

27:25-5

LEGISLATIVE HISTORY CHECKLIST

NJSA: 27:25-5 (NJ Transit-- allow issuance of capital grant anticipation notes)

LAWS OF: 1989 **CHAPTER:** 130

BILL NO: S3265

SPONSOR(S): D'Amico and Rand

Date Introduced: January 26, 1989

Committee: **Assembly:** _____

Senate: Revenue, Finance and Appropriations

Amended during passage: No

Date of Passage: **Assembly:** June 29, 1989

Senate: February 27, 1989

Date of Approval: July 20, 1989

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** No

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: No

Hearings: No

RDV

P.L.1989, CHAPTER 130, approved July 20, 1989

1989 Senate No. 3265

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

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

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

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

11 a. Sue and be sued;

b. Have an official seal and alter the same at pleasure;

13 c. Make and alter bylaws for its organization and internal
management and for the conduct of its affairs and business;

15 d. Maintain an office at such place or places within the State
as it may determine;

17 e. Adopt, amend and repeal such rules and regulations as it
may deem necessary to effectuate the purposes of this act, which
19 shall have the force and effect of law; it shall publish the same
and file them in accordance with the "Administrative Procedure
21 Act," P.L.1968, c.410 (C.52:14B-1 et seq.) with the Director of
the Office of Administrative Law;

23 f. Call to its assistance and avail itself of the service of such
employees of any federal, State, county or municipal department
25 or agency as it may require and as may be available to it for said
purpose;

27 g. Apply for, accept and expend money from any federal,
State, county or municipal agency or instrumentality and from
29 any private source; comply with federal statutes, rules and
regulations, and qualify for and receive all forms of financial
31 assistance available under federal law to assure the continuance

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

Matter underlined thus is new matter.

1 of, or for the support or improvement of public transportation
and as may be necessary for that purpose to enter into
3 agreements, including federally required labor protective
agreements;

5 h. Plan, design, construct, equip, operate, improve and
maintain, either directly or by contract with any public or private
7 entity, public transportation services, capital equipment and
facilities or any parts or functions thereof, and other
9 transportation projects, or any parts or functions thereof, which
may be funded under section 3 of the federal Urban Mass
11 Transportation Act of 1964, P.L.88-365 (49 U.S.C. §1602), or any
successor or additional federal act having substantially the same
13 or similar purposes or functions; the operation of the facilities of
the corporation, by the corporation or any public or private
15 entity, may include appropriate and reasonable limitations on
competition in order that maximum service may be provided most
17 efficiently to the public;

i. Apply for and accept, from appropriate regulatory bodies,
19 authority to operate public transportation services where
necessary;

21 j. Purchase, lease as lessee, or otherwise acquire, own, hold,
improve, use and otherwise deal in and with real or personal
23 property, or any interest therein, from any public or private
entity, wherever situated;

25 k. Lease as lessor, sell or otherwise dispose of on terms which
the corporation may prescribe, real and personal property,
27 including tangible or intangible property and consumable goods,
or any interest therein, to any public or private entity, in the
29 exercise of its powers and the performance of its duties under
this act. In order to provide or encourage adequate and efficient
31 public transportation service, the corporation may lease or
otherwise permit the use or occupancy of property without cost
33 or at a nominal rental;

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

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

15 n. Set and collect fares and determine levels of service for
16 service provided by the corporation either directly or by contract
17 including, but not limited to, such reduced fare programs as
18 deemed appropriate by the corporation; revenues derived from
19 such service may be collected by the corporation and shall be
20 available to the corporation for use in furtherance of any of the
21 purposes of this act;

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

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

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

33 r. Procure and enter into contracts for any type of insurance
34 and indemnify against loss or damage to property from any cause,
35 including loss of use and occupancy, against death or injury of any
36 person, against employees' liability, against any act of any
37 member, officer, employee or servant of the corporation,
38 whether part-time, full-time, compensated or noncompensated,
39 in the performance of the duties of his office or employment or

- 1 any other insurable risk. In addition, the corporation may carry
its own liability insurance;
- 3 s. Promote the use of public transportation services,
coordinate ticket sales and passenger information and sell, lease
5 or otherwise contract for advertising in or on the equipment or
facilities of the corporation;
- 7 t. Adopt and maintain employee benefit programs for
employees of the corporation including, but not limited to,
9 pension, deferred compensation, medical disability, and death
benefits, and which programs may utilize insurance contracts,
11 trust funds, and any other appropriate means of providing the
stipulated benefits, and may involve new plans or the
13 continuation of plans previously established by entities acquired
by the corporation;
- 15 u. Own, vote, and exercise all other rights incidental to the
ownership of shares of the capital stock of any incorporated
17 entity acquired by the corporation pursuant to the powers granted
by this act;
- 19 v. Enter into any and all agreements or contracts, execute any
and all instruments, and do and perform any and all acts or things
21 necessary, convenient or desirable for the purposes of the
corporation, or to carry out any power expressly or implicitly
23 given in this act; and,
- 25 w. Notwithstanding the provisions of section 17 of P.L.1979,
c.150 (C.27:25-17) or any other law to the contrary, (1) issue
operating grant anticipation notes which shall be secured and
27 retired from operating assistance grants authorized under section
9 of the federal Urban Mass Transportation Act of 1964, P.L.
29 88-365 (49 U.S.C. §1602), or any successor or additional federal
act having substantially the same or similar purposes or functions
31 and (2) issue capital grant anticipation notes which shall be
secured and retired from capital assistance grants authorized
33 under section 3 or section 9 of the federal Urban Mass
Transportation Act of 1964, P.L. 88-365 (49 U.S.C. §1602), or any
35 successor or additional federal act having substantially the same
or similar purposes or functions. As used in this subsection,
37 "operating grant anticipation notes" or "capital grant
anticipation notes" (hereafter referred to as "notes") means
39 [short-term] credit obligations issued in anticipation of these

1 grants. The notes shall be authorized by a resolution or
2 resolutions of the corporation, and may be issued in one or more
3 series and shall bear the date, or dates, bear interest at the rate
4 or rates of interest per annum, be in the denomination or
5 denominations, be in the form, carry the conversion or
6 registration privileges, have the rank or priority, be executed in
7 such manner as the resolution or resolutions require. The notes
8 may be sold at public or private sale at the price or prices and in
9 the manner that the corporation determines. The notes of the
10 corporation, the sale or transfer thereof, and the income derived
11 therefrom by the purchasers of the notes, shall, at all times, be
12 free from taxation for State or local purposes, under any law of
13 the State or any political subdivision thereof. Notes may be
14 issued under the provisions of P.L.1979, c.150 (C.27:25-1 et seq.)
15 without obtaining the consent of any department, division,
16 commission, board, bureau or agency of the State, and without
17 any other proceedings, conditions, or things which are specifically
18 required by P.L.1979, c.150 (C.27:25-1 et seq.). The notes issued
19 pursuant to P.L.1979, c.150 (C.27:25-1 et seq.) shall not in any
20 way create or constitute any indebtedness, liability or obligation
21 of the State or of any political subdivision thereof or of the
22 corporation, except as provided herein.

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

39 (cf: P.L.1984, c.108, s.1.)

2. This act shall take effect immediately.

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STATEMENT

3 Under current law the New Jersey Transit Corporation is
5 authorized to issue notes in anticipation of operating assistance
7 grants authorized under section 9 of the federal Urban Mass
9 Transportation Act of 1984, as amended. This bill authorizes the
11 corporation to issue notes in anticipation of capital assistance
13 grants authorized under section 9 or 13 of the Urban Mass
15 Transportation Act of 1964, in addition to the operating grant
17 anticipation notes and removes any short-term credit restriction
19 on both operating grant anticipation notes as well as capital grant
21 anticipation notes. These notes are not to constitute a debt or
liability of the State or any political subdivision thereof or of the
corporation except as provided for within the bill. This bill
allows N.J. Transit to proceed with projects while awaiting the
receipt of federal funds.

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TRANSPORTATION

Capital Finance

21

Authorizes NJ Transit to issue capital grant anticipation notes.

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TRANSPORTATION

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Authorizes NJ Transit to issue capital grant anticipation notes.

**SENATE REVENUE, FINANCE
AND APPROPRIATIONS COMMITTEE**

STATEMENT TO

SENATE, No. 3265

STATE OF NEW JERSEY

DATED: FEBRUARY 23, 1989

The Senate Revenue, Finance and Appropriations Committee reports Senate Bill No. 3265 favorably.

Senate Bill No. 3265 authorizes New Jersey Transit to issue capital grant anticipation notes. These notes will be issued in anticipation of capital assistance grants to be received from the federal government under the Urban Mass Transportation Act of 1984. The purpose of the capital notes is to permit New Jersey Transit to let contracts for the purchase and repair of equipment prior to the receipt of the federal grants.

Currently, New Jersey Transit may issue operating grant anticipation notes which are backed by operating assistance grants received under the same federal transportation program.

FISCAL IMPACT

This bill permits New Jersey Transit to issue capital grant anticipation notes in addition to operating grant anticipation notes. The law already provides that anticipation notes issued by New Jersey Transit shall not constitute a liability or obligation of the State. Providing the project receives advance construction approval from the federal government, the federal grant may be used to pay both principal and interest on the notes. New Jersey Transit anticipates that all projects will receive such approval and that currently, in most cases, the notes will be retired within two years of issuance (the current term of federal grant authorization). In the future, if federal grant authorization is extended, the notes will be issued for a period up to the term of the grant authorization.



OFFICE OF THE GOVERNOR

NEWS RELEASE

Governor Thomas H. Kean
TRENTON, N.J. 08625
Release: FRI., 7/21/89

CN-001

Contact: CARL GOLDEN
609-292-8956 OR 609-292-6000 EXT. 207

Governor Thomas H. Kean today signed legislation to permit New Jersey Transit to proceed with projects while awaiting the receipt of Federal funds which have been pledged by the Urban Mass Transit Authority (UMTA).

The bill, S-3265, was sponsored by Senator John D'Amico, D-Monmouth.

It will permit New Jersey Transit to undertake purchase of new equipment as well as the repair and rehabilitation of existing equipment and facilities prior to the actual receipt of Federal funds.

Last month, it was announced that UMTA had approved more than \$200 million for New Jersey Transit to carry out a multi-year program of purchase and rehabilitation under advanced funding authority.

Kean also signed today:

S-2536, sponsored by Senator C. William Haines, R-Burlington, to authorize the appointment of two additional Superior Court Judges in Burlington County.

S-3092, sponsored by Senator Christopher Jackman, D-Hudson, to expand the rights of agents whose employment contracts with insurance companies are terminated. It was merged with A-4069, sponsored by Assemblyman Robert Martin, R-Morris.

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