circumstances from time to time.

35 (5) The lease, management or operational agreement referred to
36 in paragraph (2) of this subsection shall provide that all officers and
37 employees of the corporation shall be employed by the subsidiary
38 corporation until determined otherwise by that corporation. The
39 employees shall retain all of their rights and benefits under existing
40 collective bargaining agreements or contracts until such time as new
41 or revised agreements or contracts are agreed to or these agreements
42 or contracts shall expire. All existing bargaining agents shall be
43 retained to act on behalf of those employees until such time as the
44 employees shall, pursuant to law, elect to change those agents. The
45 provisions of this paragraph shall not apply to any officer or employee
46 appointed or employed, or any collective bargaining agreement entered

1 into, on or after the effective date of this act.

2 c. As soon as may be practicable after the transfer date, the
3 authority shall notify the Governor, the presiding officers of each
4 house of the Legislature, and the President of the Delaware River Port
5 Authority that the transfer has occurred, the date of the transfer, and
6 any other information concerning the transfer the authority deems
7 appropriate.

8 d. ²(1)² After the transfer date, the subsidiary corporation which
9 has entered into the lease, management or operational agreement shall
10 annually submit to the authority a written report on the carrying out
11 of its responsibilities under the agreement in addition to any other
12 reports as may be required by the agreement. ²The annual report shall
13 include a financial summary of revenues and expenditures relating to
14 the ports. The report shall also be submitted to the Legislature.

15 (2) In addition to any other reports required to be submitted to the
16 Legislature, the Delaware River Port Authority shall submit to the
17 Legislature, at least 60 days prior to action taken to authorize or
18 adopt, any plan developed by the Delaware River Port Authority to
19 finance any capital project for the construction, reconstruction,
20 development or improvement of the port facilities located in New
21 Jersey that are operated and maintained by the subsidiary corporation
22 pursuant to the provisions of P.L. , c. (C.)(now pending
23 before the Legislature as this bill). Upon the initial submission of such
24 a plan, the authority shall annually thereafter submit written progress
25 reports on the implementation of the plan with the final progress
26 report submitted upon the completion of projects set forth in the initial
27 plan.²

28

29 15. (New section) Notwithstanding the provisions of this act to
30 the contrary, the ²authority shall not acquire from the South Jersey
31 Port Corporation the former port facilities of the Salem Municipal Port
32 Authority as acquired previously from the Salem Municipal Port
33 Authority by the South Jersey Port Corporation. The² South Jersey
34 Port Corporation shall, not later than six months after the effective
35 date of this act, enter into a lease or other agreement with a person
36 other than a public entity to operate and maintain the former port
37 facilities of the Salem Municipal Port Authority previously acquired by
38 the South Jersey Port Corporation, including other real property
39 previously acquired by that corporation from the county of Salem or
40 the City of Salem and located in the City of Salem.

41 If the South Jersey Port Corporation fails to enter into such a lease
42 or other agreement within that six month period, the South Jersey Port
43 Corporation shall, at the expiration of that period, transfer all right,
44 title and interest to those facilities to the New Jersey Economic
45 Development Authority. If the South Jersey Port Corporation has
46 entered into such lease or other agreement within the six month

1 period, the South Jersey Port Corporation shall, at the expiration or
2 termination of such lease or other agreement, transfer all right, title
3 and interest to those facilities to the New Jersey Economic
4 Development Authority unless the lessee or operator of those facilities
5 shall have exercised an option to purchase or acquire the facilities
6 pursuant to the lease or agreement. ²The New Jersey Economic
7 Development Authority shall be authorized to acquire all right, title,
8 and interest to those facilities if transferred pursuant to this section.²

9 ¹Any agreement entered into pursuant to this section shall be
10 subject to the approval of the State Treasurer and if such an agreement
11 shall result in any payments to the South Jersey Port Corporation such
12 payments shall be remitted to the State Treasurer for deposit in the
13 General Fund less those amounts that the South Jersey Port
14 Corporation is required to pay to other public entities under the terms
15 of leases referred to in paragraphs (1) and (2) of "Salem facility rights"
16 as defined in section 3 of this act.¹

17

18 16. (New section). a. To effectuate any of its authorized
19 purposes either directly or indirectly, the authority, in addition to any
20 powers granted to it elsewhere in P.L. , c. (C.) (now before the
21 Legislature as this bill), shall have the authority to form, purchase or
22 assume control of one or more subsidiaries, in the manner and for the
23 purposes set forth in this section.

24 b. The authority may form a subsidiary by filing with the Secretary
25 of State a certificate of incorporation, which may be amended from
26 time to time and which shall set forth the name of the subsidiary, its
27 duration, the location of its principal office, the joint owners thereof
28 if any such joint owners shall be provided for by an agreement between
29 the authority and the joint owners, and the purposes of the subsidiary.

30 c. The directors of the subsidiary shall be members or employees
31 of the authority, who shall constitute at least a majority, and such
32 other persons representing any joint owner or owners, if any, as may
33 be provided for in the agreement in connection with the incorporation
34 of the subsidiary.

35 d. The subsidiary shall have all the powers vested in the authority
36 which the authority may delegate to it by terms of the agreement
37 entered into pursuant to subsection b. of this section, except that it
38 shall not have the power to contract indebtedness independently of the
39 authority. The subsidiary and any of its properties, functions and
40 activities shall have all the privileges, immunities, tax exemptions and
41 other exemptions as the authority's property, functions and activities.
42 The subsidiary shall also be subject to the restrictions and limitations
43 to which the authority is subject. The subsidiary shall be subject to
44 suit as if it were the authority itself.

45 e. Whenever the State or any municipality, commission, public
46 authority, agency, office, department, board, or division is authorized

1 and empowered for any purposes of P.L. , c. (C.) (now before the
2 Legislature as this bill) to cooperate and enter into agreements with
3 the authority or to grant any consent to the authority or to grant,
4 convey, lease or otherwise transfer any property to the authority or to
5 execute any document, the State or such municipality, commission,
6 public authority, agency, officer, department, board, or division shall
7 have the same authorization and power for any of such purposes to
8 cooperate and enter into agreements with the subsidiary, to grant
9 consents to the subsidiary, to grant, convey, lease or otherwise
10 transfer property to the subsidiary and to execute documents for the
11 subsidiary.

12 f. Among the powers that shall be granted to a subsidiary
13 established by the authority, or which may be exercised by the
14 authority itself, are:

15 (1) The power to participate as a co-owner or co-venturer in any
16 activity financed by a loan from the authority;

17 (2) The power to issue its stock and employ the proceeds of such
18 issuance for capital investment in, or other expenses in connection
19 with, the projects of the subsidiary, upon authorization by the
20 authority; and

21 (3) The power to enter into leases, subleases or other conveyances
22 of property, or to grant easements, or licenses for the use of property.

23

24 17. (New section) The authority, or any subsidiary, may enter
25 into agreements with any individual, partnership, trust, association or
26 corporation, or any public agency, under which the authority or
27 subsidiary and such other entity or entities shall undertake a project as
28 a joint venture, with the authority or subsidiary providing such
29 financial assistance, through loans, grants or the acquisition of an
30 ownership interest in the project, and such technical or managerial
31 assistance or advice, as the agreement may provide for.

32

33 18. (New section) When undertaking any construction,
34 reconstruction, or other improvement of property which is part of the
35 marine facilities or redevelopment facilities located in the City of
36 Camden, the authority shall provide the Planning Board of the City of
37 Camden with a written summary, for informational purposes only, or
38 an informational presentation to the Planning Board of the City of
39 Camden which shall describe the proposed development.

40

41 19. (New section) a. The exercise of the powers granted by this
42 act shall constitute the performance of an essential governmental
43 function and the authority shall not be required to pay any taxes or
44 assessments upon or in respect of its port facilities as defined in
45 section 3 of P.L. , c. (C.)(now before the Legislature as this
46 bill), or any property or moneys of the authority, and the authority, its

1 port facilities, property and moneys and any bonds and notes issued
2 under the provisions of this act, their transfer and the income there-
3 from, including any profit made on the sale thereof, shall at all times
4 be free from taxation of every kind by the State except for transfer,
5 inheritance and estate taxes and by any political subdivision of the
6 State.

7 b. Notwithstanding the provisions of section 15 of P.L.1974, c.80
8 (C.34:1B-15) to the contrary: (1) any person occupying port facilities
9 of the authority used as redevelopment facilities for commercial
10 purposes, whether as lessee, vendee or otherwise, except a subsidiary
11 corporation as defined in section 3 of P.L. , c. (C.) (now before
12 the Legislature as this bill), shall pay to any political subdivision in
13 which such redevelopment facilities are located a payment in lieu of
14 taxes which shall equal the taxes on real and personal property,
15 including water and sewer service charges and assessments, which that
16 person would have been required to pay to the respective political
17 subdivisions had it been the owner of the property during the period
18 for which such payment is made and neither the subsidiary
19 ¹[corporation]¹ nor the authority nor any of their projects, properties,
20 moneys or bonds and notes shall be obligated, liable or subject to lien
21 of any kind for the enforcement, collection or payment thereof; (2) the
22 State shall make a payment in lieu of taxes on the authority's port
23 facilities used as marine facilities for commercial purposes and
24 occupied by any person as lessee, except a subsidiary corporation as
25 defined in section 3 of P.L. , c. (C.) (now before the Legislature
26 as this bill) and neither the subsidiary ¹[corporation]¹ nor the
27 authority nor any of their projects, properties, moneys, or bonds and
28 notes shall be obligated, liable or subject to lien of any kind for the
29 enforcement, collection or payment thereof. The payment by the
30 State shall be made to the City of Camden, subject to annual
31 appropriation by the Legislature, and shall be equal to 40 percent of
32 the ¹fair market¹ value of the property, determined by the Department
33 of the Treasury at the time of transfer of the facilities to the authority
34 pursuant to this act, multiplied by the local ¹municipal¹ purposes tax
35 rate.

36 c. Payments made pursuant to this section shall be paid to the
37 political subdivision in the fiscal year commencing on July 1 following
38 the year in which the occupancy occurred. Such payments shall only
39 be payable for that portion of the year in which the facilities subject to
40 the payment were actually occupied by a lessee, vendee or otherwise
41 or in the case of paragraph (2) of subsection b. of this section by a
42 lessee.

43 d. Any property transferred to the authority pursuant to the
44 provisions of this act, which is not occupied by a lessee, vendee or
45 otherwise, as provided in this section, shall not be subject to a
46 payment in lieu of taxes.

1 e. In the event that the port facilities of the authority are
2 transferred to another entity which is not subject to taxation, the
3 provisions of this section concerning payments in lieu of taxes shall
4 continue, and any person occupying the transferred ¹[port]
5 redevelopment¹ facilities as a lessee, vendee or otherwise, except a
6 subsidiary corporation defined in section 3 of P.L. , c. (C.) (now
7 before the Legislature as this bill), shall make the payments prescribed
8 in paragraph (1) of subsection b. of this section, and the entity to
9 which the marine facilities are transferred, rather than the State, shall
10 continue to make the payments prescribed in paragraph (2) of
11 subsection b. of this section unless the entity and the City of Camden
12 shall enter into an agreement to provide for a different method of
13 determining the amount of payment in lieu of taxes or otherwise to
14 alter the amount of the payment provided for in paragraph (2) of
15 subsection b. of this section.

16 f. Notwithstanding the provisions of this section to the contrary,
17 the governing body of a county or municipality in which the port
18 facilities of the authority used as redevelopment facilities are located
19 may, by resolution or ordinance, as appropriate, provide for the
20 reduction in the amount of the in lieu of tax payment which a vendee,
21 lessee or otherwise is required to pay under paragraph (1) of
22 subsection b. of this section. The reduction in the amount shall be for
23 a term of no greater than 20 years from the date of initial occupancy
24 by the vendee, lessee or otherwise and shall be so structured that the
25 ¹total¹ reduction shall constitute no greater than 75 percent of the in
26 lieu of tax payment required under paragraph (1) of subsection b. of
27 this section over the 20 year ¹or lesser¹ period, and shall only be
28 adopted upon a finding that the reduction would be in the best interest
29 of the county or municipality.

30

31 20. Section 1 of P.L.1968, c.60 (C.12:11A-1) is amended to read
32 as follows:

33 1. The Legislature hereby finds and declares: a. that overlapping
34 jurisdiction and responsibility for port development is not conducive
35 to the provision of adequate port facilities in southern New Jersey;
36 that the South Jersey Port Corporation hereinafter established by this
37 act, should be the sole agency for the port development which is the
38 purpose of this act; that said corporation should be vested with powers
39 and responsibilities sufficient to fulfill not only its port development
40 purposes but its financial obligations to the government and people of
41 the State of New Jersey; that the Camden Marine Terminals, presently
42 operated and maintained by the South Jersey Port Commission, are
43 ideally suited to serve as the basis from which future port development
44 in South Jersey may proceed; that the acquisition of said Camden
45 Marine Terminals by the South Jersey Port Corporation will enable
46 said corporation to accomplish the purposes of this act; that the

1 indebtedness of the South Jersey Port Commission to its creditors and
2 bondholders and to the city of Camden is properly an obligation of the
3 State of New Jersey and a responsibility of the State of New Jersey to
4 repay to the extent and in the manner provided herein; that prior to the
5 disposition of the Camden Marine Terminals the financial obligations
6 of the South Jersey Port Commission to the city of Camden must be
7 discharged; that the State has already recognized its responsibility and
8 taken steps to fulfill its obligation to the city of Camden by virtue of
9 the appropriation of \$1.5 million from the General Treasury of the
10 State of New Jersey to the South Jersey Port Commission, pursuant
11 to chapter 84 of the Laws of 1967, which sum was applied towards the
12 reduction of the indebtedness of the commission to the city of
13 Camden.

14 b. In order to facilitate the unification of the ports of the Delaware
15 river, as provided in subdivision (m) of the Compact creating the
16 Delaware River Port Authority (R.S.32:3-2), it is in the public interest
17 to provide for the transfer of the port facilities of the corporation to
18 the New Jersey Economic Development Authority so that all or a
19 portion of them may be operated by a subsidiary corporation of the
20 Delaware River Port Authority; that the current outstanding bonded
21 indebtedness of the corporation shall be refunded by the issuance of
22 bonds by the New Jersey Economic Development Authority in order
23 to facilitate that transfer; that provision be made for the employees of
24 the corporation who may be employed by the subsidiary corporation;
25 and that other measures be taken to facilitate the transfer.

26 (cf: P.L.1968, c.60, s.1)

27

28 21. Section 6 of P.L.1968, c.60 (C.12:11A-6) is amended to read
29 as follows:

30 6. The corporation shall be a body corporate and politic and shall
31 have perpetual succession and shall have the following powers:

32 (a) To adopt by-laws for the regulation of its affairs and the
33 conduct of its business;

34 (b) To adopt an official seal and alter the same at pleasure;

35 (c) To maintain an office at such place or places within the district
36 as it may designate;

37 (d) To sue and be sued in its own name;

38 (e) To establish, acquire, construct, rehabilitate, improve, own,
39 operate and maintain marine terminals at such locations within the
40 district as it shall determine;

41 (f) To enter into lease agreements with private marine terminal
42 operators for the purpose of operating and maintaining any of the
43 marine terminals established, acquired, owned, constructed,
44 rehabilitated or improved by the corporation;

45 (g) To issue bonds or notes of the corporation for any of its
46 corporate purposes and to provide for the rights of the holders thereof

1 as provided in this act;

2 (h) To fix and revise from time to time and charge and collect
3 rents, tolls, fees and charges for use of the several functions and
4 services of any marine terminal acquired or constructed by it;

5 (i) To establish rules and regulations for the use of any terminal;

6 (j) To acquire, hold and dispose of real and personal property in
7 the exercise of its powers and the performance of its duties under this
8 act;

9 (k) To acquire in the name of the corporation by purchase or
10 otherwise, on such terms and conditions and in such manner as it may
11 deem proper, or by the exercise of the power of eminent domain any
12 land and other property which it may determine is reasonably
13 necessary for any marine terminal or for the relocation or
14 reconstruction of any highway by the corporation and any and all
15 rights, title and interest in such land and other property, including
16 public lands, parks, playgrounds, reservations, highways or parkways,
17 owned by or in which any county, city, borough, town, township,
18 village, or other political subdivision of the State of New Jersey has
19 any right, title or interest, or parts thereof or rights therein and any fee
20 simple absolute or any lesser interest in private property, and any fee
21 simple absolute in, easements upon, or the benefit of restrictions upon,
22 abutting property to preserve and protect any marine terminal.

23 Upon the exercise of the power of eminent domain, the
24 compensation to be paid thereunder shall be ascertained and paid in
25 the manner provided in [chapter 1 of the Title 20 Revised Statutes] the
26 "Eminent Domain Act of 1971," P.L.1971, c.361 (C.20:3-1 et seq.),
27 insofar as the provisions thereof are applicable and not inconsistent
28 with the provisions contained in this act. The corporation may join
29 in separate subdivisions in one petition or complaint the descriptions
30 of any number of tracts or parcels of land or property to be
31 condemned and the names of any number of owners and other parties
32 who may have an interest therein and all such land or property
33 included in said petition or complaint may be condemned in a single
34 proceeding; provided, however, that separate awards be made for each
35 tract or parcel of land or property; and provided further, that each of
36 said tracts or parcels of land or property lies wholly in or has a
37 substantial part of its value lying wholly within the same county.

38 Upon the filing of such petition or complaint or at any time
39 thereafter the corporation may file with the clerk of the county in
40 which such property is located and also with the Clerk of the Superior
41 Court a declaration of taking, signed by the corporation declaring that
42 possession of one or more of the tracts or parcels of land or property
43 described in the petition or complaint is thereby being taken by and for
44 the use of the corporation. The said declaration of taking shall be
45 sufficient if it sets forth (1) a description of each tract or parcel of land
46 or property to be so taken sufficient for the identification thereof to

1 which there shall be attached a plan or map thereof; (2) a statement
2 of the estate or interest in the said land or property being taken; (3) a
3 statement of the sum of money estimated by the corporation by
4 resolution to be just compensation for the taking of the estate or
5 interest in each tract or parcel of land or property described in said
6 declaration; and (4) that, in compliance with the provisions of this act,
7 the corporation has established and is maintaining a trust fund as
8 hereinafter provided.

9 Upon the filing of the said declaration, the corporation shall
10 deposit with the Clerk of the Superior Court the amount of the
11 estimated compensation stated in said declaration. In addition to the
12 said deposits with the Clerk of the Superior Court the corporation at
13 all times shall maintain a special trust fund on deposit with a bank or
14 trust company doing business in this State in an account at least equal
15 to twice the aggregate amount deposited with the Clerk of the
16 Superior Court as estimated compensation for all property described
17 in declarations of taking with respect to which the compensation has
18 not been finally determined and paid to the persons entitled thereto or
19 into court. Said trust fund shall consist of cash or securities readily
20 convertible into cash constituting legal investment for trust funds
21 under the laws of this State. Said trust fund shall be held solely to
22 secure and may be applied to the payment of just compensation for the
23 land or other property described in such declarations of taking. The
24 corporation shall be entitled to withdraw from said trust fund from
25 time to time so much as may then be in excess of twice the aggregate
26 of the amount deposited with the Clerk of the Superior Court as
27 estimated compensation for all property described in declarations of
28 taking with respect to which the compensation has not been finally
29 determined and paid to the persons entitled thereto or into court.

30 Upon the filing of the said declaration as aforesaid and depositing
31 with the Clerk of the Superior Court the amount of the estimated
32 compensation stated in said declaration, the corporation without other
33 process or proceedings, shall be entitled to the exclusive possession
34 and use of each tract of land or property described in said declaration
35 and may forthwith enter into and take possession of said land or
36 property, it being the intent of this provision that the proceedings for
37 compensation or any other proceedings relating to the taking of said
38 land or interest therein or other property shall not delay the taking of
39 possession thereof and the use thereof by the corporation for the
40 purpose or purposes for which the corporation is authorized by law to
41 acquire or condemn such land or other property or interest therein.

42 The corporation shall cause notice of the filing of said declaration
43 and the making of said deposit to be served upon each party in interest
44 named in the petition residing in this State, either personally or by
45 leaving a copy thereof at his residence, if known, and upon each party
46 in interest residing out of the State, by mailing a copy thereof to him

1 at his residence, if known. In the event that the residence of any such
2 party or the name of such party is unknown, such notice shall be
3 published at least once in a newspaper published or circulating in the
4 county or counties in which the land is located. Such service, mailing
5 or publication shall be made within 10 days after filing such
6 declaration. Upon the application of any party in interest and after
7 notice to other parties in interest, including the corporation, any judge
8 of the Superior Court assigned to sit for said county may order that
9 the money deposited with the Clerk of the Superior Court or any part
10 thereof be paid forthwith to the person or persons entitled thereto for
11 or on account of the just compensation to be awarded in said
12 proceeding; provided, that each such person shall have filed with the
13 Clerk of the Superior Court a consent in writing that, in the event the
14 award in the condemnation proceeding shall be less than the amount
15 deposited, the court, after notice as herein provided and hearing, may
16 determine his liability, if any, for the return of such difference or any
17 part thereof and enter judgment therefor. If the amount of the award
18 as finally determined shall exceed the amount so deposited, the person
19 or persons to whom the award is payable shall be entitled to recover
20 from the corporation the difference between the amount of the deposit
21 and the amount of the award, with interest at the rate of 6% per
22 annum thereon from the date of making the deposit. If the amount of
23 the award shall be less than the amount so deposited, the Clerk of the
24 Superior Court shall return the difference between the amount of the
25 award and the deposit to the corporation unless the amount of the
26 deposit or any part thereof shall have theretofore been distributed, in
27 which event the court, on petition of the corporation and notice to all
28 persons interested in the award and affording them an opportunity to
29 be heard, shall enter judgment in favor of the corporation for such
30 difference against the party or parties liable for the return thereof. The
31 corporation shall cause notice of the date fixed for such hearing to be
32 served upon each party thereto residing in this State either personally
33 or by leaving a copy thereof at his residence, if known, and upon each
34 party residing out of the State by mailing a copy to him at his
35 residence, if known. In the event that the residence of any party or the
36 name of such party is unknown, such notice shall be published at least
37 once in a newspaper published or circulating in the county or counties
38 in which the land is located. Such service, mailing or publication shall
39 be made at least 10 days before the date fixed for such hearing.

40 Whenever under [chapter 1 of Title 20 of the Revised Statutes] the
41 "Eminent Domain Act of 1971" the amount of the award may be paid
42 into court, payment may be made into the Superior Court and may be
43 distributed according to law. The corporation shall not abandon any
44 condemnation proceeding subsequent to the date upon which it has
45 taken possession of the land or property as herein provided;

46 (1) To make and enter into all contracts and agreements necessary

1 or incidental to the performance of its duties and the execution of its
2 powers under this act;

3 (m) To appoint such additional officers, who need not be members
4 of the corporation as the corporation deems advisable, and to employ
5 consulting engineers, attorneys, accountants, construction and
6 financial experts, superintendents, managers, and such other employees
7 and agents as may be necessary in its judgment; to fix their
8 compensation; and to promote and discharge such officers, employees
9 and agents; all without regard to the provisions of Title [11 of the
10 Revised Statutes] 11A of the New Jersey Statutes; provided, however
11 that in the hiring of any employees or agents the corporation shall hire
12 any full-time employees of the Camden Marine Terminals or of the
13 South Jersey Port Commission, dissolved as hereinafter provided by
14 this act, who express a desire to be employed by the corporation; and
15 provided further, that the corporation shall provide for the protection
16 and maintenance of any contract, agreement or memorandum of
17 understanding concerning wages, working conditions or benefits of
18 any nature whatsoever between said Camden Marine Terminals or
19 South Jersey Port Commission and such employees or their designated
20 representative, and the corporation shall guarantee any pension rights
21 or benefits, including membership in any State, private or other
22 pension plan, of any such employees of the Camden Marine Terminals
23 or the South Jersey Port Commission.

24 (n) To apply for, receive and accept from any Federal agency,
25 subject to the approval of the Governor, grants for or in aid of the
26 planning or construction of any marine terminal, and to receive and
27 accept aid or contributions from any source, of either money,
28 property, labor or other things of value, to be held, used and applied
29 only for the purposes for which such grants and contributions may be
30 made;

31 (o) To acquire any lands under water in the State of New Jersey
32 for marine terminal, purposes by grant, transfer or conveyance from
33 the Resource Development Council in the Department of Conservation
34 and Economic Development in accordance with the statutes of the
35 State governing the making of riparian grants and leases, upon such
36 terms and conditions as may be determined by said council;

37 (p) To acquire any real property required or used for State
38 highway purposes in the State of New Jersey, by grant, transfer or
39 conveyance from the State Department of Transportation of the State
40 of New Jersey upon such terms and conditions as may be determined
41 by said State Department of Transportation.

42 (q) To promote the use of the port facilities in the district and the
43 use of the Delaware river and bay as a highway of commerce and in
44 furtherance of such promotion to make expenditures in the United
45 States and foreign countries, to pay commissions, and hire or contract
46 with experts and consultants, and otherwise to do indirectly anything

1 which the corporation may do directly;

2 (r) To co-operate with all other bodies interested or concerned
3 with, or affected by the promotion, development or use of the
4 Delaware river and bay and the port district;

5 (s) To enter into contracts and agreements with the Delaware
6 River Port Authority or any other regional agency concerned with
7 marine terminal purposes providing for joint participation by the
8 parties in any undertaking for marine terminal purposes authorized by
9 this act;

10 (t) Subject to the terms of any agreement by the corporation with
11 the holders of bonds and notes and in the interests of promoting and
12 establishing unity of authority in the control, development and over the
13 use of the port facilities of the district, to lend, lease, grant or convey
14 to or merge or consolidate with any other regional agency concerned
15 with marine terminal purposes upon such terms and conditions and
16 with such reservations as the corporation shall deem reasonable and
17 fair, any marine terminal or [port] part thereof or any port facility or
18 property which it owns or controls, provided, however, that the
19 corporation shall not act under this subsection until it has submitted
20 to the Legislature any proposed loan, lease, grant or conveyance to or
21 merger with any other regional agency of any marine terminal or port
22 thereof or any other port facility which it owns or controls, and the
23 Legislature has expressed its approval thereof in the form of a
24 concurrent resolution expressing such approval passed by both houses
25 of the Legislature, provided, however, that no such approval shall be
26 required for any action of the corporation or otherwise, pursuant to
27 the provisions of P.L. , c. (C.)(now before the Legislature as
28 this bill).

29 (u) Subject to the terms of any agreement by the corporation with
30 the holders of bonds and notes, to lend, lease, transfer, grant or
31 convey to the New Jersey Economic Development Authority any port
32 facility, as defined in section 3 of P.L. , c. (C.)(now
33 before the Legislature as this bill), which is under its jurisdiction,
34 ownership or control.

35 [(u)] (v) To do all acts and things necessary or convenient to carry
36 out the powers expressly granted in this act.

37 (cf: P.L.1968, c.60, s.6)

38

39 22. Section 3 of P.L.1974, c.80 (C.34:1B-3) is amended to read
40 as follows:

41 3. As used in this act, unless a different meaning clearly appears
42 from the context:

43 a. "Authority" means the New Jersey Economic Development
44 Authority, created by section 4 of this act.

45 b. "Bonds" means bonds or other obligations issued by the
46 authority pursuant to this act or "Economic Recovery Bonds or

1 Notes" issued pursuant to P.L.1992, c.16 (C.34:1B-7.10 et al.).

2 c. "Cost" means the cost of the acquisition, construction,
3 reconstruction, repair, alteration, improvement and extension of any
4 building, structure, facility including water transmission facilities, or
5 other improvement; the cost of machinery and equipment; the cost of
6 acquisition, construction, reconstruction, repair, alteration,
7 improvement and extension of energy saving improvements or
8 pollution control devices, equipment or facilities; the cost of lands,
9 rights-in-lands, easements, privileges, agreements, franchises, utility
10 extensions, disposal facilities, access roads and site development
11 deemed by the authority to be necessary or useful and convenient for
12 any project or in connection therewith; discount on bonds; cost of
13 issuance of bonds; engineering and inspection costs; costs of financial,
14 legal, professional and other estimates and advice; organization,
15 administrative, insurance, operating and other expenses of the
16 authority or any person prior to and during any acquisition or
17 construction, and all such expenses as may be necessary or incident to
18 the financing, acquisition, construction or completion of any project
19 or part thereof, and also such provision for reserves for payment or
20 security of principal of or interest on bonds during or after such
21 acquisition or construction as the authority may determine.

22 d. "County" means any county of any class.

23 e. "Development property" means any real or personal property,
24 interest therein, improvements thereon, appurtenances thereto and air
25 or other rights in connection therewith, including land, buildings,
26 plants, structures, systems, works, machinery and equipment acquired
27 or to be acquired by purchase, gift or otherwise by the authority within
28 an urban growth zone.

29 f. "Person" means any person, including individuals, firms,
30 partnerships, associations, societies, trusts, public or private
31 corporations, or other legal entities, including public or governmental
32 bodies, as well as natural persons. "Person" shall include the plural as
33 well as the singular.

34 g. "Pollution control project" means any device, equipment,
35 improvement, structure or facility, or any land and any building,
36 structure, facility or other improvement thereon, or any combination
37 thereof, whether or not in existence or under construction, or the
38 refinancing thereof in order to facilitate improvements or additions
39 thereto or upgrading thereof, and all real and personal property
40 deemed necessary thereto, having to do with or the end purpose of
41 which is the control, abatement or prevention of land, sewer, water,
42 air, noise or general environmental pollution, including, but not limited
43 to, any air pollution control facility, noise abatement facility, water
44 management facility, thermal pollution control facility, radiation
45 contamination control facility, wastewater collection system,
46 wastewater treatment works, sewage treatment works system, sewage

1 treatment system or solid waste disposal facility or site; provided that
2 the authority shall have received from the Commissioner of the State
3 Department of Environmental Protection or his duly authorized
4 representative a certificate stating the opinion that, based upon
5 information, facts and circumstances available to the State Department
6 of Environmental Protection and any other pertinent data, (1) said
7 pollution control facilities do not conflict with, overlap or duplicate
8 any other planned or existing pollution control facilities undertaken or
9 planned by another public agency or authority within any political
10 subdivision, and (2) that such facilities, as designed, will be a pollution
11 control project as defined in this act and are in furtherance of the
12 purpose of abating or controlling pollution.

13 h. "Project" means: (1) (a) acquisition, construction,
14 reconstruction, repair, alteration, improvement and extension of any
15 building, structure, facility, including water transmission facilities or
16 other improvement, whether or not in existence or under construction,
17 (b) purchase and installation of equipment and machinery,
18 (c) acquisition and improvement of real estate and the extension or
19 provision of utilities, access roads and other appurtenant facilities; and
20 (2) (a) the acquisition, financing, or refinancing of inventory, raw
21 materials, supplies, work in process, or stock in trade, or (b) the
22 financing, refinancing or consolidation of secured or unsecured debt,
23 borrowings, or obligations, or (c) the provision of financing for any
24 other expense incurred in the ordinary course of business; all of which
25 are to be used or occupied by any person in any enterprise promoting
26 employment, either for the manufacturing, processing or assembly of
27 materials or products, or for research or office purposes, including,
28 but not limited to, medical and other professional facilities, or for
29 industrial, recreational, hotel or motel facilities, public utility and
30 warehousing, or for commercial and service purposes, including, but
31 not limited to, retail outlets, retail shopping centers, restaurant and
32 retail food outlets, and any and all other employment promoting
33 enterprises, including, but not limited to, motion picture and television
34 studios and facilities and commercial fishing facilities, commercial
35 facilities for recreational fishermen, fishing vessels, aquaculture
36 facilities and marketing facilities for fish and fish products and
37 (d) acquisition of an equity interest in, including capital stock of, any
38 corporation; or any combination of the above, which the authority
39 determines will: (i) tend to maintain or provide gainful employment
40 opportunities within and for the people of the State, or (ii) aid, assist
41 and encourage the economic development or redevelopment of any
42 political subdivision of the State, or (iii) maintain or increase the tax
43 base of the State or of any political subdivision of the State, or (iv)
44 maintain or diversify and expand employment promoting enterprises
45 within the State; and (3) the cost of acquisition, construction,
46 reconstruction, repair, alteration, improvement and extension of an

1 energy saving improvement or pollution control project which the
2 authority determines will tend to reduce the consumption in a building
3 devoted to industrial or commercial purposes, or in an office building,
4 of nonrenewable sources of energy or to reduce, abate or prevent
5 environmental pollution within the State; and (4) the acquisition,
6 construction, reconstruction, repair, alteration, improvement,
7 extension, development, financing or refinancing of infrastructure and
8 transportation facilities or improvements related to economic
9 development and of cultural, recreational and tourism facilities or
10 improvements related to economic development and of capital facilities
11 for primary and secondary schools and of mixed use projects
12 consisting of housing and commercial development; and (5) the
13 establishment, acquisition, construction, rehabilitation, improvement,
14 and ownership of port facilities as defined in section 3 of P.L. _____,
15 c. (C. _____) (now before the Legislature as this bill). Project may
16 also include: (i) reimbursement to any person for costs in connection
17 with any project, or the refinancing of any project or portion thereof,
18 if determined by the authority as necessary and in the public interest
19 to maintain employment and the tax base of any political subdivision
20 and will facilitate improvements thereto or the completion thereof, and
21 (ii) development property and any construction, reconstruction,
22 improvement, alteration, equipment or maintenance or repair, or
23 planning and designing in connection therewith. For the purpose of
24 carrying out mixed use projects consisting of both housing and
25 commercial development, the authority may enter into agreements with
26 the New Jersey Housing and Mortgage Finance Agency for loan
27 guarantees for any such project in accordance with the provisions of
28 P.L.1995, c.359 (C.55:14K-64 et al.), and for that purpose shall
29 allocate to the New Jersey Housing and Mortgage Finance Agency,
30 under such agreements, funding available pursuant to subsection a. of
31 section 4 of P.L.1992, c.16 (C.34:1B-7.13).

32 i. "Revenues" means receipts, fees, rentals or other payments to
33 be received on account of lease, mortgage, conditional sale, or sale,
34 and payments and any other income derived from the lease, sale or
35 other disposition of a project, moneys in such reserve and insurance
36 funds or accounts or other funds and accounts, and income from the
37 investment thereof, established in connection with the issuance of
38 bonds or notes for a project or projects, and fees, charges or other
39 moneys to be received by the authority in respect of projects and
40 contracts with persons.

41 j. "Resolution" means any resolution adopted or trust agreement
42 executed by the authority, pursuant to which bonds of the authority
43 are authorized to be issued.

44 k. "Energy saving improvement" means the construction, purchase
45 and installation in a building devoted to industrial or commercial
46 purposes of any of the following, designed to reduce the amount of

1 energy from nonrenewable sources needed for heating and cooling that
2 building: insulation, replacement burners, replacement high efficiency
3 heating and air conditioning units, including modular boilers and
4 furnaces, water heaters, central air conditioners with or without heat
5 recovery to make hot water for industrial or commercial purposes or
6 in office buildings, and any solar heating or cooling system
7 improvement, including any system which captures solar radiation to
8 heat a fluid which passes over or through the collector element of that
9 system and then transfers that fluid to a point within the system where
10 the heat is withdrawn from the fluid for direct usage or storage. These
11 systems shall include, but not necessarily be limited to, systems
12 incorporating flat plate, evacuated tube or focusing solar collectors.

13 The foregoing list shall not be construed to be exhaustive, and shall
14 not serve to exclude other improvements consistent with the legislative
15 intent of this amendatory act.

16 1. "Urban growth zone" means any area within a municipality
17 receiving State aid pursuant to the provisions of P.L.1978, c.14
18 (C.52:27D-178 et seq.) or a municipality certified by the
19 Commissioner of Community Affairs to qualify under such law in
20 every respect except population, which area has been so designated
21 pursuant to an ordinance of the governing body of such municipality.
22 (cf: P.L.1995, c.359, s.8)

23

24 23. Section 7 of P.L.1954, c.84 (C.43:15A-7) is amended to read
25 as follows:

26 7. There is hereby established the Public Employees' Retirement
27 System of New Jersey in the Division of Pensions and Benefits of the
28 Department of the Treasury. The membership of the retirement system
29 shall include:

30 a. The members of the former "State Employees' Retirement
31 System of New Jersey" enrolled as such as of December 30, 1954,
32 who shall not have claimed for refund their accumulated deductions in
33 said system as provided in this section;

34 b. Any person becoming an employee of the State or other
35 employer after January 2, 1955 and every veteran, other than ²a retired
36 member who returns to service pursuant to subsection b. of section 27
37 of P.L.1966, c.217 (C.43:15A-57.2) and other than² those whose
38 appointments are seasonal, becoming an employee of the State or
39 other employer after such date, including a temporary employee with
40 at least one year's continuous service; and

41 c. Every employee veteran in the employ of the State or other
42 employer on January 2, 1955, who is not a member of any retirement
43 system supported wholly or partly by the State.

44 d. Membership in the retirement system shall be optional for
45 elected officials other than veterans, and for school crossing guards,
46 who having become eligible for benefits under other pension systems

1 are so employed on a part-time basis. Any such part-time school
2 crossing guard who is eligible for benefits under any other pension
3 system and who was hired as a part-time school crossing guard prior
4 to March 4, 1976, may at any time terminate his membership in the
5 retirement system by making an application in writing to the board of
6 trustees of the retirement system. Upon receiving such application,
7 the board of trustees shall terminate his enrollment in the system and
8 direct the employer to cease accepting contributions from the member
9 or deducting from the compensation paid to the member. State
10 employees who become members of any other retirement system
11 supported wholly or partly by the State as a condition of employment
12 shall not be eligible for membership in this retirement system.
13 Notwithstanding any other law to the contrary, all other persons
14 accepting employment in the service of the State shall be required to
15 enroll in the retirement system as a condition of their employment,
16 regardless of age. No person in employment, office or position, for
17 which the annual salary or remuneration is fixed at less than
18 \$1,500.00, shall be eligible to become a member of the retirement
19 system.

20 e. Membership of any person in the retirement system shall cease
21 if he shall discontinue his service for more than two consecutive years.

22 f. The accumulated deductions of the members of the former
23 "State Employees' Retirement System" which have been set aside in a
24 trust fund designated as Fund A as provided in section 5 of this act
25 and which have not been claimed for refund prior to February 1, 1955
26 shall be transferred from said Fund A to the Annuity Savings Fund of
27 the Retirement System, provided for in section 25 of this act. Each
28 member whose accumulated deductions are so transferred shall receive
29 the same prior service credit, pension credit, and membership credit in
30 the retirement system as he previously had in the former "State
31 Employees' Retirement System" and shall have such accumulated
32 deductions credited to his individual account in the Annuity Savings
33 Fund. Any outstanding obligations of such member shall be continued.

34 g. Any school crossing guard electing to terminate his membership
35 in the retirement system pursuant to subsection d. of this section shall,
36 upon his request, receive a refund of his accumulated deductions as of
37 the date of his appointment to the position of school crossing guard.
38 Such refund of contributions shall serve as a waiver of all benefits
39 payable to the employee, to his dependent or dependents, or to any of
40 his beneficiaries under the retirement system.

41 h. A temporary employee who is employed under the federal Job
42 Training Partnership Act, Pub.L. 97-300 (29 U.S.C. §1501) shall not
43 be eligible for membership in the system. Membership for temporary
44 employees employed under the federal Job Training Partnership Act,
45 Pub.L. 97-300 (29 U.S.C. §1501) who are in the system on ²[the
46 effective date of this 1986 amendatory act] September 19, 1986² me

1 shall be terminated, and affected employees shall receive a refund of
2 their accumulated deductions as of the date of commencement of
3 employment in a federal Job Training Partnership Act program. Such
4 refund of contributions shall serve as a waiver of all benefits payable
5 to the employee, to his dependent or dependents, or to any of his
6 beneficiaries under the retirement system.

7 ¹i. Membership in the retirement system shall be optional for a
8 special service employee who is employed under the federal Older
9 American Community Service Employment Act, Pub.L.94-135 (42
10 U.S.C. §3056). Any special service employee employed under the
11 federal Older American Community Service Employment Act,
12 Pub.L.94-135 (42 U.S.C. §3056), who is in the retirement system on
13 the effective date of this act, P.L.1996, c.39 (C.43:15A-7), may
14 terminate membership in the retirement system by making an
15 application in writing to the board of trustees of the retirement system.
16 Upon receiving the application, the board shall terminate enrollment
17 in the system and the member shall receive a refund of accumulated
18 deductions as of the date of commencement of employment in a
19 federal Older American Community Service Employment Act program.
20 This refund of contributions shall serve as a waiver of all benefits
21 payable to the employee, to any dependent or dependents, or to any
22 beneficiary under the retirement system.¹

23 ¹[i.] j.¹ An employee of the South Jersey Port Corporation who
24 was employed by the South Jersey Port Corporation as of the effective
25 date of P.L. , c. (C.) (now before the Legislature as this bill)
26 and who shall be re-employed within 365 days of such effective date
27 by a subsidiary corporation or other corporation, which has been
28 established by the Delaware River Port Authority pursuant to
29 subdivision (m) of Article I of the compact creating the Delaware
30 River Port Authority (R.S.32:3-2), as defined in section 3 of P.L. ,
31 c. (C.) (now before the Legislature as this bill), shall be eligible
32 to continue membership while an employee of such subsidiary or other
33 corporation.

34 (cf: P.L.1996, c.139, s.1)

35

36 24. Section 73 of P.L.1954, c.84 (C.43:15A-73) is amended to
37 read as follows:

38 73. a. The Public Employees' Retirement System is hereby
39 authorized and directed to enroll eligible employees of the New Jersey
40 Turnpike Authority, the New Jersey Highway Authority, Palisades
41 Interstate Park Commission, Interstate Sanitation Commission, the
42 Delaware River Basin Commission and the Delaware River Joint Toll
43 Bridge Commission.

44 In the case of the Delaware River Joint Toll Bridge Commission,
45 the eligible employees shall be only those who are employed on the
46 free bridges across the Delaware river, under the control of said

1 commission, or who are members of the retirement system at the time
2 they begin employment with the commission.

3 The said employees shall be subject to the same membership,
4 contribution and benefit provisions of the retirement system as State
5 employees.

6 b. The State University of New Jersey, as an instrumentality of the
7 State, shall, for all purposes of this act, be deemed an employer and its
8 eligible employees, both veterans and nonveterans, shall be subject to
9 the same membership, contribution and benefit provisions of the
10 retirement system and to the provisions of chapter 3 of Title 43 of the
11 Revised Statutes as are applicable to State employees and for all
12 purposes of this act employment by the State University of New Jersey
13 after April 16, 1945, and for the purposes of chapter 3 of Title 43 of
14 the Revised Statutes any new employment after January 1, 1955, shall
15 be deemed to be and shall be construed as service to and employment
16 by the State of New Jersey.

17 c. The Compensation Rating and Inspection Bureau, created and
18 established pursuant to the provisions of R.S.34:15-89, shall, for all
19 purposes of this act, be deemed an employer and its eligible
20 employees, both veterans and nonveterans, shall be subject to the same
21 membership, contribution and benefit provisions of the retirement
22 system and to the provisions of chapter 3 of Title 43 of the Revised
23 Statutes as both are applicable to State employees.

24 The retirement system shall certify to the Commissioner of
25 Insurance and the Commissioner of Insurance shall direct the
26 Compensation Rating and Inspection Bureau to provide the necessary
27 payments to the retirement system in accordance with procedures
28 established by the retirement system. Such payments shall include (1)
29 the contributions and charges, similar to those paid by other public
30 agency employers, to be paid by the Compensation Rating and
31 Inspection Bureau to the retirement system on behalf of its employee
32 members, and (2) the contributions to be paid by the Compensation
33 Rating and Inspection Bureau to provide the past service credits up to
34 June 30, 1965 for these members, both veterans and nonveterans, who
35 enroll before July 1, 1966.

36 d. The New Jersey Sports and Exposition Authority, created and
37 established pursuant to the "New Jersey Sports and Exposition
38 Authority Law," P.L.1971, c.137 (C.5:10-1 et seq.) shall for all
39 purposes of this act, be deemed an employer and its eligible employees
40 both veterans and nonveterans, shall be subject to the same
41 membership, contribution and benefit provisions of the retirement
42 system and to the provisions of chapter 3 of Title 43 of the Revised
43 Statutes as are applicable to State employees.

44 (1) Eligible employees as used herein shall not include persons
45 who are not classified as salaried, or who are compensated on an
46 hourly or per diem basis, or whose employment is normally covered by

1 other retirement systems to which the authority makes contributions.

2 (2) Eligible employees previously permitted to enroll in the
3 retirement system shall redeposit the contributions previously made by
4 them and all service credit shall then be restored and future
5 contributions made at the date of contribution as originally assigned.
6 The authority shall redeposit the employer payments it had made, with
7 interest to the date of redeposit.

8 e. The New Jersey Transit Corporation created and established
9 pursuant to the "New Jersey Public Transportation Act of 1979,"
10 P.L.1979, c.150 (C.27:25-1 et seq.) shall for all purposes of this act,
11 be deemed an employer and its eligible employees both veterans and
12 nonveterans, shall be subject to the same membership, contribution and
13 benefit provisions of the retirement system and to the provisions of
14 chapter 3 of Title 43 of the Revised Statutes as are applicable to State
15 employees. Eligible employees as used herein means only those
16 individuals who are members of the Public Employees' Retirement
17 System or any other State-administered retirement system immediately
18 prior to their initial employment by the corporation.

19 f. (1) The Casino Reinvestment Development Authority, created
20 and established pursuant to P.L.1984, c.218 (C.5:12-153 et seq.), the
21 New Jersey Urban Development Corporation, created and established
22 pursuant to P.L.1985, c.227 (C.55:19-1 et seq.), the South Jersey
23 Food Distribution Authority, created and established pursuant to
24 P.L.1985, c.383 (C.4:26-1 et seq.), the New Jersey Development
25 Authority for Small Businesses, Minorities and Women's Enterprises,
26 created and established pursuant to P.L.1985, c.386 (C.34:1B-47 et
27 seq.), and the Catastrophic Illness in Children Relief Fund
28 Commission, created and established pursuant to P.L.1987, c.370
29 (C.26:2-148 et seq.) shall each, for all purposes of this act, be deemed
30 an employer and eligible authority, corporation, or commission.
31 Employees, both veterans and nonveterans, shall be subject to the
32 same membership, contribution and benefit provisions of the
33 retirement system and to the provisions of chapter 3 of Title 43 of the
34 Revised Statutes as are applicable to State employees.

35 (2) The current or former employees of the authorities, the
36 corporation, and the commission may purchase credit for all service
37 with the authority, corporation, or commission rendered prior to the
38 effective date of this amendatory and supplementary act, P.L.1990,
39 c.25 (C.43:15A-73.2 et al.), if that service would otherwise be eligible
40 for credit in the retirement system. This purchase shall be made in the
41 same manner and shall be subject to the same terms and conditions
42 provided for the purchase of previous membership service by section
43 8 of P.L.1954, c.84 (C.43:15A-8). The authority, corporation, or
44 commission shall pay the unfunded liability as determined by the
45 actuary for prior service purchased by its employees in accordance
46 with a schedule approved by the actuary. This obligation of the

1 authority, corporation, or commission shall be known as the accrued
2 liability for prior service credit.

3 (3) For any employee of the authorities or of the corporation or
4 commission who is in service with the authority, corporation, or
5 commission on the effective date of this amendatory and
6 supplementary act, P.L.1990, c.25 (C.43:15A-73.2 et al.), the age of
7 enrollment for the purposes of the member contribution rate under
8 section 25 of P.L.1954, c.84 (C.43:15A-25) shall be the age of the
9 employee on the date the continuous service with the authority began.
10 Any employee who was a member of the retirement system on the date
11 continuous service with the authority, corporation, or commission
12 began but whose membership expired before the effective date of
13 participation by the authority, corporation, or commission in the
14 retirement system, and who has not withdrawn the employee
15 contributions from the system, shall participate in the retirement
16 system under the former membership and shall contribute to the system
17 at the rate applicable to the former membership.

18 g. A subsidiary corporation or other corporation established by the
19 Delaware River Port Authority pursuant to subdivision (m) of Article
20 I of the compact creating the authority (R.S.32:3-2), as defined in
21 section 3 of P.L. , c. (C.) (now before the Legislature as this bill),
22 shall, for all purposes of this act, be deemed an employer and its
23 eligible employees, both veterans and nonveterans, shall be subject to
24 the same membership, contribution and benefit provisions of the
25 retirement system and to the provisions of chapter 3 of Title 43 of the
26 Revised Statutes as are applicable to State employees. Employees of
27 the subsidiary or other corporation eligible for participation in the
28 retirement system under this subsection shall include only persons who
29 are employees of the South Jersey Port Corporation on the effective
30 date of P.L. , c. (C.) (now before the Legislature as this bill) and
31 are re-employed by the subsidiary or other corporation within 365
32 days of the effective date.

33 (cf: P.L.1990, c.25, s.1)

34

35 25. Section 2 of P.L.1961, c.49 (C.52:14-17.26) is amended to
36 read as follows:

37 2. As used in this act:

38 (a) The term "State" means the State of New Jersey.

39 (b) The term "commission" means the State Health Benefits
40 Commission, created by section 3 of this act.

41 (c) The term "employee" means an appointive or elective officer
42 or full-time employee of the State of New Jersey. For the purposes of
43 this act an employee of Rutgers, The State University of New Jersey,
44 shall be deemed to be an employee of the State, and an employee of
45 the New Jersey Institute of Technology shall be considered to be an
46 employee of the State during such time as the Trustees of the Institute

1 are party to a contractual agreement with the State Treasurer for the
2 provision of educational services. The term "employee" shall further
3 mean, for purposes of this act, a former employee of the South Jersey
4 Port Corporation, who is employed by a subsidiary corporation or
5 other corporation, which has been established by the Delaware River
6 Port Authority pursuant to subdivision (m) of Article I of the compact
7 creating the Delaware River Port Authority (R.S.32:3-2), as defined
8 in section 3 of P.L. , c. (C.) (now before the Legislature as
9 this bill), and who is eligible for continued membership in the Public
10 Employees' Retirement System pursuant to subsection i. of section 7
11 of P.L.1954, c.84 (C.43:15A-7).

12 For the purposes of this act the term "employee" shall not include
13 persons employed on a short-term, seasonal, intermittent or emergency
14 basis, persons compensated on a fee basis, persons having less than
15 two months of continuous service or persons whose compensation
16 from the State is limited to reimbursement of necessary expenses
17 actually incurred in the discharge of their official duties. An employee
18 paid on a 10-month basis, pursuant to an annual contract, will be
19 deemed to have satisfied the two-month waiting period if the employee
20 begins employment at the beginning of the contract year. The term
21 "employee" shall also not include retired persons who are otherwise
22 eligible for benefits under this act but who, although they meet the age
23 eligibility requirement of Medicare, are not covered by the complete
24 federal program. A determination by the commission that a person is
25 an eligible employee within the meaning of this act shall be final and
26 shall be binding on all parties.

27 (d) The term "dependents" means an employee's spouse and the
28 employee's unmarried children under the age of 23 years who live with
29 the employee in a regular parent-child relationship. "Children" shall
30 include stepchildren, legally adopted children and foster children
31 provided they are reported for coverage and are wholly dependent
32 upon the employee for support and maintenance. A spouse or child
33 enlisting or inducted into military service shall not be considered a
34 dependent during the military service. The term "dependents" shall not
35 include spouses of retired persons who are otherwise eligible for the
36 benefits under this act but who, although they meet the age eligibility
37 requirement of Medicare, are not covered by the complete federal
38 program.

39 (e) The term "carrier" means a voluntary association, corporation
40 or other organization, including a health maintenance organization as
41 defined in section 2 of the "Health Maintenance Organizations Act,"
42 P.L.1973, c.337 (C.26:2J-2), which is lawfully engaged in providing
43 or paying for or reimbursing the cost of, personal health services,
44 including hospitalization, medical and surgical services, under
45 insurance policies or contracts, membership or subscription contracts,
46 or the like, in consideration of premiums or other periodic charges

1 payable to the carrier.

2 (f) The term "hospital" means (1) an institution operated pursuant
3 to law which is primarily engaged in providing on its own premises,
4 for compensation from its patients, medical diagnostic and major
5 surgical facilities for the care and treatment of sick and injured persons
6 on an inpatient basis, and which provides such facilities under the
7 supervision of a staff of physicians and with 24 hour a day nursing
8 service by registered graduate nurses, or (2) an institution not meeting
9 all of the requirements of (1) but which is accredited as a hospital by
10 the Joint Commission on Accreditation of Hospitals. In no event shall
11 the term "hospital" include a convalescent nursing home or any
12 institution or part thereof which is used principally as a convalescent
13 facility, residential center for the treatment and education of children
14 with mental disorders, rest facility, nursing facility or facility for the
15 aged or for the care of drug addicts or alcoholics.

16 (g) The term "State managed care plan" means a health care plan
17 under which comprehensive health care services and supplies are
18 provided to eligible employees, retirees, and dependents: (1) through
19 a group of doctors and other providers employed by the plan; or (2)
20 through an individual practice association, preferred provider
21 organization, or point of service plan under which services and
22 supplies are furnished to plan participants through a network of
23 doctors and other providers under contracts or agreements with the
24 plan on a prepayment or reimbursement basis and which may provide
25 for payment or reimbursement for services and supplies obtained
26 outside the network. The plan may be provided on an insured basis
27 through contracts with carriers or on a self-insured basis, and may be
28 operated and administered by the State or by carriers under contracts
29 with the State.

30 (h) The term "Medicare" means the program established by the
31 "Health Insurance for the Aged Act," Title XVIII of the "Social
32 Security Act," Pub.Law 89-97 (42 U.S.C.1395 et seq.), as amended,
33 or its successor plan or plans.

34 (i) The term "traditional plan" means a health care plan which
35 provides basic benefits, extended basic benefits and major medical
36 expense benefits as set forth in section 5 of P.L.1961, c.49
37 (C.52:14-17.29) by indemnifying eligible employees, retirees, and
38 dependents for expenses for covered health care services and supplies
39 through payments to providers or reimbursements to participants.

40 (cf: P.L.1996, c.8, s.1)

41

42 26. Section 4 of P.L.1964, c.125 (C.52:14-17.34) is amended to
43 read as follows:

44 4. As used in this act and in the act to which this act is a
45 supplement:

46 (a) The term "employer" means a county, municipality, school

1 district, public agency or organization as defined in section 71 of
2 P.L.1954, c. 84, including the New Jersey Turnpike Authority, the
3 New Jersey Highway Authority, the Interstate Sanitation Commission,
4 the Delaware River Basin Commission, New Jersey Housing Finance
5 Agency, New Jersey Educational Facilities Authority, Hackensack
6 Meadowlands Development Commission and the Compensation Rating
7 and Inspection Bureau. The term "employer" shall include a subsidiary
8 corporation or other corporation established by the Delaware River
9 Port Authority pursuant to subdivision (m) of Article I of the compact
10 creating the authority (R.S.32:3-2), as defined in section 3 of P.L. ,
11 c. (C.) (now before the Legislature as this bill), except that only
12 persons who are employees of the South Jersey Port Corporation on
13 the effective date of P.L. , c. (C.)(now before the Legislature as
14 this bill) and are re-employed by the subsidiary or other corporation
15 within 365 days of the effective date are eligible to participate in the
16 program.

17 (b) The term "State Treasury" means the State agency responsible
18 for the administration of the New Jersey State Health Benefits
19 Program Act which is to be located in the Division of Pensions in the
20 Department of the Treasury.
21 (cf: P.L.1972, c.75, s.8)

22
23 27. (New section) A subsidiary corporation or other corporation
24 established by the Delaware River Port Authority which has employees
25 eligible to participate in the State Health Benefits Program as provided
26 in section 4 of P.L.1964, c.125 (C.52:14-17.34) shall participate in the
27 program in accordance with the laws and rules governing the program
28 as long as it has employees participating in the program.

29
30 ²28. (New section) At any time, the Legislature may express its
31 disapproval of a decision, action or procedure of the subsidiary
32 corporation established by the Delaware River Port Authority pursuant
33 to the provisions of the "Port Unification and Financing Act," P.L. ,
34 c. (C.)(now pending before the Legislature as this bill), by an
35 affirmative vote of a majority of the authorized membership of both
36 houses adopting a concurrent resolution setting forth the Legislature's
37 findings and declarations and expressing the Legislature's disapproval
38 of the matter at issue. Upon adoption, the concurrent resolution shall
39 be transmitted by the Clerk of the General Assembly or the Secretary
40 of the Senate to the Governor, all the directors of the subsidiary
41 corporation from each state, the chairman and executive director of
42 the Delaware River Port Authority, and the chairman and executive
43 director of the New Jersey Economic Development Authority.²

44
45 ²[28.] 29.² This act shall take effect immediately.

1

2

3 Provides for transfer of facilities of South Jersey Port Corporation to
4 New Jersey Economic Development Authority, issuance of bonds and
5 other measures to facilitate port unification.