

SENATE, No. 592

STATE OF NEW JERSEY

INTRODUCED JANUARY 29, 1996

By Senator ADLER

1 AN ACT concerning the South Jersey Port Corporation, and amending
2 and supplementing P.L.1968, c.60.

3

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

6

7 1. (New section) The Legislature finds and declares that:

8 a. It is the public policy of this State to provide for the coordinated
9 development and planning of the South Jersey Port District
10 encompassing seven counties in South Jersey, which provides over
11 \$226 million in economic benefits, and employs several thousand
12 workers in what is considered among the top 10% of the world's
13 largest ports, according to amount of tonnage handled.

14 b. The South Jersey Port Corporation was created by the New
15 Jersey Legislature as a body corporate and politic, with perpetual
16 succession, to operate as the regional State agency responsible for the
17 development of the Delaware River Port within its jurisdictional seven
18 county district.

19 c. The "South Jersey Port Corporation Act," P.L.1968, c.60
20 (C.12:11A-2 et seq.) sets forth the functions and powers of the port
21 corporation, including the power to issue bonds or notes with the prior
22 approval in writing of the Governor and either the State Treasurer or
23 the Director of the Division of Budget and Accounting in the
24 Department of the Treasury.

25 d. While "The South Jersey Port Corporation Act" expressly
26 provides that bonds or notes issued by the corporation are not a debt
27 or liability of the State, the State has frequently contributed and will
28 continue to contribute funds to the corporation to maintain its financial
29 viability including, but not limited to, contributions to the port
30 corporation's Bond Reserve Fund in order to assure the maintenance
31 of that fund.

32 e. In addition to receiving such funds from the State, the
33 corporation has received and will continue to receive State funds for
34 its Tax Reserve Fund which acts as a "pass through" of State funds to

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 reimburse local units for the loss of local property taxes due to the
2 tax-exempt status granted to the corporation's marine terminal.

3 f. The Compact establishing the Delaware River Port Authority
4 was recently amended pursuant to P.L.1991, c.515 to authorize the
5 port authority to proceed with actions to unify the ports of the
6 Delaware River through the acquisition or control of maritime
7 terminals or facilities or by the acquisition of, or merger with, existing
8 port authorities or corporations within the port district, including but
9 not limited to, the South Jersey Port Corporation.

10 g. In order to effectuate the unification of the ports of the
11 Delaware River, the Delaware River Port Authority approved on
12 December 15, 1993, a plan for the formation of The Ports of
13 Philadelphia and Camden, Inc., as a separate subsidiary corporation
14 within the port authority to rehabilitate and coordinate certain port
15 services currently provided by separate agencies in the State of New
16 Jersey and the Commonwealth of Pennsylvania, respectively.

17 h. On May 12, 1994, the Governor of New Jersey and the
18 Governor of Pennsylvania signed an agreement formally
19 acknowledging the creation of The Ports of Philadelphia and Camden,
20 Inc., as a separate subsidiary corporation under the Delaware River
21 Port Authority.

22 i. It is in the public interest to unify the South Jersey Port
23 Corporation and other port facilities on the Delaware River under The
24 Ports of Philadelphia and Camden, Inc., thereby reducing costs to the
25 State by consolidating port operations under a single umbrella agency,
26 coordinating and promoting the use of the Delaware River for
27 expanded commerce and enhancing the competitiveness of the ports
28 of the Delaware River.

29 j. The public interest in port unification, streamlined operations and
30 reduced costs is best served by replacing the existing board of the
31 South Jersey Port Corporation with an interim board to oversee port
32 operations until such time as the Governor can appoint a new board
33 for the port corporation, and by requiring that after a transition period
34 of up to two years, the corporation shall lease its facilities to The Ports
35 of Philadelphia and Camden, Inc., to oversee, manage and operate port
36 facilities and to achieve more effective coordination of the various port
37 programs, policies and projects in a manner consistent with the public
38 trust without interfering with the existing obligations to holders of
39 bonds or notes.

40

41 2. Section 3 of P.L.1968, c.60 (C.12:11A-3) is amended to read as
42 follows:

43 3. As used in this act:

44 "Corporation" shall mean the South Jersey Port Corporation,
45 created by this act, or, if said corporation shall be abolished, the board,
46 body or commission succeeding to the principal functions thereof or

1 to whom the powers given by this act to the corporation shall be given
2 by law.

3 "District" or "port district" shall mean the South Jersey Port
4 District created by this act.

5 "Marine terminals" shall mean developments, consisting of one or
6 more piers, wharves, docks, bulkheads, slips, basins, vehicular
7 roadways, railroad connections, side tracks, sidings or other buildings,
8 structures, facilities or improvements, necessary or convenient to the
9 accommodation of steamships or other vessels and their cargoes or
10 passengers.

11 "Marine terminal purposes" shall mean the effectuation,
12 establishment, acquisition, construction, rehabilitation, improvement,
13 maintenance, ownership and operation of marine terminals.

14 "Private marine terminal operator" shall mean any person or
15 persons, corporation, partnership or any business organization which
16 shall operate and maintain any of the marine terminals established,
17 acquired, constructed, rehabilitated or improved by the South Jersey
18 Port Corporation by means of and through leasing agreements entered
19 into by any such person or persons, corporation, partnership or any
20 business organization with the South Jersey Port Corporation.

21 "Cost," in addition to the usual meanings thereof, means the cost of
22 acquisition or construction of all or any part of a marine terminal and
23 of all or any property, rights, easements, privileges, agreements and
24 franchises deemed by the corporation to be necessary or useful and
25 convenient therefor or in connection therewith, including interest or
26 discount on bonds, cost of issuance of bonds; engineering and
27 inspection costs and legal expenses; cost of financial, professional and
28 other estimates and advice; organization, administration, operation and
29 other expenses of the corporation prior to and during such acquisition
30 or construction; and all such other expenses as may be necessary or
31 incident to the financing, acquisition, construction and completion of
32 said marine terminal or part thereof and placing of same in operation;
33 and also such provision or reserves for working capital, operating or
34 maintenance or replacement expenses, or for payment or security of
35 principal of or interest on bonds prior to during or after such
36 acquisition or construction and including also payments to its South
37 Jersey Port Corporation Reserve Fund and payments required under
38 Tax Agreements with counties or municipalities pursuant to section 20
39 of this act.

40 "Subsidiary corporation" means "The Ports of Philadelphia and
41 Camden, Inc.," established pursuant to P.L.1991, c.515 and in
42 accordance with an agreement entered into by the Governor of New
43 Jersey and the Governor of Pennsylvania on May 12, 1994, on behalf
44 of the Delaware River Port Authority, the South Jersey Port
45 Corporation and the Philadelphia Regional Port Authority.

46 "Transfer date" means, with respect to the corporation, the date on

1 which all bonds issued by the South Jersey Port Corporation cease to
2 be outstanding within the meaning of the resolutions pursuant to which
3 those bonds were issued, as certified by the trustee or trustees
4 thereunder.

5 (cf: P.L.1968, c.60, s.3)

6
7 3. Section 5 of P.L.1968, c.60 (C.12:11A-5) is amended to read as
8 follows:

9 5. a. There is hereby established in the State Department of
10 Environmental Protection a body corporate and politic, with corporate
11 succession, to be known as the "South Jersey Port Corporation." The
12 corporation is hereby constituted an instrumentality exercising public
13 and essential governmental functions, and the exercise by the
14 corporation of the powers conferred by this act in the establishment,
15 acquisition, construction, rehabilitation, improvement, operation and
16 maintenance of marine terminals shall be deemed and held to be an
17 essential governmental function of the State.

18 b. [The corporation shall consist of seven members, each of whom
19 shall be a resident of the port district, who shall have been a qualified
20 elector therein for a period of at least 3 years next preceding his
21 appointment. For the purpose of representation on the corporation the
22 port district shall be divided into subdistricts with representation as
23 follows:

24 (1) The counties of Cape May, Cumberland and Salem shall
25 constitute one subdistrict and shall be represented by one member on
26 the corporation who shall be appointed from one of these counties.

27 (2) The counties of Camden and Gloucester shall constitute one
28 subdistrict and shall be represented by three members on the
29 corporation at least two of whom shall be appointed from Camden
30 county.

31 (3) The counties of Burlington and Mercer shall constitute one
32 subdistrict and shall be represented by three members on the
33 corporation at least one of whom shall be appointed from each county
34 within this subdistrict.

35 No more than four members shall be of the same political party.
36 Each member of the corporation shall be appointed by the Governor,
37 with the advice and consent of the Senate, for a term of 5 years and
38 shall serve until his successor is appointed and has qualified; except
39 that of the first appointments hereunder, three shall be for a term of 2
40 years, two for a term of 3 years, and two for a term of 4 years, and
41 they shall serve until their respective successors are appointed and
42 have qualified. The term of each of the first appointees hereunder
43 shall be designated by the Governor. Each member of the corporation
44 may be removed from office by the Governor or by the Legislature, for
45 cause, after a public hearing. Each member of the corporation before
46 entering upon his duties shall take and subscribe an oath to perform

1 the duties of his office faithfully, impartially and justly to the best of
2 his ability. A record of such oaths shall be filed in the office of the
3 Secretary of State.]

4 Until such time as the Governor appoints the members of the new
5 board of the corporation, the corporation shall consist of seven ex
6 officio members who shall be designated by the Governor to serve on
7 an interim basis until the members of the new board are appointed and
8 have qualified. The interim members shall be designated from the
9 Departments of the Treasury, Commerce and Economic Development,
10 Transportation, Environmental Protection, the Office of the Governor,
11 the Department of State and the Office of the Attorney General. The
12 corporation shall be governed by the interim board and the powers of
13 the corporation shall be vested in the members thereof. Four members
14 of the interim board of the corporation, or their designees, shall
15 constitute a quorum at any meeting thereof. Actions may be taken and
16 motions and resolutions adopted by the corporation at any meeting
17 thereof by the affirmative vote of at least a majority of the interim
18 members, or their designees, who are present. No vacancy in the
19 membership of the interim board shall impair the right of the quorum
20 of the members to exercise all of the powers and perform all of the
21 duties of the corporation.

22 The members of the interim board shall serve until such time as the
23 nine initial members of the new board of the corporation are
24 appointed and have qualified pursuant to this section.

25 During the pendency of the interim board, the Governor shall
26 appoint, with the advice and consent of the Senate, a new board
27 consisting of nine members who shall be the same persons who from
28 time to time shall hold the office of members appointed by the
29 Governor of New Jersey to The Ports of Philadelphia and Camden,
30 Inc., in accordance with the agreement entered into by the Governor
31 of New Jersey and the Governor of Pennsylvania on May 12, 1994
32 formally acknowledging the creation of The Ports of Philadelphia and
33 Camden, Inc., as a subsidiary corporation of the Delaware River Port
34 Authority.

35 Each appointed member of the new board of the port corporation
36 shall be a resident of one of the seven New Jersey counties within the
37 port district and shall be a qualified elector therein for at least three
38 years immediately preceding the person's appointment. For the
39 purpose of appointing the initial members of the board, the seven New
40 Jersey counties within the port district shall be divided into subdistricts
41 with representation as follows:

42 (1) The counties of Cape May, Cumberland and Salem shall
43 constitute one subdistrict and shall be represented by two members on
44 the board who shall be appointed from these counties. No more than
45 one member shall be appointed from any one of these counties.

46 (2) The counties of Camden and Gloucester shall constitute one

1 subdistrict and shall be represented by four members on the board, at
2 least one of whom shall be appointed from each county.

3 (3) The counties of Burlington and Mercer shall constitute one
4 subdistrict and shall be represented by three members on the board at
5 least one of whom shall be appointed from each county within this
6 subdistrict.

7 The term of each of the initial appointees hereunder shall be
8 designated by the Governor. Each member of the corporation may be
9 removed from office by the Governor, for cause, after a public hearing.
10 Each member of the corporation, before entering upon the duties of
11 the office, shall take and subscribe an oath to perform the duties of the
12 office faithfully, impartially and justly to the best of the person's
13 ability. A record of such oaths shall be filed in the Office of the
14 Secretary of State.

15 c. Any vacancies in the membership of the corporation occurring
16 other than by expiration of term shall be filled in the same manner as
17 the original appointment, but for the unexpired term only.

18 d. The Governor shall designate one of the members of the
19 corporation as chairman thereof and another member as vice-chairman
20 thereof. The chairman and vice-chairman of the corporation so
21 designated shall serve as such at the pleasure of the Governor and until
22 their respective successors have been designated. The corporation
23 shall elect a secretary and a treasurer who need not be
24 members. At the option of the corporation the same person may be
25 elected to serve both as secretary and treasurer. [Four] Five members
26 of the new board of the corporation shall constitute a quorum and the
27 vote of [four] five members of the new board shall be necessary for
28 any action taken by the corporation. No vacancy in the membership
29 of the corporation shall impair the right of a quorum to exercise all the
30 rights and perform all the duties of the corporation.

31 e. Before the issuance of any bonds or notes under the provisions
32 of this act, each member of the corporation shall execute a surety bond
33 in the penal sum of \$25,000.00, and the treasurer shall execute a
34 surety bond in the penal sum of \$50,000.00, each such surety bond to
35 be conditioned upon the faithful performance of the duties of the office
36 of such member or treasurer, as the case may be, to be executed by a
37 surety company authorized to transact business in the State of New
38 Jersey as surety and to be approved by the Attorney General and filed
39 in the office of the Secretary of State.

40 f. The members of the corporation shall not receive compensation
41 for their services as members of the corporation. Each member shall
42 be reimbursed by the corporation for his actual expenses necessarily
43 incurred in the performance of his duties.

44 g. No resolution or other action of the corporation providing for
45 the issuance of bonds, refunding bonds or other obligations or for the
46 fixing, revising or adjusting of tolls for the use of any corporation

1 project or parts thereof shall be adopted or otherwise made effective
2 by the corporation without the prior approval in writing of the
3 Governor and at least one of the following: the State Treasurer and the
4 [Comptroller of the Treasury] Director of the Division of Budget and
5 Accounting in the Department of the Treasury . A true copy of the
6 minutes of every meeting of the corporation shall be forthwith
7 delivered by and under the certification of the secretary thereof, to the
8 Governor. No action taken at such meeting by the corporation shall
9 have force or effect until 10 days, exclusive of Saturdays, Sundays and
10 public holidays, after such copy of the minutes shall have been so
11 delivered. If, in said 10-day period, the Governor returns such copy
12 of the minutes with veto of any action taken by the corporation or any
13 member thereof at such meeting, such action shall be null and of no
14 effect. The Governor may approve all or part of the action taken at
15 such meeting prior to said 10-day period. The powers conferred in
16 this paragraph g. upon the Governor, the State Treasurer and the
17 [Comptroller of the Treasury] Director of the Division of Budget and
18 Accounting in the Department of the Treasury shall be exercised with
19 due regard for the rights of the holders of bonds of the corporation at
20 any time outstanding, and nothing in, or done pursuant to, this
21 paragraph g. shall in any way limit, restrict or alter the obligation or
22 powers of the corporation or any representative or officer of the
23 authority to carry out and perform in every detail each and every
24 covenant, agreement or contract at any time made or entered into by
25 or on behalf of the corporation with respect to its bonds for the
26 benefit, protection or security of the holders thereof.

27 h. Immediately upon the effective date of P.L. , c. (C.)(now
28 before the Legislature as this bill), the members of the corporation are
29 specifically authorized and directed to re-organize the administrative
30 structure of the corporation in order to achieve the greatest economy
31 and efficiency in the operations of the corporation. In order to
32 effectuate the implementation of this re-organization, the members are
33 directed to appoint an operations and leasing manager, who shall be a
34 person of recognized ability and experience, to assume all
35 responsibilities held by the executive director of the corporation on the
36 effective date of P.L. , c. (C.)(now before the Legislature as
37 this bill). The operations and leasing manager may employ such
38 officers and employees as may be necessary for the proper effectuation
39 of the duties or functions of the corporation and may determine the
40 qualification of such persons; however, the members of the
41 corporation shall approve such positions and fix compensation for
42 such officers and employees all without regard to the provisions of
43 Title 11A of the New Jersey Statutes. The operations and leasing
44 manager shall be chosen by a majority of the members of the board.
45 The operations and leasing manager's term shall be for a period not to
46 exceed two years as may be determined by the board. Such term may

1 be renewed upon approval of a majority of the members of the board.
2 (cf: P.L.1968, c.60, s.5)

3

4 4. (New section) a. During the transition period, which shall not
5 exceed two years following the effective date of P.L. , c. (C.)
6 (now before the Legislature as this bill), the corporation shall continue
7 to own all of its assets and ensure that all of its revenues derived from
8 the operation of its facilities and projects are dedicated to the payment
9 of debt service obligations or reserve payments or other reserves or
10 payments required under the contracts between the corporation and its
11 bondholders or noteholders.

12 b. The operations and leasing manager appointed pursuant to
13 section 3 of P.L. c. (C.)(now before the Legislature as this bill)
14 shall, in addition to any other functions required by the board, perform
15 the following:

16 (1) Identification of ways to significantly reduce operating
17 expenses through economies of operational procedures, improved
18 budgeting methods, the sale or retention of holdings, and lease or
19 rental agreements with private operators and tenants for
20 marine-oriented or other commercially viable ventures;

21 (2) Structuring new or negotiated income generating agreements,
22 such as through leases or fees, to include site restoration, remediation
23 and environmental clean-up contingency funding;

24 (3) Monitoring of current and future availability of funds to be
25 used for approved or proposed capital program funds;

26 (4) Reviewing the relationship between capital expenditures
27 pursuant to each capital program plan and current and future operating
28 budget requirements;

29 (5) Monitoring the progress of capital elements described in each
30 capital program approved by the corporation;

31 (6) Monitoring the expenditures incurred and to be incurred for
32 each such element;

33 (7) Identifying capital elements not progressing on schedule,
34 ascertaining responsibility therefor, and recommending those actions
35 required or appropriate to accelerate their implementation;

36 (8) Recommending procedures to amortize the corporation's
37 capital bonded indebtedness within the shortest possible time in order
38 to provide for the payment, discharge or retirement of the
39 corporation's debts, contractual duties or other obligations;

40 (9) Creating developable land parcels to provide for increased
41 self-sufficiency of the host community, and direct ratable payments and
42 revenues to the host community to replace the State's obligation to
43 provide such payments and revenues, and developing non-State
44 subsidized employment opportunities for local residents; and

45 (10) Maintaining the City of Camden's anticipated receipt of the
46 corporation's payment-in-lieu-of tax obligations.

1 c. The corporation shall enter into a contractual arrangement with
2 the subsidiary corporation for services to be provided by the subsidiary
3 corporation, which services shall include, but not be limited to, the
4 following:

5 (1) Coordination and implementation of portwide environmental
6 compliance and, where necessary, advocacy of environmental policies
7 affecting port operations;

8 (2) Coordination and study concerning planned dredging of the
9 Delaware River;

10 (3) Coordination and implementation of portwide facility security;

11 (4) Coordination and dissemination of information concerning
12 prospective clients, economic development, and environmental issues;

13 (5) Preservation of existing jobs and the creation of new job
14 opportunities; provided that with respect to the preservation of
15 existing staff jobs and the creation of new job opportunities, the
16 corporation may assign existing employees to other employment
17 opportunities but shall not terminate any employees due to any of the
18 actions taken pursuant to the provisions of P.L. c. (C.)(now
19 before the Legislature as this bill) including, without limitation,
20 unification of the ports of the Delaware River; and

21 d. Any other services as agreed to by the board.

22

23 5. (New section) a. After the transition period, which shall not
24 exceed two years following the effective date of P.L. , c. (C.)
25 (now before the Legislature as this bill), and upon the full
26 implementation of unification, the corporation shall lease all of its
27 facilities, including the Beckett Street Terminal, to the subsidiary
28 corporation pursuant to separate master net leases.

29 b. Such facilities shall remain the property of the corporation and
30 the proceeds of the sale of any such facilities shall be retained by the
31 corporation, pending the dissolution of the corporation and transfer of
32 the corporation's assets to the subsidiary corporation pursuant to
33 section 6 of P.L. , c. (C.)(now before the Legislature as this
34 bill).

35 c. The corporation shall retain the right to withdraw any and all of
36 its assets from the subsidiary corporation's master lease for non-port
37 purposes without any consideration being paid therefor to the
38 subsidiary corporation.

39 d. The corporation shall retain the right to add additional facilities
40 to the subsidiary corporation master lease with the affirmative vote of
41 a qualified majority of the subsidiary corporation board.

42 e. Facilities built by the corporation after a subsidiary board
43 deadlock on the issue of building a facility can be added to the master
44 lease without board approval as long as the corporation pays for any
45 and all costs related to the new facility.

1 6. (New section) a. Upon the transfer date, the terms of office of
2 the members of the corporation shall terminate, the officers having
3 custody of the funds of the corporation shall deliver those funds into
4 the custody of the chief financial officer of the subsidiary corporation,
5 the property and assets of the corporation shall, without further act or
6 deed, become the property and assets of the subsidiary corporation,
7 and the corporation shall cease to exist, provided that the corporation
8 has submitted the plan for proposed dissolution of the corporation and
9 merger with the subsidiary corporation to the Legislature and the
10 Legislature has expressed its approval pursuant to subsection (t) of
11 section 6 of P.L.1968, c.60 (C.12:11A-6(t)).

12 b. Upon the transfer date, the officers and employees of the
13 corporation shall be transferred to the subsidiary corporation and shall
14 become employees of the subsidiary corporation until determined
15 otherwise by the subsidiary corporation.

16 c. Nothing in P.L. , c. (C.)(now before the Legislature as
17 this bill) shall be construed to deprive any officers or employees of
18 their rights, privileges, obligations or status with respect to any
19 pension or retirement system. The officers and employees of the
20 corporation who are transferred to the subsidiary corporation shall
21 continue to be enrolled in the Public Employees Retirement System
22 and, for the purposes of P.L. , c. (C.)(now before the
23 Legislature as this bill), the subsidiary corporation shall be considered
24 to be a State agency which shall make the appropriate contributions on
25 behalf of such officers and employees to the Public Employees
26 Retirement System in order to maintain their rights, privileges,
27 obligations or status with respect to that retirement system. The
28 employees shall retain all of their rights and benefits under existing
29 collective bargaining agreements or contracts until such time as new
30 or revised agreements or contracts are agreed to or these agreements
31 or contracts shall expire. All existing bargaining agents shall be
32 retained to act on behalf of those employees until such time as the
33 employees shall, pursuant to law, elect to change those agents.

34 d. Nothing in P.L. , c. (C.)(now before the Legislature as
35 this bill) shall affect the civil service status, if any, of those officers or
36 employees. The provisions of this paragraph shall not apply to any
37 officer or employee appointed or employed, or any collective
38 bargaining agreement entered into, on or after the date of enactment
39 of P.L. , c. (C.)(now before the Legislature as this bill).
40 Nothing in P.L. , c. (C.)(now before the Legislature as this bill),
41 shall be construed as providing for the permanent tenure of officers or
42 employees who were granted this tenure by the corporation and no
43 officer or employee transferred pursuant to this section shall be
44 deemed to receive or enjoy permanent tenure with the subsidiary
45 corporation by virtue of any action of the corporation, nor shall the
46 subsidiary corporation grant this tenure to any officer or employee of

- 1 the subsidiary corporation on or after the transfer date.
- 2 e. All debts, liabilities, obligations and contracts of the corporation,
3 except to the extent specifically provided or established to the contrary
4 in P.L. , c. (C.)(now before the Legislature as this bill), are
5 imposed upon the subsidiary corporation, and all creditors of the
6 corporation and persons having claims against or contracts with the
7 corporation of any kind or character may enforce those debts, claims
8 and contracts against the subsidiary corporation as successor to the
9 corporation in the same manner as they might have had against the
10 corporation, and the rights and remedies of those holders, creditors
11 and persons having claims against or contracts with the corporation
12 shall not be limited or restricted in any manner by P.L. , c. (C.)
13 (now before the Legislature as this bill).
- 14 f. In continuing the functions, contracts, obligations and duties of
15 the corporation, the subsidiary corporation is authorized to act in its
16 own name or in the name of the corporation as may be convenient or
17 advisable under the circumstances from time to time.
- 18 g. Any references to the corporation in any other law or regulation
19 shall be deemed to refer and apply to the subsidiary corporation.
- 20 h. All rules and regulations of the corporation shall continue in
21 effect as the rules and regulations of the subsidiary corporation until
22 amended, supplemented or rescinded by the subsidiary corporation in
23 accordance with law.
- 24 i. All operations of the corporation shall continue as operations of
25 the subsidiary corporation until altered by the subsidiary corporation
26 as may be permitted pursuant to P.L. , c. (C.)(now before the
27 Legislature as this bill).
- 28 j. The powers vested in the subsidiary corporation by P.L. ,
29 c. (C.)(now before the Legislature as this bill) shall be construed as
30 being in addition to, and not in diminution of, the powers heretofore
31 vested by law in the corporation to the extent not otherwise altered or
32 provided for in P.L. , c. (C.)(now before the Legislatue as this
33 bill).
- 34 k. As soon as practicable after the transfer date or dates, as the
35 case may be, the subsidiary corporation shall notify the Governor of
36 New Jersey and the presiding officer of each house of the Legislature
37 of New Jersey, that the transfer has occurred, the date of the transfer
38 and any other information concerning the transfer that the subsidiary
39 corporation deems appropriate.
- 40
- 41 7. (New section) Notwithstanding the provisions of any other law,
42 rule or regulation to the contrary, the State and all public officers,
43 municipalities, counties, political subdivisions and public bodies and
44 agencies thereof, all banks, bankers, trust companies, savings banks
45 and institutions, building and loan associations, investment companies,
46 savings and loan associations, and other persons carrying on a banking

1 or investment business, all insurance companies, insurance associations
2 and other persons carrying on an insurance business, and all executors,
3 administrators, guardians, trustees and other fiduciaries, may legally
4 invest any sinking funds, moneys or other funds belonging to them or
5 within their control in any bonds or notes issued pursuant to P.L. ,
6 c. (C.)(now before the Legislature as this bill), and these bonds and
7 notes shall be authorized security for any and all public deposits.

8
9 8. (New section) If any provision of P.L. , c. (C.)(now
10 before the Legislature as this bill) or the application thereof to any
11 person or circumstance is held invalid, such invalidity shall not affect
12 other provisions or applications of P.L. , c. (C.)(now before
13 the Legislature as this bill) which can be given effect without the
14 invalid provision or application and to this end the provisions of
15 P.L. , c. (C.)(now before the Legislature as this bill) are declared
16 to be severable.

17
18 9. This act shall take effect 15 days after enactment.

21 STATEMENT

22
23 The unification of the ports of the Delaware River has been
24 promoted for many years as a way of streamlining operations, reducing
25 costs and making the ports more competitive with other ports along
26 the East Coast.

27 This bill is intended to implement the agreement entered into on
28 May 12, 1994 by the Governors of the States of New Jersey and
29 Pennsylvania to consolidate the operations of the ports of Philadelphia
30 and Camden under The Ports of Philadelphia and Camden, Inc., a
31 separate subsidiary corporation of the Delaware River Port Authority.

32 The bill provides that, immediately upon the effective date of the
33 bill, the current board of the South Jersey Port Corporation shall be
34 replaced with an interim board consisting of seven ex officio members
35 designated by the Governor. The interim board shall serve until such
36 time as a new board for the port corporation is appointed by the
37 Governor, with the advice and consent of the Senate. The new board
38 shall consist of nine persons who shall be the same persons who serve
39 as members of The Ports of Philadelphia and Camden, Inc. in
40 accordance with the May 12, 1994 agreement signed by the Governor
41 of New Jersey and the Governor of Pennsylvania.

42 The bill further provides that after a transition period of not more
43 than two years, the port corporation shall lease its port facilities and
44 operations to the subsidiary corporation.

45 The bill also provides that, immediately upon the effective date of
46 the bill, the interim members of the port corporation shall

1 administratively re-organize the structure of the corporation. In order
2 to effectuate the re-organization, the bill directs the members to
3 appoint an operations and leasing manager to implement various
4 cost-saving and income-generating strategies during the transition
5 period. These strategies shall include but not be limited to, creating
6 developable land parcels to provide for increased self-sufficiency of
7 the host community, and direct ratable payments and revenues to the
8 host community to replace the State's obligation to provide such
9 payments and revenues, and developing non-State subsidized
10 employment opportunities for local residents.

11 In addition, the bill directs the port corporation to enter into
12 contractual arrangements with The Ports of Philadelphia and Camden,
13 Inc., to provide certain services to the corporation that will assist with
14 port unification.

15 The bill further provides for certain procedures to be followed for
16 merging the corporation into the subsidiary corporation once the
17 Legislature has expressed its approval for the dissolution of the
18 corporation pursuant to law.

19

20

21

22

23 Provides for appointment of a new board for South Jersey Port
24 Corporation and merger of the port corporation with a subsidiary
25 corporation of the Delaware River Port Authority