

48:3-7 and 48:3-9

LEGISLATIVE HISTORY CHECKLIST

NJSA: 48:3-7 and 48:3-9

(Bus companies--permit purchase and sale of equipment without prior approval of DOT)

LAWS OF: 1985

CHAPTER: 232

Bill No: A2125

Sponsor(s): Foy and Bryant

Date Introduced: May 21, 1984

Committee: Assembly: Transportation and Communications

Senate: Transportations and Communications

Amended during passage: Yes Amendments during passage denoted by asterisks

Date of Passage: Assembly: January 28, 1985

Senate: June 27, 1985

Date of Approval: July 11, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

334 85
2 10 85

[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 2125

STATE OF NEW JERSEY

INTRODUCED MAY 21, 1984

By Assemblymen FOY and BRYANT

AN ACT concerning the regulation of autobus public utilities and
amending R. S. 48:3-7 and R. S. 48:3-9.

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

1 1. R. S. 48:3-7 is amended to read as follows:

2 48:3-7. *a.* No public utility shall, without the approval of the
3 board, sell, lease, mortgage or otherwise dispose of or encumber its
4 property, franchises, privileges or rights, or any part thereof; or
5 merge or consolidate its property, franchises, privileges or rights,
6 or any part thereof, with that of any other public utility.

7 Where, by the proposed sale, lease or other disposition of all or
8 a substantial portion of its property, any franchise or franchises,
9 privileges or rights, or any part thereof or merger or consolidation
10 thereof as set forth herein, it appears that the public utility or a
11 wholly owned subsidiary thereof may be unable to fulfill its obli-
12 gation to any employees thereof with respect to pension benefits
13 previously enjoyed, whether vested or contingent, the board shall
14 not grant its approval unless the public utility seeking the board's
15 approval for such sale, lease or other disposition assumes such
16 responsibility as will be sufficient to provide that all such obliga-
17 tions to employees will be satisfied as they become due.

18 Every sale, mortgage, lease, disposition, encumbrance, merger
19 or consolidation made in violation of this section shall be void.

20 Nothing herein shall prevent the sale, lease or other disposition
21 by any public utility of any of its property in the ordinary course
22 of business, nor require the approval of the board to any grant,

**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 printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Assembly committee amendments adopted June 18, 1984.**

23 conveyance or release of any property or interest therein hereto-
 24 fore made or hereafter to be made by any public utility to the
 25 United States, State or any county or municipality or any agency,
 26 authority or subdivision thereof, for public use.

27 The approval of the board shall not be required to validate the
 28 title of the United States, State or any county or municipality or
 29 any agency, authority or subdivision thereof, to any lands or in-
 30 terest therein heretofore condemned or hereafter to be condemned
 31 by the United States, State or any county or municipality or any
 32 agency, authority or subdivision thereof for public use.

33 *b. Notwithstanding any law, rule, regulation or order to the con-*
 34 *trary, an autobus public utility regulated by and subject to the pro-*
 35 *visions of Title 48 of the Revised Statutes may, without the*
 36 *approval of the Department of Transportation, sell, lease, mortgage*
 37 *or otherwise dispose of or encumber its property, or any part there-*
 38 *of, except that approval of the Department of Transportation shall*
 39 *be required for the following:*

40 (1) the sale of **[all or substantially all of its property]**
 40A **60% or more of its property within a 12-month period*;*

41 (2) a merger or consolidation of its property, franchises,
 42 privileges or rights; or

43 (3) the sale of **any of** its franchises, privileges or rights.

44 Notice of the sale, purchase or lease of **[all]* *any* autobus*
 45 **[passenger carrying equipment including limousines, vans, and*
 46 *small buses]* *or other vehicle subject to regulation under Title*
 47 *48 of the Revised Statutes* shall be provided to the Department*
 48 *of Transportation as the department shall require.*

1 2. R. S. 48:3-9 is amended to read as follows:

2 48:3-9. No public utility shall, unless it shall have first obtained
 3 authority from the board so to do:

4 (a) Issue any stocks, or any bonds, notes or other evidence of
 5 indebtedness payable more than 12 months after the date or dates
 6 thereof, or extend or renew any bond, note or any other evidence of
 7 indebtedness so that any extension or renewal thereof shall be
 8 payable later than 12 months after the date of the original instru-
 9 ment, or

10 (b) Permit any demand note to remain unpaid for a period of
 11 more than 12 months after the date thereof.

12 The board shall approve any such proposed issue, with or without
 13 hearing at its discretion, when satisfied that such issue is to be
 14 made in accordance with law and the purpose thereof is approved
 15 by the board.

16 The provisions of this act shall not apply to any public utility
17 operating, managing or controlling a railroad or a railway express
18 which is subject to the rules and regulations from time to time
19 issued by the Interstate Commerce Commission.

20 *The provisions of this section shall not apply to autobus public*
21 *utilities under the jurisdiction of the Department of Transporta-*
22 *tion.*

1 *3. *The Commissioner of Transportation shall, pursuant to the*
2 *Administrative Procedure Act, P. L. 1968, c. 410 (C. 52:14B-1 et*
3 *seq.), establish rules and regulations necessary to effectuate the*
4 *provisions of this act.**

1 ***[3.]*** *4.* This act shall take effect immediately.

18 which is subject to the rules and regulations from time to time
19 issued by the Interstate Commerce Commission.

20 *The provisions of this section shall not apply to autobus public*
21 *utilities under the jurisdiction of the Department of Transporta-*
22 *tion.*

1 3. This act shall take effect immediately.

STATEMENT

This bill simplifies regulatory procedures in the Department of Transportation with regard to autobus operators by permitting autobus operators to buy and sell equipment and to generally conduct their financial affairs without having to obtain prior approval of the department.

The present law requires autobus operators to seek prior approval from the department for the financing of new equipment, and other business related activities performed in conjunction with the provision of bus service.

This bill retains certain provisions of the present law by requiring that autobus operators seek approval from the department for the sale of all or substantially all of its property, for the merger or consolidation of its property, franchises or rights, or for the sale of its franchises, privileges or rights. In addition, this bill requires that notice of sale, purchase or lease of all autobus passenger carrying equipment be given to the department.

A2125(1985)

ASSEMBLY TRANSPORTATION AND COMMUNICATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 2125
with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 13, 1984

This bill simplifies regulatory procedures in the Department of Transportation with regard to autobus operators by permitting autobus operators to buy and sell equipment and to generally conduct their financial affairs without having to obtain prior approval of the department.

The present law requires autobus operators to seek prior approval from the department for the financing of new equipment, and other business related activities performed in conjunction with the provision of bus service.

This bill, as amended by the committee, does retain certain provisions of the present law by requiring that autobus operators seek approval from the department for the sale of 60% or more of its property within a 12-month period, for the merger or consolidation of its property, franchises or rights, or for the sale of any of its franchises, privileges or rights. In addition, this bill, as amended, requires that notice of sale, purchase or lease of any autobus or other vehicle subject to regulation under Title 48 of the Revised Statutes be given to the department.

The bill also provides that autobus public utilities under the jurisdiction of the department shall not be required to first obtain departmental approval before: (a) issuing any stocks, or any bonds, notes or other evidence of indebtedness payable more than 12 months after the date or dates thereof, or extending or renewing any bond, note or any other evidence of indebtedness so that any extension or renewal shall be payable later than 12 months after the date of the original instrument; or (b) permitting any demand note to remain unpaid for a period of more than 12 months after the date upon it.

The Department of Transportation supports this bill.

SENATE TRANSPORTATION AND COMMUNICATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 2125

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STATE OF NEW JERSEY

DATED: MAY 6, 1985

This bill, as previously amended in the Assembly, simplifies regulatory procedures in the Department of Transportation with regard to autobus operators by permitting autobus operators to buy and sell equipment and to generally conduct their financial affairs without having to obtain prior approval of the department.

The present law requires autobus operators to seek prior approval from the department for the financing of new equipment, and other business related activities performed in conjunction with the provisions of bus service.

This bill does retain certain provisions of the present law by requiring that an autobus public utility seek approval from the department for the sale of 60% or more of its property within a 12-month period, for the merger or consolidation of its property, franchises or rights, or for the sale of any of its franchises, privileges or rights. In addition, this bill requires that notice of sale, purchase or lease of any autobus or other vehicle subject to regulation under Title 48 of the Revised Statutes be given to the department.

The bill also provides that autobus public utilities under the jurisdiction of the department shall not be required to first obtain departmental approval before: (a) issuing any stocks, or any bonds, notes or other evidence of indebtedness payable more than 12 months after the date or dates thereof, or extending or renewing any bond, note or any other evidence of indebtedness so that any extension or renewal shall be payable later than 12 months after the date of the original instrument; or (b) permitting any demand note to remain unpaid for a period of more than 12 months after the date upon it.

The Department of Transportation supports this bill.