

ASSEMBLY, No. 2572

STATE OF NEW JERSEY

INTRODUCED DECEMBER 12, 1996

By Assemblymen MALONE and COTTRELL

1 AN ACT abolishing the New Jersey Transit Corporation and  
2 transferring its functions, powers and duties to the Department of  
3 Transportation, establishing the Public Transportation  
4 Administration in the Department of Transportation, supplementing  
5 Title 27 of the Revised Statutes and amending parts of the statutory  
6 law.

7  
8 **BE IT ENACTED** by the Senate and General Assembly of the State  
9 of New Jersey:

10  
11 1. (New section) In order to permit the Department of  
12 Transportation, hereinafter the "department," to carry out the  
13 responsibilities conferred upon it by this amendatory and  
14 supplementary act, there is established within the department the  
15 Public Transportation Administration, hereinafter the "administration,"  
16 which shall be headed by an administrator who shall be the Assistant  
17 Commissioner for Public Transportation. The Commissioner of  
18 Transportation shall assign to the administration those employees of  
19 the department as may be necessary for the efficient performance of  
20 the duties and responsibilities of the administration. Employees  
21 assigned to, or transferred to the administration, shall be in the State  
22 unclassified service, except that nothing in this amendatory and  
23 supplementary act shall be construed as affecting the civil service  
24 status, if any, of any employee so assigned or transferred.

25 The administration shall be responsible for the implementation of  
26 the activities of the department relating to the provision of public  
27 transportation services, as directed by the commissioner, and shall at  
28 a minimum:

29 a. Assist the commissioner in carrying out the commissioner's  
30 functions, powers and duties relating to the provision of public  
31 transportation services as provided in subsections (a), (b), (c), (d) and  
32 (e) of section 5 of P.L.1966, c.301 (C.27:1A-5).

33 b. Assist the commissioner in carrying out the functions, powers  
34 and duties transferred to the department pursuant to the provisions of

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

**Matter underlined thus is new matter.**

1 the Reorganization Plan for the Board of Public Utilities and the  
2 department, filed October 5, 1978.

3 c. Assist the commissioner in carrying out the functions, powers  
4 and duties transferred to the department from the New Jersey Transit  
5 Corporation, hereinafter the "corporation," pursuant to the provisions  
6 of this amendatory and supplementary act. Notwithstanding the  
7 provisions of P.L.1979, c.150 (C.27:25-1 et seq.), the commissioner  
8 shall adopt rules and regulations pursuant to the provisions of the  
9 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)  
10 integrating the functions of the administration with the department and  
11 providing the manner in which the powers and duties of the  
12 corporation transferred to the department shall be exercised by the  
13 department and the commissioner thereof. It is the intent of the  
14 Legislature that the department shall proceed to implement the  
15 provisions of this amendatory and supplementary act by relying upon  
16 the exercise of the ordinary statutory powers of the department, where  
17 feasible, in preference to any extraordinary statutory powers of the  
18 corporation transferred to the department which spring from its  
19 previous status as an independent corporation not subject to the usual  
20 statutory requirements of a State department or agency.

21

22 2. (New section) The corporation is abolished and its functions,  
23 powers and duties are transferred to the department to be exercised by  
24 the department and the commissioner thereof. The board of the  
25 corporation is abolished and terms of the members thereof in office  
26 shall cease and terminate. The functions, powers and duties of the  
27 board are transferred to the department to be exercised by the  
28 department and the commissioner thereof.

29

30 3. (New section) All appropriations, grants, and other moneys  
31 available to and to become available to the corporation attributable to  
32 and derived from the functions, powers and duties which have been  
33 transferred pursuant to this amendatory and supplementary act are  
34 transferred to the department and shall be available for the objects and  
35 purposes for which appropriated or otherwise made available subject  
36 to any terms, restrictions, limitations, or other requirements imposed  
37 by the State or federal law.

38 All outstanding obligations and commitments lawfully undertaken  
39 or contracted for by the corporation shall be assumed and performed  
40 by the department, including but not limited to, any outstanding grant  
41 anticipation notes.

42

43 4. (New section) a. The officers and employees of the corporation  
44 are transferred to the administration in the department, and shall  
45 become employees of the department in the State unclassified service.

46 b. All transfers directed by this act shall be made in accordance

1 with the "State Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1  
2 et seq.). Nothing herein shall be construed to deprive officers and  
3 employees of their rights, privileges, obligations or status with respect  
4 to any pension or retirement system. The employees shall retain all of  
5 their rights and benefits under existing labor agreements or contracts  
6 until such time as new or revised agreements or contracts are agreed  
7 to or these agreements or contracts shall expire. All existing  
8 bargaining agents shall be retained to act on behalf of these employees  
9 until such time as the employees shall, pursuant to law, elect to change  
10 such agents.

11 c. Nothing in this act shall affect the civil service status, if any, of  
12 those officers or employees. Any collective bargaining agreements  
13 entered into by the corporation with any of its employees shall  
14 continue in effect for the term of the agreement, notwithstanding that  
15 the employees affected by the agreement shall be employees of the  
16 department, but the agreement shall be binding for both the employees  
17 and the department. The provisions of this section shall not apply to  
18 any officer or employee appointed or employed, or any collective  
19 bargaining agreement entered into, on or after the date of enactment  
20 of this amendatory and supplementary act.

21 All files, books, papers, records, equipment and other property of  
22 the corporation are transferred to the department.

23

24 5. (New section) The Commissioner of Personnel, in conjunction  
25 with the Commissioner of Transportation, is authorized and directed,  
26 within 90 days of the effective date of this amendatory and  
27 supplementary act, to develop a State classification plan and a State  
28 employee compensation plan for the administration pursuant to  
29 N.J.S.11A:3-1 and to N.J.S.11A:3-7, respectively. The compensation  
30 plan shall provide that the compensation of the officers and employees  
31 transferred pursuant to this amendatory and supplementary act shall be  
32 at least equivalent to compensation of officers or employees of the  
33 State in comparable titles and with comparable duties. Except for  
34 those officers or employees enrolled in or eligible for enrollment in the  
35 Police and Firemen's Retirement System or covered by an existing  
36 collective bargaining agreement, officers or employees transferred  
37 pursuant to this amendatory and supplementary act shall be enrolled  
38 in the Public Employees' Retirement System.

39

40 6. (New section) The compensation of an officer or employee of  
41 the department or of an officer or employee of the corporation  
42 transferred pursuant to the provisions of this amendatory and  
43 supplementary act shall not exceed the compensation of the  
44 Commissioner of Transportation. With respect to a person with a  
45 contract of employment with the corporation in effect on the effective  
46 date of this amendatory and supplementary act, the provisions of this

1 section shall apply upon the expiration of that contract, except that the  
2 compensation of such a person may not be increased during the  
3 remaining term of that contract.

4  
5 7. (New section) The position of executive director of the  
6 corporation is abolished and the person appointed and serving as  
7 executive director thereof on the operative date of this section shall be  
8 appointed as Assistant Commissioner for Public Transportation and  
9 shall serve as administrator of the administration until the expiration  
10 of the executive director's contract of employment with the  
11 corporation, except that the administrator may resign or otherwise  
12 cease to serve or be removed from office prior to the expiration of the  
13 contract, in accordance with the terms and conditions thereof. The  
14 compensation of the executive director shall not be diminished or  
15 increased during the term of that contract. If the person appointed and  
16 serving as executive director of the corporation on the operative date  
17 of this section has not entered into a contract of employment with the  
18 corporation in effect on that date, that person shall be appointed as  
19 Assistant Commissioner of Public Transportation and serve as  
20 administrator of the administration until the appointment and  
21 qualification of the administrator's successor. All functions, powers  
22 and duties of the executive director of the corporation shall be  
23 exercised by the commissioner.

24  
25 8. Section 5 of P.L.1966, c.301, (C.27:1A-5) is amended to read  
26 as follows:

27 5. The commissioner, as head of the department, shall have all of  
28 the functions, powers and duties heretofore vested in the State  
29 Highway Commissioner and shall, in addition to the functions, powers  
30 and duties vested in him by this act or by any other law:

31 (a) Develop and maintain a comprehensive master plan for all  
32 modes of transportation development, with special emphasis on public  
33 transportation. Such plan shall be revised and updated at least every  
34 five years;

35 (b) Develop and promote programs to foster efficient and  
36 economical transportation services in the State;

37 (c) Prepare plans for the preservation, improvement and expansion  
38 of the public transportation system, with special emphasis on the  
39 coordination of transit modes and the use of rail rights of way,  
40 highways and public streets for public transportation purposes;

41 (d) Enter into contracts with [the New Jersey Transit Corporation]  
42 other public agencies and authorities, counties and municipalities and  
43 other public or private entities, for the provision and improvement of  
44 public transportation services, or provide such services directly;

45 (e) Coordinate the transportation activities of the department with  
46 those of other public agencies and authorities;

1 (f) Cooperate with interstate commissions and authorities, State  
2 departments, councils, commissions and other State agencies, with  
3 appropriate federal agencies, and with interested private individuals  
4 and organizations in the coordination of plans and policies for the  
5 development of air commerce and air facilities;

6 (g) Make an annual report to the Governor and the Legislature on  
7 the department's operations, and render such other reports as the  
8 Governor shall from time to time request or as may be required by law;

9 (h) Promulgate regulations providing for the charging of and  
10 setting the amount of fees for certain services performed by and  
11 permits issued by the department, including but not limited to the  
12 following:

13 (1) Providing copies of documents prepared by or in the custody  
14 of the department;

15 (2) Aeronautics permits;

16 (3) Right-of-way permits;

17 (4) Traffic signal control systems;

18 (i) Develop and promote programs for the preservation,  
19 improvement and expansion of freight railroads, with special emphasis  
20 on the use of rail rights of way for the purpose of providing rail freight  
21 service;

22 (j) Develop and promote a program to ensure the safety and  
23 continued operation of aviation facilities in New Jersey; and

24 (k) Do any and all things necessary, convenient or desirable to  
25 effectuate the purposes of P.L.1966, c.301 (C.27:1A-1 et seq.) and to  
26 exercise the powers given and granted in that act.

27 (cf: P.L.1986, c.56, s.1)

28

29 9. (New section) Any public or private entity under contract to the  
30 department operating regular route motorbus service may provide  
31 motorbus charter service provided that the carrier complies with  
32 applicable State and federal statutes, rules and regulations with regard  
33 to such operations.

34

35 10. Section 12 of P.L.1966, c.301 (C.27:1A-12) is amended to  
36 read as follows:

37 12. To assist the commissioner in the performance of his duties, the  
38 commissioner may appoint [a deputy commissioner who shall also  
39 serve as executive director] an Assistant Commissioner for Public  
40 Transportation and an Assistant Commissioner for Highway  
41 Operations. The [deputy commissioner] assistant commissioners shall  
42 serve at the pleasure of the commissioner and until [his successor has]  
43 their successors have been appointed and qualified and shall have such  
44 powers and duties as may be delegated to [him] them by the  
45 commissioner from time to time or as may be provided by law. The  
46 Assistant Commissioner for Public Transportation shall be the

1 administrator of the Public Transportation Administration. [The  
2 deputy commissioner] Except as may otherwise be provided by this  
3 amendatory and supplementary act, the assistant commissioners shall  
4 receive such salary as may be established by the commissioner with the  
5 approval of the [President of the Civil Service Commission]  
6 Department of Personnel and the Director of the Division of Budget  
7 and Accounting.

8 (cf: P.L.1984. c.162, s.3)

9  
10 11. Section 2 of P.L.1979, c.150 (C.27:25-2) is amended to read  
11 as follows:

12 2. The Legislature hereby finds and declares that:

13 a. The provision of efficient, coordinated, safe and responsive  
14 public transportation is an essential public purpose which promotes  
15 mobility, serves the needs of the transit dependent, fosters commerce,  
16 conserves limited energy resources, protects the environment and  
17 promotes sound land use and the revitalization of our urban centers.

18 b. As a matter of public policy, it is the responsibility of the State  
19 to establish and provide for the operation and improvement of a  
20 coherent public transportation system in the most efficient and  
21 effective manner.

22 c. In the development of public transportation policy and planning,  
23 participation by county and municipal governments, transit riders and  
24 concerned citizens should be encouraged.

25 d. In the provision of public transportation services, it is desirable  
26 to encourage to the maximum extent feasible the participation of  
27 private enterprise and to avoid destructive competition.

28 e. In furtherance of these findings and declarations, [a public  
29 corporation shall be created with] the Department of Transportation  
30 shall have the necessary powers to accomplish the purposes and goals  
31 set forth in this section, including the power to acquire and operate  
32 public transportation assets, including those powers transferred to it  
33 from the New Jersey Transit Corporation which is abolished pursuant  
34 to P.L.19 , c. (C. ) (now before the Legislature as this bill).

35 (cf: P.L.1979, c.150, s.2)

36  
37 12. Section 3 of P.L.1979, c.150 (C.27:25-3) is amended to read  
38 as follows:

39 3. As used in this act:

40 a. "Corporation" means the New Jersey Transit Corporation or the  
41 Department of Transportation or the Public Transportation  
42 Administration in the Department of Transportation as successor  
43 entities to the New Jersey Transit Corporation abolished pursuant to  
44 P.L.19 , c. (C. ) (now before the Legislature as this bill).

45 b. "Motorbus regular route service" means and includes the  
46 operation of any motorbus or motorbuses on streets, public highways

1 or other facilities, over a fixed route and between fixed termini on a  
2 regular schedule for the purpose of carrying passengers for hire or  
3 otherwise, in this State or between points in this State and points in  
4 other states.

5 c. "Capital equipment and facilities" means and includes, in  
6 connection with public transportation service, passenger stations,  
7 shelters and terminals, automobile parking facilities, ramps, track  
8 connections, signal systems, power systems, information and  
9 communication systems, roadbeds, transit lanes or rights of way,  
10 equipment storage and servicing facilities, bridges, grade crossings,  
11 rail cars, locomotives, motorbus and other motor vehicles,  
12 maintenance and garage facilities, revenue handling equipment and any  
13 other equipment, facility or property useful for or related to the  
14 provision of public transportation service.

15 d. "Paratransit services" means and includes and service, other than  
16 motorbus regular route service and charter services, including, but not  
17 limited to, dial-a-ride, nonregular route, jitney or community minibus,  
18 and shared-ride services such as vanpools, limousines or taxicabs  
19 which are regularly available to the public. Paratransit services shall  
20 not include limousine or taxicab service reserved for the private and  
21 exclusive use of individual passengers.

22 e. "Public transportation or public transportation service" means  
23 rail passenger service, motorbus regular route service, paratransit  
24 service, and motorbus charter service.

25 f. "Motorbus charter service" means and includes subscription,  
26 tour, other special motorbus services or school bus services or charter  
27 services as set forth in section 7.

28 g. "Rail passenger service" means and includes the operations of a  
29 railroad, subway, street, traction or electric railway for the purpose of  
30 carrying passengers in this State or between points in this State and  
31 points in other states.

32 h. "Department" means the Department of Transportation.

33 (cf: P.L.1979, c.150, s.3)

34

35 13. Section 5 of P.L.1979, c.150 (C.27:25-5) is amended to read  
36 as follows:

37 5. In addition to the powers and duties conferred upon it elsewhere  
38 in this act, the [corporation] department may do all acts necessary and  
39 reasonably incident to carrying out the objectives of this act, including  
40 but not in limitation thereof the following:

41 a. ~~[Sue and be sued;](deleted by amendment, P.L. , c. )~~ (now  
42 before the Legislature as this bill)

43 b. ~~[Have an official seal and alter the same at pleasure;](deleted by~~  
44 amendment, P.L. , c. ) (now before the Legislature as this bill)

45 c. ~~[Make and alter bylaws for its organization and internal~~  
46 management and for the conduct of its affairs and business;](deleted

- 1 by amendment, P.L. , c. ) (now before the Legislature as this bill)
- 2 d. Maintain an office at such place or places within the State as it
- 3 may determine;
- 4 e. Adopt, amend and repeal such rules and regulations as it may
- 5 deem necessary to effectuate the purposes of this act, which shall have
- 6 the force and effect of law; it shall publish the same and file them in
- 7 accordance with the "Administrative Procedure Act," P.L.1968, c.410
- 8 (C.52:14B-1 et seq.) with the Director of the Office of Administrative
- 9 Law;
- 10 f. Call to its assistance and avail itself of the service of such
- 11 employees of any federal, State, county or municipal department or
- 12 agency as it may require and as may be available to it for said purpose;
- 13 g. Apply for, accept and expend money from any federal, State,
- 14 county or municipal agency or instrumentality and from any private
- 15 source; comply with federal statutes, rules and regulations, and qualify
- 16 for and receive all forms of financial assistance available under federal
- 17 law to assure the continuance of, or for the support or improvement
- 18 of public transportation and as may be necessary for that purpose to
- 19 enter into agreements, including federally required labor protective
- 20 agreements;
- 21 h. Plan, design, construct, equip, operate, improve and maintain,
- 22 either directly or by contract with any public or private entity, public
- 23 transportation services, capital equipment and facilities or any parts or
- 24 functions thereof, and other transportation projects, or any parts or
- 25 functions thereof, which may be funded under section 3 of the federal
- 26 Urban Mass Transportation Act of 1964, P.L.88-365 (49
- 27 U.S.C.§1602), or any successor or additional federal act having
- 28 substantially the same or similar purposes or functions; the operation
- 29 of the facilities of the [corporation] department, by the [corporation]
- 30 department or any public or private entity, may include appropriate
- 31 and reasonable limitations on competition in order that maximum
- 32 service may be provided most efficiently to the public;
- 33 i. Apply for and accept, from appropriate regulatory bodies,
- 34 authority to operate public transportation services where necessary;
- 35 j. Purchase, lease as lessee, or otherwise acquire, own, hold,
- 36 improve, use and otherwise deal in and with real or personal property,
- 37 or any interest therein, from any public or private entity, wherever
- 38 situated;
- 39 k. Lease as lessor, sell or otherwise dispose of on terms which the
- 40 corporation may prescribe, real and personal property, including
- 41 tangible or intangible property and consumable goods, or any interest
- 42 therein, to any public or private entity, in the exercise of its powers
- 43 and the performance of its duties under this act. In order to provide
- 44 or encourage adequate and efficient public transportation service, the
- 45 [corporation] department may lease or otherwise permit the use or
- 46 occupancy of property without cost or at a nominal rental;

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

8       m. Establish one or more operating divisions as deemed necessary.  
9 Upon the establishment of an operating division, there shall be  
10 established a geographically coincident advisory committee to be  
11 appointed by the Governor with the advice and consent of the Senate.  
12 The committee shall consist of county and municipal government  
13 representatives and concerned citizens, in the number and for such  
14 terms as may be fixed by the corporation, and shall advise the  
15 [corporation] department as to the public transportation service  
16 provided in the operating division. At least two members of each  
17 advisory committee shall be public transportation riders, including but  
18 not limited to urban transit users and suburban commuters as  
19 appropriate. [One public member from the board of corporation shall  
20 serve as a liaison to each advisory committee];

21       n. Set and collect fares and determine levels of service for service  
22 provided by the [corporation] department either directly or by contract  
23 including, but not limited to, such reduced fare programs as deemed  
24 appropriate by the [corporation] department; revenues derived from  
25 such service may be collected by the [corporation] department and  
26 shall be available to the [corporation] department for use in  
27 furtherance of any of the purposes of this act;

28       o. Set and collect rentals, fees, charges or other payments from the  
29 lease, use, occupancy or disposition of properties owned or leased by  
30 the [corporation] department; such revenues shall be available to the  
31 corporation for use in furtherance of any of the purposes of this act;

32       p. Deposit corporate revenues in interest bearing accounts or in the  
33 State of New Jersey Cash Management Fund established pursuant to  
34 section 1 of P.L.1977, c.28 (C.52:18A-90.4);

35       q. [Delegate to subordinate officers of the corporation such powers  
36 and duties as the corporation shall deem necessary and proper to carry  
37 out the purposes of this act;](deleted by amendment, P.L. , c. ) (now  
38 before the Legislature as this bill)

39       r. Procure and enter into contracts for any type of insurance and  
40 indemnify against loss or damage to property from any cause,  
41 including loss of use and occupancy, against death or injury of any  
42 person, against employees' liability, against any act of any member,  
43 officer, employee or servant of the [corporation] department, whether  
44 part-time, full-time, compensated or noncompensated, in the  
45 performance of the duties of his office or employment or any other  
46 insurable risk. In addition, the [corporation] department may carry its

- 1 own liability insurance;
- 2 s. Promote the use of public transportation services, coordinate  
3 ticket sales and passenger information and sell, lease or otherwise  
4 contract for advertising in or on the equipment or facilities of the  
5 corporation;
- 6 t. Adopt and maintain employee benefit programs for employees of  
7 the corporation covered by existing collective bargaining agreements  
8 including, but not limited to, pension, deferred compensation, medical  
9 disability, and death benefits, and which programs may utilize  
10 insurance contracts, trust funds, and any other appropriate means of  
11 providing the stipulated benefits, and may involve new plans or the  
12 continuation of plans previously established by entities acquired by the  
13 corporation;
- 14 u. Own, vote, and exercise all other rights incidental to the  
15 ownership of shares of the capital stock of any incorporated entity  
16 acquired by the corporation pursuant to the powers granted by this  
17 act;
- 18 v. Enter into any and all agreements or contracts, execute any and  
19 all instruments, and do and perform any and all acts or things  
20 necessary, convenient or desirable for the purposes of the corporation,  
21 or to carry out any power expressly or implicitly given in this act; and,
- 22 w. [Notwithstanding the provisions of section 17 of P.L.1979,  
23 c.150 (C.27:25-17) or any other law to the contrary, (1) issue  
24 operating grant anticipation notes which shall be secured and retired  
25 from operating assistance grants authorized under section 9 of the  
26 federal Urban Mass Transportation Act of 1964, P.L.88-365 (49  
27 U.S.C. §1602), or any successor or additional federal act having  
28 substantially the same or similar purposes or functions and (2) issue  
29 capital grant anticipation notes which shall be secured and retired from  
30 capital assistance grants authorized under section 3 or section 9 of the  
31 federal Urban Mass Transportation Act of 1964, P.L.88-365 (49  
32 U.S.C. §1602), or any successor or additional federal act having  
33 substantially the same or similar purposes or functions. As used in this  
34 subsection, "operating grant anticipation notes" or "capital grant  
35 anticipation notes" (hereafter referred to as "notes") means credit  
36 obligations issued in anticipation of these grants. The notes shall be  
37 authorized by a resolution or resolutions of the corporation, and may  
38 be issued in one or more series and shall bear the date, or dates, bear  
39 interest at the rate or rates of interest per annum, be in the  
40 denomination or denominations, be in the form, carry the conversion  
41 or registration privileges, have the rank or priority, be executed in  
42 such manner as the resolution or resolutions require. The notes may  
43 be sold at public or private sale at the price or prices and in the manner  
44 that the corporation determines. The notes of the corporation, the sale  
45 or transfer thereof, and the income derived therefrom by the  
46 purchasers of the notes, shall, at all times, be free from taxation for

1 State or local purposes, under any law of the State or any political  
2 subdivision thereof. Notes may be issued under the provisions of  
3 P.L.1979, c.150 (C.27:25-1 et seq.) without obtaining the consent of  
4 any department, division, commission, board, bureau or agency of the  
5 State, and without any other proceedings, conditions, or things which  
6 are specifically required by P.L.1979, c.150 (C.27:25-1 et seq.). The  
7 notes issued pursuant to P.L.1979, c.150 (C.27:25-1 et seq.) shall not  
8 in any way create or constitute any indebtedness, liability or obligation  
9 of the State or of any political subdivision thereof or of the  
10 corporation, except as provided herein.

11 The notes shall be payable solely from (1) note proceeds, to the  
12 extent not disbursed to the corporation, (2) grant payments if, as, and  
13 when received from the federal government, and (3) investment  
14 earnings on note proceeds, to the extent not disbursed to the  
15 corporation. Each note shall contain on its face a statement to the  
16 effect that the corporation is obligated to pay the principal thereof or  
17 the interest thereon only from these grants to the corporation and from  
18 the proceeds of the notes and investment earnings on the proceeds of  
19 the notes, to the extent not disbursed to the corporation, and that  
20 neither the faith and credit nor the taxing power of the State or of any  
21 political subdivision thereof or of the corporation is pledged to the  
22 payment of the principal and interest on these notes. Neither the  
23 members of the corporation's board nor any person executing the  
24 transactions are personally liable on those notes nor are they otherwise  
25 liable for their actions.] (Deleted by amendment, P.L. , c. ) (now  
26 before the Legislature as this bill)  
27 (cf: P.L.1989, c.130, s.1)

28

29 14. Section 1 of P.L.1986, c.93 (C.27:25-5.1) is amended to read:

30 1. a. Notwithstanding any law, rule or regulation to the contrary,  
31 the [governing board of the] corporation shall allow a retired railroad  
32 employee, as defined in subsection b. of this section, to pass and  
33 repass, free of charge during offpeak times as defined in section 2 of  
34 P.L.1973, c.126 (C.27:1A-65), in regular coach service operated by  
35 the corporation within the borders of this State.

36 b. As used in this act, "retired railroad employee" means a citizen  
37 and resident of this State who retired prior to January 1, 1983 after  
38 service of at least 15 years with either Conrail, the Penn Central  
39 Railroad, the Central Railroad of New Jersey, the Erie-Lackawanna  
40 Railroad or the Pennsylvania Reading Seashore Line serving New  
41 Jersey.

42 (cf: P.L.1986, c.93, s.1)

43

44 15. Section 2 of P.L.1986, c.93 (C.27:25-5.2) is amended to read  
45 as follows:

46 2. The [governing board of the] corporation shall issue a certificate

1 in card form to those retired railroad employees determined to be  
2 eligible pursuant to section 1 of this act. The corporation shall  
3 promulgate rules concerning the distribution and use of the certificate.  
4 (cf: P.L.1986, c.93, s.2)

5  
6 16. Section 5 of P.L.1986, c.93 (C.27:25-5.5) is amended to read  
7 as follows:

8 5. The [governing board of the] corporation, through its agents,  
9 may take possession of any certificate presented by any person other  
10 than the retired railroad employee to whom it was issued.

11 (cf: P.L.1986, c.93, s.5)

12  
13 17. Section 7 of P.L.1979, c.150 (C.27:25-7) is amended to read  
14 as follows:

15 7. a. The corporation [or any public or private entity under  
16 contract to the corporation operating regular route motorbus service]  
17 may provide motorbus charter service provided that [the carrier] it  
18 complies with applicable State and Federal statutes, rules and  
19 regulations with regard to any such operations. Where the corporation  
20 acquires a public or private entity engaged in the provision of  
21 motorbus regular route service and that entity, at the time of  
22 acquisition, provides school bus services or is authorized to provide  
23 motorbus charter services, the corporation or any subsidiary thereof  
24 may continue to provide the services only to the extent that the  
25 acquired entity is providing or is authorized to provide the services.

26 b. The [corporation] department shall promulgate rules and  
27 regulations regarding procedures for hearings before the [board]  
28 department of claims of destructive competition arising from actions  
29 of the corporation. Such claims may be brought by private entities  
30 providing motorbus regular route service.

31 (cf: P.L.1979, c.150, s.7)

32  
33 18. Section 15 of P.L.1979, c.150 (C.27:25-15) is amended to read  
34 as follows:

35 15. The corporation may appoint [an executive director,] directors  
36 of operating divisions and other such additional officers, all of whom  
37 need not be members of the corporation, and may employ consulting  
38 architects, engineers, auditors, accountants, construction,  
39 management, real estate, operations and financial experts, supervisors,  
40 managers and such other professional consultants and officers and  
41 employees, and may fix their compensation[, as the corporation deems  
42 advisable] as provided by law [; and may promote and discharge such  
43 officers and employees, all without regard to the provisions of Title 11  
44 of the Revised Statutes. In developing an employee compensation  
45 schedule, the corporation shall consult with appropriate authorities of  
46 the State and file such schedule with them upon completion]. The

1 corporation shall by October 31 of each year submit to the Governor  
2 and the presiding officers and the Transportation and Communications  
3 Committees of both Houses of the Legislature a list of all full and  
4 part-time officers and employees of the corporation and the salaries,  
5 wages and compensation received by said officers and employees  
6 during the preceding fiscal year.

7 [The corporation may elect or appoint from among the members of  
8 its board or from its employees some or all of the members of the  
9 board of directors of any incorporated entity of which it owns part or  
10 all of the capital stock.

11 Employees of the corporation, or any of its subsidiary entities, shall  
12 be covered by whatever retirement plan or plans the corporation or  
13 subsidiary entity determines from time to time to maintain for those  
14 employees. However, if an individual is a member of the Public  
15 Employees' Retirement System or any other State-administered  
16 retirement system immediately prior to his initial employment by the  
17 corporation, he shall continue as or become, as the case may be, a  
18 member of the Public Employees' Retirement System for the duration  
19 of his employment by the corporation.]

20 (cf: P.L.1979, c.150, s.15)

21

22 19. Section 20 of P.L.1979, c.150 (C.27:25-20) is amended to read  
23 as follows:

24 20. a. The corporation shall, by September 15 of each year, file  
25 with the Commissioner of Transportation a report in such format and  
26 detail as the Commissioner may require setting forth the actual,  
27 operational, capital and financial results of the previous fiscal year, the  
28 operational, capital and financial plan for the current fiscal year and a  
29 proposed operational, capital and financial plan for the next ensuing  
30 fiscal year.

31 b. On or before October 31 of each year, the corporation shall  
32 make an annual report of its activities for the preceding fiscal year to  
33 the Governor and to the presiding officers and the Transportation and  
34 Communications Committees of both Houses of the Legislature. Each  
35 such report shall set forth a complete operating and financial statement  
36 covering its operations and capital projects during the year.

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

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

1 corporation and a certified duplicate copy thereof shall be filed with  
2 the Division of Budget and Accounting in the Department of  
3 Treasury.](Deleted by amendment, P.L.19 , c. ) (now before the  
4 Legislature as this bill)

5 e. [Notwithstanding the provisions of any law to the contrary, the  
6 State Auditor or his legally authorized representative may examine the  
7 accounts and books of the corporation.](Deleted by amendment,  
8 P.L.19 , c. ) (now before the Legislature as this bill)  
9 (cf: P.L.1979, c.150, s.20)

10

11 20. R.S.39:3-19 is amended to read as follows:

12 39:3-19. For each vehicle used as an omnibus for the  
13 transportation of passengers for hire the applicant for the registration  
14 thereof shall pay an annual fee as follows:

15 \$30.00 for each vehicle having a seating capacity of 18 passengers  
16 or less;

17 \$48.00 for each vehicle having a seating capacity of not less than 19  
18 nor more than 30 passengers;

19 \$48.00 for vehicles having a seating capacity of more than 30  
20 passengers and an additional fee of \$3.00 for each passenger  
21 measured by the seating capacity in excess of 30 passengers.

22 Whenever the number of regular route passengers carried by an  
23 applicant in the previous calendar year represents 75% or more of the  
24 combined number of passengers carried on regular route, casino,  
25 special and charter bus operations during that year, then such applicant  
26 shall pay \$10.00 per annum for the registration of each vehicle used as  
27 an omnibus for the transportation of passengers for hire in lieu of the  
28 annual fees hereinbefore prescribed. In addition, any applicant who is  
29 operating regular route bus service under a contract with the [New  
30 Jersey Transit Corporation pursuant to P.L.1979, c.150 (C.27:25-1 et  
31 seq.),]Department of Transportation shall pay \$10.00 per annum for  
32 the registration of each vehicle used as an omnibus for the  
33 transportation of passengers for hire in lieu of the annual fees  
34 hereinbefore prescribed and without regard to the aforementioned 75%  
35 requirement.

36 Applicants seeking to register a vehicle for the reduced fee shall  
37 first obtain a letter from the Department of Transportation certifying  
38 that the number of regular route passengers carried by the applicant in  
39 the previous calendar year represents 75% or more of the combined  
40 number of passengers carried on regular route, casino, special and  
41 charter bus operations during that year, or in the case of applicants  
42 operating under contract with the [New Jersey Transit Corporation  
43 pursuant to P.L.1979, c.150 (C.27:25-1 et seq.)]Department of  
44 Transportation shall obtain a letter from the [corporation] department  
45 certifying that they are under such a contract. Applicants shall present  
46 the appropriate letters of certification with their applications for

1 omnibus registration to the Director of the Division of Motor  
2 Vehicles.

3 The director shall provide identification marks of the general style  
4 and kind provided for motor vehicle registrations, assigning a number  
5 to each identification mark, and before each number the letter "O"  
6 shall be placed.

7 Every applicant for omnibus registration shall make application,  
8 setting forth the fact that he is in the business of transporting  
9 passengers for hire; and the director, if satisfied of the correctness of  
10 the statements made in such application, may issue a registration  
11 certificate for omnibus license.

12 Nothing in this section shall prohibit the use by an omnibus  
13 operator of any automobile duly licensed by him as owner.

14 (cf: P.L.1987, c.445, s.4)

15

16 21. R.S.48:4-20 is amended to read as follows:

17 48:4-20. A person owning or operating an autobus which is  
18 operated over any highway in this State for the purpose of carrying  
19 passengers from a point outside the State to another point outside the  
20 State, or from a point outside the State to a point within the State, or  
21 from a point within the State to a point outside the State shall pay to  
22 the Director of the Division of Motor Vehicles, as an excise for the use  
23 of such highway, one-half cent for each mile or fraction thereof such  
24 autobus shall have been operated over the highways of this State,  
25 except that a person owning or operating an autobus providing regular  
26 route service under authority conferred pursuant to R.S.48:4-3, and a  
27 person owning or operating an autobus providing regular route  
28 commuter bus service from a point within the State to a point outside  
29 the State, or from a point outside the State to a point within the State,  
30 shall be exempt from payment of the excise tax on the mileage  
31 traversed in providing that service. This exemption shall also apply to  
32 any person owning or operating an autobus under contract with the  
33 [New Jersey Transit Corporation] Department of Transportation for  
34 providing bus service or under a contract with a county for special or  
35 rural transportation bus service subject to the jurisdiction of the [New  
36 Jersey Transit Corporation pursuant to P.L.1979, c.150 (C.27:25-1 et  
37 seq.)] the Department of Transportation. "Commuter bus service"  
38 means regularly scheduled passenger service utilized by passengers  
39 using reduced fare, multiple ride or commutation tickets and shall not  
40 include charter bus operations or special bus operations as defined in  
41 R.S.48:4-1 or buses operated for the transportation of enrolled  
42 children and adults referred to in subsection c. of R.S.48:4-1.

43 (cf: P.L.1985, c.207, s.1)

44

45 22. Section 1 of P.L.1995, c.347 (C.54:39A-2) is amended to read  
46 as follows:

1 1. For the purpose of this act, unless inconsistent with the context:

2 (a) "User" means every person who operates or causes to be  
3 operated any qualified motor vehicle on any highway in this State.

4 The term shall include a rental company in the case of a rental vehicle.

5 (b) "Qualified motor vehicle" means a motor vehicle that is not an  
6 exempt vehicle and that is used, designed or maintained for  
7 transportation of persons or property; and

8 (1) having two axles and a gross vehicle weight or registered gross  
9 vehicle weight in excess of 26,000 pounds;

10 (2) having three or more axles, regardless of weight; or

11 (3) that is used in combination, when the weight of such  
12 combination is in excess of 26,000 pounds gross vehicle weight or  
13 registered gross vehicle weight.

14 Notwithstanding this definition of qualified motor vehicle, if the  
15 director enters into the agreement authorized pursuant to subsection  
16 b. of section 24 of P.L.1963, c.44 (C.54:39A-24), the director shall,  
17 as may be required by the agreement, issue a card and markers  
18 pursuant to this act to the user of an exempt vehicle other than a  
19 recreational vehicle that is a New Jersey base jurisdiction vehicle and  
20 that would be a qualified motor vehicle but for being an exempt  
21 vehicle and the director shall administer the reporting and collection  
22 of tax imposed by other member jurisdictions with respect to such  
23 vehicle.

24 (c) "Exempt vehicle" means:

25 (1) Any vehicle owned or operated by an agency of this State or  
26 any political subdivision thereof, or any quasi-governmental authority  
27 of which this State is a participating member, or any agency of the  
28 federal government or the District of Columbia, or of any state or  
29 province or political subdivision thereof.

30 (2) School bus as defined in R.S.39:1-1.

31 (3) Vehicles operated under authority of dealer, manufacturer,  
32 converter and transporter general registration plates such as prescribed  
33 in R.S.39:3-18 and similar laws of other states.

34 (4) Special mobile equipment not designed or used primarily for  
35 the transportation of persons or property.

36 (5) Vehicles operated not for profit by any religious or charitable  
37 organization.

38 (6) Vehicles operated by a public utility as defined in R.S.48:2-13,  
39 or under a contract with the [New Jersey Transit Corporation]  
40 Department of Transportation or under a contract with a county for  
41 special or rural transportation bus service subject to the jurisdiction of  
42 the [New Jersey Transit Corporation pursuant to P.L.1979, c.150  
43 (C.27:25-1 et seq.)] Department of Transportation whose operations  
44 are limited to the State of New Jersey, or vehicles providing commuter  
45 bus service which receive or discharge passengers in New Jersey.

46 (7) Vehicles operated, not for hire, by a farmer as defined in

1 R.S.39:3-25.

2 (8) Vehicles used to transport farm labor.

3 (9) Recreational vehicles such as motor homes, pickup trucks with  
4 attached campers, and buses when used exclusively for personal  
5 pleasure by an individual. A recreational vehicle is a vehicle that is not  
6 used in connection with any business endeavor.

7 (d) "Operations" means operations of all qualified motor vehicles,  
8 whether loaded or empty, whether for compensation or not for  
9 compensation, and whether owned by, contracted for use by, or leased  
10 by the user who operates or causes them to be operated, except  
11 operations of an omnibus in a regular route bus operation as defined  
12 in R.S.48:4-1 and under operating authority conferred pursuant to  
13 R.S.48:4-3.

14 (e) The term "motor fuels" means any combustible liquid or  
15 gaseous substance used, or suitable, for the generation of power to  
16 propel motor vehicles.

17 (f) "Motor fuel tax " means a tax imposed at a rate equal to the  
18 sum of:

19 (1) the tax rate per gallon on motor fuels imposed under  
20 R.S.54:39-1 et seq.; and

21 (2) the tax rate per gallon on motor fuels imposed pursuant to  
22 section 3 of P.L.1990, c.42 (C.54:15B-3).

23 (g) "Director" shall mean the Director of the Division of Motor  
24 Vehicles in the Department of Transportation.

25 (h) "Purchaser" means the person, firm or corporation who or  
26 which purchased the fuel, and paid the motor fuel tax thereon, used in  
27 the qualified motor vehicles of the user.

28 (i) (Deleted by amendment, P.L.1995, c.347).

29 (j) (Deleted by amendment, P.L.1995, c.347).

30 (k) "Rental vehicle" means a vehicle owned by a rental company  
31 and rented to the general public on an hourly, daily, trip, or other  
32 short-term basis.

33 (l) "Rental company" means a person engaged in the business of  
34 renting vehicles to the general public, including motor carriers, on an  
35 hourly, daily, trip, or other short-term basis.

36 (m) "Commuter bus service" means regularly scheduled passenger  
37 service provided by qualified motor vehicles within or across the  
38 geographical boundaries of New Jersey and utilized by passengers  
39 using reduced fare, multiple ride or commutation tickets and shall not  
40 include charter bus operations or special bus operations as defined in  
41 R.S.48:4-1 or buses operated for the transportation of enrolled  
42 children and adults referred to in subsection c. of R.S.48:4-1.

43 (cf: P.L.1995,c.347,s.1)

44

45 23. R.S.54:39-66 is amended to read as follows:

46 54:39-66. Any person:

47 (1) Who shall use any fuels as herein defined for any of the

- 1 following purposes:
- 2 (a) (Deleted by amendment.)
- 3 (b) Buses while being operated over the highways of this State  
4 in those municipalities to which the operator has paid a monthly  
5 franchise tax for the use of the streets therein under the provisions of  
6 R.S.48:16-25 and buses while being operated over the highways  
7 of this State in a regular route bus operation as defined in R.S.48:4-1  
8 and under operating authority conferred pursuant to R.S.48:4-3, or  
9 while providing bus service under a contract with the [New Jersey  
10 Transit Corporation] Department of Transportation or under a  
11 contract with a county for special or rural transportation bus service  
12 subject to the jurisdiction of the [New Jersey Transit Corporation  
13 pursuant to P.L.1979, c.150 (C.27:25-1 et seq.)] Department of  
14 Transportation, and buses providing commuter bus service which  
15 receive or discharge passengers in New Jersey. For the purpose of this  
16 paragraph "commuter bus service" means regularly scheduled  
17 passenger service provided by motor vehicles whether within or across  
18 the geographical boundaries of New Jersey and utilized by passengers  
19 using reduced fare, multiple ride or commutation tickets and shall not  
20 include charter bus operations or special bus operations as defined in  
21 R.S.48:4-1 or buses operated for the transportation of enrolled  
22 children and adults referred to in subsection c. of R.S.48:4-1,
- 23 (c) Agricultural tractors not operated on a public highway,
- 24 (d) Farm machinery,
- 25 (e) Aircraft,
- 26 (f) Ambulances,
- 27 (g) Rural free delivery carriers in the dispatch of their official  
28 business,
- 29 (h) Such vehicles as run only on rails or tracks, and such vehicles  
30 as run in substitution therefor,
- 31 (i) Such highway motor vehicles as are operated exclusively on  
32 private property,
- 33 (j) Motor boats or motor vessels used exclusively for or in the  
34 propagation, planting, preservation and gathering of oysters and clams  
35 in the tidal waters of this State,
- 36 (k) Motor boats or motor vessels used exclusively for commercial  
37 fishing,
- 38 (l) Motor boats or motor vessels, while being used for hire for  
39 fishing parties or being used for sightseeing or excursion parties,
- 40 (m) Cleaning,
- 41 (n) Fire engines and fire-fighting apparatus,
- 42 (o) Stationary machinery and vehicles or implements not designed  
43 for the use of transporting persons or property on the public highways,
- 44 (p) Heating and lighting devices,
- 45 (q) Fuels previously taxed under this chapter and later exported  
46 from the State of New Jersey to any other state or country; provided,  
47 proof satisfactory to the director of such exportation is submitted,

1 (r) Motor boats or motor vessels used exclusively for Sea Scout  
2 training by a duly chartered unit of the Boy Scouts of America,

3 (s) Emergency vehicles used exclusively by volunteer first-aid or  
4 rescue squads, and

5 (t) Diesel fuel, the increase in the tax thereof as imposed by  
6 P.L.1984, c.73, as used by passenger automobiles and motor vehicles  
7 of less than 5,000 pounds gross weight; and

8 (2) Who shall have paid the tax for such fuels, hereby required to  
9 be paid, shall be reimbursed and repaid the amount of tax so paid upon  
10 presenting to the director an application for such reimbursement or  
11 repayment, in form prescribed by the director, which application shall  
12 be verified by a declaration of the applicant that the statements  
13 contained therein are true. Such application for reimbursement or  
14 repayment shall be supported by an invoice, or invoices, showing the  
15 name and address of the person from whom purchased, the name of  
16 the purchaser, the date of purchase, the number of gallons purchased,  
17 the price paid per gallon, and an acknowledgment by the seller that  
18 payment of the cost of the fuel, including the tax thereon, has been  
19 made. Such invoice, or invoices, shall be legibly written and shall be  
20 void if any corrections or erasures shall appear on the face thereof.

21 The director may, in his discretion, permit a distributor entitled to  
22 a refund under the provisions of this section to take credit therefor, in  
23 lieu of such refund, in such manner as the director may require, on a  
24 report filed pursuant to R.S.54:39-27.

25 Any refund granted to a person under subsection (1)(e), for fuel  
26 used in aircraft, shall be paid from the moneys deposited in the Airport  
27 Safety Fund established by section 4 of the "New Jersey Airport Safety  
28 Act of 1983," P.L.1983, c.264 (C.6:1-92). Such refunds shall be  
29 granted on an annual basis.

30 (cf: P.L.1992,c.23,s.45)

31

32 24. The following is repealed:

33 Section 4 of P.L.1979, c.150 (C.27:25-4).

34

35 25. This act shall take effect immediately but, except for sections  
36 5 and 6 which shall be operative immediately, shall be inoperative until  
37 the 90th day following enactment, except that the department may take  
38 such anticipatory administrative actions in advance of the operative  
39 date thereof as shall be necessary for the implementation of the act.

40

41

## 42 STATEMENT

43

44 This bill abolishes the New Jersey Transit Corporation as an  
45 independent corporation and transfers its functions, powers and duties  
46 to the Department of Transportation. The officers and employees of  
47 the corporation are also transferred to a newly created Public

1 Transportation Administration in the department and are to be  
2 departmental employees in the unclassified service. The bill provides  
3 that the compensation of departmental employees and NJ Transit  
4 officers and employees transferred to the department shall not exceed  
5 the DOT Commissioner's compensation and creates comparable  
6 compensation for the transferred employees. With regard to those  
7 officers of the corporation with an employment contract with the  
8 corporation, this provision is to apply upon the expiration of the  
9 contract. However, during the interim period all such compensation  
10 is frozen at the level in effect on the date of enactment of the bill into  
11 law. The bill also provides that, except for those enrolled in or eligible  
12 for enrollment in the Police and Fireman's Retirement System or  
13 covered by existing collective bargaining agreements, the employees  
14 are to be enrolled in the Public Employees' Retirement System. It is  
15 anticipated that an operational audit of the corporation's performance  
16 will be undertaken in order to take whatever other remedial steps are  
17 needed in the future.

18 The New Jersey Department of Transportation was created in 1966  
19 to establish the means whereby the full resources of the State could be  
20 used and applied in a coordinated and integrated fashion to solve or  
21 assist in the solution of the problems of transportation. The creation  
22 of the New Jersey Transit Corporation in 1979 was a departure from  
23 this unified approach and, although it may have been appropriate at the  
24 time, has caused serious problems in the areas of accountability,  
25 coherence and efficiency. This bill, by creating a Public  
26 Transportation Administration within the DOT, headed by an Assistant  
27 Commissioner for Public Transportation, to carry out the functions  
28 now carried out by New Jersey Transit, will permit a reduction in  
29 costs, less bureaucracy and greater efficiency in carrying out the  
30 State's public transportation's program.

31

32

33

34

35 Abolishes New Jersey Transit and transfers functions to DOT.