

SENATE, No. 104

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Senator HAINES

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

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 4 of P.L.1979, c.150 (C.27:25-4) is amended to read as
8 follows:

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

22 b. The corporation shall be governed by a board which shall consist
23 of seven members including the Commissioner of Transportation and
24 the State Treasurer, who shall be members ex officio, another member
25 of the Executive Branch to be selected by the Governor who shall also
26 serve ex officio, and four other public members who shall be appointed
27 by the Governor, with the advice and consent of the Senate, for 4 year
28 staggered terms and until their successors are appointed and qualified.
29 At least one public member shall be a regular public transportation
30 rider. Each public member may be removed from office by the
31 Governor for cause. A vacancy in the membership of the board
32 occurring other than by expiration of term shall be filled in the same

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 manner as the original appointment, but for the unexpired term only.
2 The first appointments shall be for 1, 2, 3 and 4 years respectively, and
3 thereafter for terms of 4 years as stated. The board shall annually
4 designate a vice chairman and secretary. The secretary need not be a
5 member.

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

9 d. The Commissioner of Transportation shall serve as chairman of
10 the board. He shall chair board meetings and shall have responsibility
11 for the scheduling and convening of all meetings of the board. In his
12 absence, the vice chairman shall chair the board meeting. Each ex
13 officio member of the board may designate two employees of his
14 department or agency, one of whom may represent him at meetings of
15 the board. A designee may lawfully vote and otherwise act on behalf
16 of the member for whom he constitutes the designee. Any such
17 designation shall be in writing delivered to the board and shall
18 continue in effect until revoked or amended by writing delivered to the
19 board.

20 e. The powers of the corporation shall be vested in the members of
21 the board thereof and four members of the board shall constitute a
22 quorum at any meeting thereof. Actions may be taken and motions
23 and resolutions adopted by the board at any meeting thereof by the
24 affirmative vote of at least four members. No vacancy in the
25 membership of the board shall impair the right of a quorum to exercise
26 all the rights and perform all the duties of the board.

27 f. [A] Except as provided in section 4 of P.L. , c. (C.) (now
28 before the Legislature as this bill, a true copy of the minutes of every
29 meeting of the board shall be delivered forthwith, by and under the
30 certification of the secretary thereof, to the Governor. No action
31 taken at such meeting by the board shall have force or effect until
32 approved by the Governor or until 10 days after such copy of the
33 minutes shall have been delivered. If, in said 10-day period, the
34 Governor returns such copy of the minutes with veto of any action
35 taken by the board or any member thereof at such meeting, such action
36 shall be null and of no effect. The Governor may approve all or part
37 of the action taken at such meeting prior to the expiration of the said
38 10-day period.

39 g. The board meetings shall be subject to the provisions of the
40 "Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.).
41 (cf: P.L.1979, c.150, s.4)

42

43 2. Section 5 of P.L.1979, c.150 (C.27:25-5) is amended to read as
44 follows:

45 5. In addition to the powers and duties conferred upon it elsewhere
46 in this act, the corporation may do all acts necessary and reasonably

- 1 incident to carrying out the objectives of this act, including but not in
2 limitation thereof the following:
- 3 a. Sue and be sued;
 - 4 b. Have an official seal and alter the same at pleasure;
 - 5 c. Make and alter bylaws for its organization and internal
6 management and for the conduct of its affairs and business;
 - 7 d. Maintain an office at such place or places within the State as it
8 may determine;
 - 9 e. Adopt, amend and repeal such rules and regulations as it may
10 deem necessary to effectuate the purposes of this act, which shall have
11 the force and effect of law; it shall publish the same and file them in
12 accordance with the "Administrative Procedure Act," P.L.1968, c.410
13 (C.52:14B-1 et seq.) with the Director of the Office of Administrative
14 Law;
 - 15 f. Call to its assistance and avail itself of the service of such
16 employees of any federal, State, county or municipal department or
17 agency as it may require and as may be available to it for said purpose;
 - 18 g. Apply for, accept and expend money from any federal, State,
19 county or municipal agency or instrumentality and from any private
20 source; comply with federal statutes, rules and regulations, and qualify
21 for and receive all forms of financial assistance available under federal
22 law to assure the continuance of, or for the support or improvement
23 of public transportation and as may be necessary for that purpose to
24 enter into agreements, including federally required labor protective
25 agreements;
 - 26 h. Plan, design, construct, equip, operate, improve and maintain,
27 either directly or by contract with any public or private entity, public
28 transportation services, capital equipment and facilities or any parts or
29 functions thereof, and other transportation projects, or any parts or
30 functions thereof, which may be funded under section 3 of the federal
31 Urban Mass Transportation Act of 1964, P.L.88-365 (49 U.S.C.
32 §1602), or any successor or additional federal act having substantially
33 the same or similar purposes or functions; the operation of the
34 facilities of the corporation, by the corporation or any public or private
35 entity, may include appropriate and reasonable limitations on
36 competition in order that maximum service may be provided most
37 efficiently to the public;
 - 38 i. Apply for and accept, from appropriate regulatory bodies,
39 authority to operate public transportation services where necessary;
 - 40 j. Purchase, lease as lessee, or otherwise acquire, own, hold,
41 improve, use and otherwise deal in and with real or personal property,
42 or any interest therein, from any public or private entity, wherever
43 situated;
 - 44 k. Lease as lessor, sell or otherwise dispose of on terms which the
45 corporation may prescribe, real and personal property, including
46 tangible or intangible property and consumable goods, or any interest

1 therein, to any public or private entity, in the exercise of its powers
2 and the performance of its duties under this act. In order to provide
3 or encourage adequate and efficient public transportation service, the
4 corporation may lease or otherwise permit the use or occupancy of
5 property without cost or at a nominal rental;

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

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

25 n. [Set] Subject to the limitations of section 3 of P.L. , c. C.
26)(now before the Legislature as this bill) set and collect fares and
27 determine levels of service for service provided by the corporation
28 either directly or by contract including, but not limited to, such
29 reduced fare programs as deemed appropriate by the corporation;
30 revenues derived from such service may be collected by the
31 corporation and shall be available to the corporation for use in
32 furtherance of any of the purposes of this act;

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

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

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

43 r. Procure and enter into contracts for any type of insurance and
44 indemnify against loss or damage to property from any cause,
45 including loss of use and occupancy, against death or injury of any
46 person, against employees' liability, against any act of any member,

1 officer, employee or servant of the corporation, whether part-time,
2 full-time, compensated or noncompensated, in the performance of the
3 duties of his office or employment or any other insurable risk. In
4 addition, the corporation may carry its own liability insurance;

5 s. Promote the use of public transportation services, coordinate
6 ticket sales and passenger information and sell, lease or otherwise
7 contract for advertising in or on the equipment or facilities of the
8 corporation;

9 t. Adopt and maintain employee benefit programs for employees of
10 the corporation including, but not limited to, pension, deferred
11 compensation, medical disability, and death benefits, and which
12 programs may utilize insurance contracts, trust funds, and any other
13 appropriate means of providing the stipulated benefits, and may
14 involve new plans or the continuation of plans previously established
15 by entities acquired by the corporation;

16 u. Own, vote, and exercise all other rights incidental to the
17 ownership of shares of the capital stock of any incorporated entity
18 acquired by the corporation pursuant to the powers granted by this
19 act;

20 v. Enter into any and all agreements or contracts, execute any and
21 all instruments, and do and perform any and all acts or things
22 necessary, convenient or desirable for the purposes of the
23 corporation, or to carry out any power expressly or implicitly given in
24 this act; and,

25 w. Notwithstanding the provisions of section 17 of P.L.1979, c.150
26 (C.27:25-17) or any other law to the contrary, (1) issue operating
27 grant anticipation notes which shall be secured and retired from
28 operating assistance grants authorized under section 9 of the federal
29 Urban Mass Transportation Act of 1964, P.L.88-365 (49 U.S.C.
30 §1602), or any successor or additional federal act having substantially
31 the same or similar purposes or functions and (2) issue capital grant
32 anticipation notes which shall be secured and retired from capital
33 assistance grants authorized under section 3 or section 9 of the federal
34 Urban Mass Transportation Act of 1964, P.L.88-365 (49 U.S.C.
35 §1602), or any successor or additional federal act having substantially
36 the same or similar purposes or functions. As used in this subsection,
37 "operating grant anticipation notes" or "capital grant anticipation
38 notes" (hereafter referred to as "notes") means credit obligations
39 issued in anticipation of these grants. The notes shall be authorized by
40 a resolution or resolutions of the corporation, and may be issued in
41 one or more series and shall bear the date, or dates, bear interest at the
42 rate or rates of interest per annum, be in the denomination or
43 denominations, be in the form, carry the conversion or registration
44 privileges, have the rank or priority, be executed in such manner as the
45 resolution or resolutions require. The notes may be sold at public or
46 private sale at the price or prices and in the manner that the

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

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

29 (cf: P.L.1989, c.130, s.1)

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31 3. Section 8 of P.L.1979, c.150 (C.27:25-8) is amended to read as
32 follows:

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

39 b. The authority hereby given the corporation pursuant to section
40 6 of this act with respect to fares and service, shall be exercised
41 without regard or reference to the jurisdiction vested in the
42 Department of Transportation by R.S.48:2-21, 48:2-24 and 48:4-3.
43 The Department of Transportation shall resume jurisdiction over
44 service and fares upon the termination and discontinuance of a
45 contractual relationship between the corporation and a private or
46 public entity relating to the provision of public transportation services

1 operated under the authority of certificates of public convenience and
2 necessity previously issued by the department or its predecessors;
3 provided, however, that no private entity shall be required to restore
4 any service discontinued or any fare changed during the existence of
5 a contractual relationship with the corporation, unless the Department
6 of Transportation shall determine, after notice and hearing, that the
7 service or fare is required by public convenience and necessity.

8 c. Notwithstanding any other provisions of this act, all vehicles
9 used by any public or private entity pursuant to contract authorized by
10 this act, and all vehicles operated by the corporation directly, shall be
11 subject to the jurisdiction of the Department of Transportation with
12 respect to maintenance, specifications and safety to the same extent
13 such jurisdiction is conferred upon the department by Title 48 of the
14 Revised Statutes.

15 d. Before ~~[implementing]~~ submitting the minutes of any action to
16 increase any fare ~~[increase]~~ for any motorbus regular route or rail
17 passenger services, or ~~[the substantial curtailment or abandonment of]~~
18 to substantially curtail or abandon any such services to the Legislature
19 for approval pursuant to the provisions of section 3 of P.L. _____, c. (C.
20 _____)(now before the Legislature as this bill), the corporation shall hold
21 a public hearing in the area affected during evening hours. Notice of
22 such hearing shall be given by the corporation at least 15 days prior to
23 such hearing to the governing body of each county whose residents
24 will be affected and to the clerk of each municipality in the county or
25 counties whose residents will be affected; such notice shall also be
26 posted at least 15 days prior to such hearing in prominent places on
27 the railroad cars and buses serving the routes to be affected.

28 (cf: P.L.1989,c.291,s.3)

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30 4. (New section) Whenever the board of the New Jersey Transit
31 Corporation takes action to increase any fare for any motorbus
32 regular route or rail passenger services, or to substantially curtail or
33 abandon any such services, the minutes of that action shall be
34 forthwith transmitted to the Legislature. The corporation shall submit
35 appropriate supporting information with the minutes, including
36 transcripts of the public hearings held pursuant to section 8 of
37 P.L.1979, c.150 (C.27:25-8), on the proposed fare increase or service
38 curtailment or abandonment.

39 If the Legislature passes a concurrent resolution disapproving the
40 fare increase, or service curtailment or abandonment within 30
41 calendar days after the date on which the minutes are transmitted to
42 the Legislature, or if the Legislature is not in session on the 30th day,
43 then on the next succeeding day on which both houses thereof shall be
44 meeting, the corporation shall not submit the minutes of the action to
45 the governor. If a concurrent resolution disapproving the fare
46 increase, or service curtailment or abandonment, is not adopted, the

1 corporation shall forward the minutes to the Governor pursuant to the
2 provisions of section 4 of P.L.1979, c.150 (C.27:25-4).

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4 5. This act shall take effect immediately.

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7 STATEMENT

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9 This bill would require Legislative approval prior to New Jersey
10 Transit Corporation increases of fares for motorbus regular route or
11 rail passenger services, or substantial curtailment or abandonment
12 those services.

13 The bill provides that whenever the board of the New Jersey Transit
14 Corporation takes action to increase any fare for any motorbus regular
15 route or rail passenger services, or to substantially curtail or abandon
16 any such services, the minutes of that action shall be transmitted to the
17 Legislature. The corporation would be required to submit appropriate
18 supporting information with the minutes, including transcripts of the
19 public hearings held on the proposed fare increase or service
20 curtailment or abandonment. The Legislature would have 30 days to
21 pass a concurrent resolution disapproving the fare increase or service
22 curtailment or abandonment. If a resolution disapproving the fare
23 increase, or service curtailment or abandonment, is passed, the
24 corporation would not submit the minutes of the action to the
25 Governor for approval. If a concurrent resolution disapproving the
26 fare increase, or service curtailment or abandonment, is not adopted,
27 the corporation would forward the minutes to the Governor for
28 approval.

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31 _____
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33 Requires Legislative approval for NJT fare increases and service
34 cut-backs.