

48:4-2.20 to 48:4-2.25

LEGISLATIVE HISTORY CHECKLIST

NJSA: 48:4-2.20 to 48:4-2.25

(Bus Fares-certain-increase)

LAWS OF: 1983

CHAPTER: 517

Bill No: A1631

Sponsor(s): Franks

Date Introduced: June 21, 1982

Committee: Assembly: Transportation and Communications

Senate: Transportation and Communication

Amended during passage: Yes Assembly Committee Substitute (OCR) enacted

Date of Passage: Assembly: September 6, 1983

Senate: December 15, 1983

Date of Approval: January 17, 1984

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly No

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

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[OFFICIAL COPY REPRINT]
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 1631

STATE OF NEW JERSEY

ADOPTED MAY 26, 1983

AN ACT concerning autobus fare increases***[**, amending R. S. 48:2-21**]*** and supplementing chapter 2 of Title 48 of the Revised Statutes.

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

1 ***[**1. R. S. 48:2-21 is amended to read as follows:

2 48:2-21. (a) The board may require every public utility to file
3 with it complete schedules of every classification employed and of
4 every individual or joint rate, toll, fare or charge made, charged or
5 enacted by it for any product supplied or service rendered within
6 this State, as specified in the requirement.

7 (b) The board may after hearing, upon notice, by order in
8 writing:

9 1. Fix just and reasonable individual rates, joint rates, tolls,
10 charges or schedules thereof, as well as commutation, mileage and
11 other special rates which shall be imposed, observed and followed
12 thereafter by any public utility, whenever the board shall deter-
13 mine any existing rate, toll, charge or schedule thereof, commuta-
14 tion, mileage or other special rate to be unjust, unreasonable, in-
15 sufficient or unjustly discriminatory or preferential. In every such
16 proceeding the board shall complete and close the hearing within
17 six months and enter its final order within eight months after the
18 filing of the order of the board initiating such proceeding, when
19 such proceeding is on the board's own motion; or after issue is
20 joined through the filing of an answer to a complaint, when such
21 proceeding is initiated by complaint.

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:

*—Senate committee amendments adopted December 8, 1983.

22 2. Fix just and reasonable joint rates, which shall be charged,
 23 enforced, collected and observed by railroads and street railroads
 24 in the carrying of freight. Whenever the railroads or street rail-
 25 roads involved fail to agree upon the apportionment or division of
 26 a joint rate so established, the board may issue a supplemental
 27 order declaring the apportionment or division of the joint rate.

28 (c) The board may fix the rates or charges to be made by any
 29 corporation subject to the provisions of this chapter for the deten-
 30 tion of a railroad car containing property transported by railroad
 31 to any point in this State or for the use of railroad tracks occupied
 32 by such car, commonly called demurrage or car service, or for both
 33 such detention and use. Such rates and charges shall conform as
 34 nearly as possible to the rates and charges for demurrage or car
 35 service prescribed and fixed by the Interstate Commerce Commis-
 36 sion for similar service.

37 (d) When any public utility shall increase any existing individual
 38 rates, joint rates, tolls, charges or schedules thereof, as well as
 39 commutation, mileage and other special rates, or change or alter
 40 any existing classification, the board, either upon written complaint
 41 or upon its own initiative, shall have power after hearing, upon
 42 notice, by order in writing to determine whether the increase,
 43 change or alteration is just and reasonable. The burden of proof
 44 to show that the increase, change or alteration is just and reason-
 45 able shall be upon the public utility making the same. The board,
 46 pending such hearing and determination, may order the suspension
 47 of the increase, change or alteration until the board shall have ap-
 48 proved the same, not exceeding four months. If the hearing and de-
 49 termination shall not have been concluded within such four months
 50 the board may during such hearing and determination order a
 51 further suspension for an additional period not exceeding, four
 52 months. The board shall approve the increase, change or alteration
 53 upon being satisfied that the same is just and reasonable.

54 *(e) This section shall not apply to rates, fares and charges of*
 55 *autobuses as defined herein for charter bus operations and special*
 56 *bus operations, which rates, fares and charges shall be exempt from*
 57 *regulation.]**

1 ***[2. (New section)]*** *1.* Notwithstanding the provisions of
 2 chapter 2 of Title 48 of the Revised Statutes or any other law to the
 3 contrary, all autobuses regulated by and subject to the provisions of
 4 Title 48 of the Revised Statutes may establish their rates, fares and
 5 charges in accordance with this act.

6 As used in this act "autobus" means any motor vehicle or motor-
 7 bus operated over public highways or public places in this State

8 for the transportation of passengers for hire in intrastate business
 9 which is regulated by and subject to the provisions of Title 48 of
 10 the Revised Statutes.

1 ***[3. (New section)]*** ***2.*** The Commissioner of Transportation
 2 shall establish annually a “zone of rate freedom” which will provide
 3 for a maximum permitted percentage adjustment to any rate, fare
 4 or charge for regular route autobus service. The commissioner shall
 5 promulgate this percentage within 60 days after the effective date
 6 of this act for the time remaining in the ***[1983]*** **1984** calendar
 7 year, and shall thereafter promulgate a percentage for each
 8 calendar year 60 days prior to the commencement of the calendar
 9 year. The commissioner shall consider all relevant factors, includ-
 10 ing **but not limited to** the availability of alternative modes of
 11 transportation, **increases or decreases of the costs of bus opera-*
 12 *tions, the interests of the consumers or users of bus services, and the*
 13 *rates, fares and charges prevailing in the bus industry, as well as in*
 14 *other related transportation services, such as rail services,** in
 15 establishing the “zone of rate freedom” for each period. **Prior to*
 16 *the promulgation of the percentage the commissioner shall hold a*
 17 *public hearing pursuant to subsections (a) and (g) of section 4 of*
 18 *the “Administrative Procedure Act,” P. L. 1968, c. 410 (C. 52:14B-1*
 19 *et seq.).**

1 ***[4. (New section)]*** ***3.*** Any rate, fare or charge for regular
 2 route autobus service filed by an owner or operator of an autobus
 3 with the Department of Transportation pursuant to this act shall be
 4 conclusively presumed to be just and reasonable and no action shall
 5 be required by the department for any rate, fare or charge to
 6 become effective if:

7 a. the autobus owner or operator notifies the department that it
 8 is filing the rate, fare or charge pursuant to this act; and

9 b. the ***[aggregate of increases and decreases in the rate, fare or**
 10 **charge in the “zone of rate freedom” in the calendar year in which**
 11 **the proposed rate, fare or charge is to become effective is not more**
 12 **than the maximum percentage increase or decrease established**
 13 **by the Commissioner of Transportation pursuant to this act for**
 14 **that calendar year]** **increase or decrease in the rate, fare or*
 15 *charge, or an aggregate of increases and decreases in any single*
 16 *rate, fare or charge, is not more than the maximum percentage*
 17 *increase or decrease promulgated by the commissioner for the “zone*
 18 *of rate freedom” pursuant to this act for the year in question*.*

1 ***[5. (New section)]*** ***4.*** An owner or operator of an autobus
 2 which adjusts rates, fares or charges for regular route autobus

3 service under this act shall be required to notify the Department of
 4 Transportation at least 30 days prior to the effective date of the
 5 adjusted rate, fare or charge by filing with the department a com-
 6 plete schedule of all rates, fares or charges to be adjusted. In addi-
 7 tion, public notice shall be posted in all autobuses providing service
 8 on the route affected by the adjusted rates, fares or charges and in
 9 all bus terminals served by those autobuses on the route at least 10
 10 days prior to the effective date of the adjusted rates, fares or
 11 charges.

1 *~~6. (New section)~~* *5.* An owner or an operator of an autobus
 2 filing any rate, fare or charge for regular route autobus service
 3 pursuant to this act shall not be precluded from also establishing
 4 any rates, fares or charges in accordance with the provisions of
 5 R. S. 48:2-21 and R. S. 48:2-21.1 or any other provisions of law.

1 *6. *The provisions of this act shall apply to the rates, fares and*
 2 *charges of autobuses for charter bus operations and special bus*
 3 *operations in the same manner as they apply to the rates, fares and*
 4 *charges of autobuses for regular route service except that:*

5 a. *The commissioner may establish a different "zone of rate*
 6 *freedom" for charter and special bus operations relying on the*
 7 *special features of this sector of the bus industry;*

8 b. *Public notice regarding the rates, fares, and charges for*
 9 *charter and special bus operations pursuant to section 4 of this act*
 10 *shall only be required to be posted in all bus terminals served by*
 11 *the autobus offering charter or special services at least 10 days prior*
 12 *to the effective date of the adjusted rates, fares, or charges;*

13 c. *Upon petition or upon his own motion, the commissioner may*
 14 *exempt charter or special rates, fares and charges of any owner or*
 15 *operator of an autobus offering charter or special bus operations,*
 16 *or rates, fares and charges of any portion of these operations, from*
 17 *regulation under Title 48 of the Revised Statutes if, in his opinion,*
 18 *there are circumstances prevalent with respect to those operations,*
 19 *or any portion thereof, which will be consistent with the interests*
 20 *of the consumers or users of charter or special bus services;*

21 d. *Upon petition or upon his own motion, the commissioner may*
 22 *exempt charter and special rates, fares and charges of all owners or*
 23 *operators of autobuses offering charter or special bus operations*
 24 *from regulation under Title 48 of the Revised Statutes if, in his*
 25 *opinion, there are circumstances prevalent with respect to the*
 26 *charter and special bus sector of the bus industry, which will be*
 27 *consistent with the interests of the consumers or users of charter*
 28 *and special bus services; and*

29 *e. The commissioner may reimpose regulation under Title 48 of*
30 *the Revised Statutes of charter and special rates, fares and charges*
31 *of owners or operators of autobuses offering charter or special bus*
32 *operations if, in his opinion, there are circumstances prevalent with*
33 *respect to the charter and special bus industry which are or will be*
34 *inconsistent with the interests of the consumers or users of charter*
35 *and special bus services.**

1 7. This act shall take effect immediately.

ASSEMBLY, No. 1631

STATE OF NEW JERSEY

INTRODUCED JUNE 17, 1982

By Assemblyman FRANKS

AN ACT concerning certain autobus fare increases.

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

1 1. Notwithstanding the provisions of R. S. 48:2-21 or any other
2 law to the contrary, an entity engaged in the provision of motorbus
3 regular route service and otherwise subject to the provisions of
4 Title 48 of the Revised Statutes or any rules or regulations adopted
5 by the Department of Transportation, shall regulate its fares in the
6 manner provided for by this act.

1 2. Before implementing any fare increase for any motorbus
2 regular route service, an entity engaged in the provision of that
3 service shall hold a public hearing in the area affected during
4 evening hours. Notice of the hearing shall be given by the entity
5 at 15 days prior to the hearing to the governing body of each
6 county whose residents will be affected and to the clerk of each
7 municipality in the county or counties whose residents will be
8 affected; the notice shall also be posted at least 15 days prior to
9 the hearing in prominent places on autobuses serving the routes
10 to be affected.

11 If after conducting the public hearing the entity decides to raise
12 its fares, it may do so by vote of its board of directors, or as
13 otherwise provided in its bylaws, the approval or disapproval of
14 the Department of Transportation or any other State or local
15 department or agency notwithstanding.

1 3. This act shall take effect 90 days following enactment.

Sponsor's

STATEMENT

The purpose of this bill is to provide independent operators engaged in the provision of motorbus regular route service with the same fare procedure utilized by the New Jersey Transit Corporation and its contract carriers.

Under existing law, autobuses which are independently owned and operated and used for regular route service are considered "public utilities" within the meaning of Title 48 of the Revised Statutes and as such are subject to the public utility rate increase procedure. Rate increases, under this procedure, are usually lengthy with undue delays resulting in increased administrative costs to the independent operator. New Jersey Transit and their contract carriers, on the other hand, are required to hold a hearing before increasing rates.

This bill will provide the same procedure for independent operators as utilized by New Jersey Transit and their contract carriers.

SENATE TRANSPORTATION AND COMMUNICATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, No. 1631

with Senate committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 8, 1983

This Assembly committee substitute bill provides for the ending of the ordinary rate-setting provisions for non-subsidized bus carriers and provides for a "zone of rate freedom" within which regular route bus rates, fares or charges would fluctuate without the necessity for action by the State. Special and charter bus operations are to be exempted by law from *any* rate regulation.

Amendments approved by the committee provide that in setting the "zone of rate freedom" the Commissioner of Transportation shall consider all relevant factors, including but not limited to the availability of alternative modes of transportation, the costs of bus operations, the interests of the consumers of bus services, and prevailing rates, fares and charges in the bus industry and in related transportation services. A public hearing shall also be held prior to the promulgation of the percentage of permitted change within the "zone of rate freedom."

The amendments also delete that portion of the substitute bill providing for the statutory exemption of special and charter bus operations from rate regulation and provide that they are to be subject to the same regulatory regime as regular route service. However, the Commissioner of Transportation may establish a different "zone of rate freedom" for charters and special bus operations or may exempt individual operators or the entire charter and special bus sector from rate regulation under Title 48 if he is of the opinion that there exist circumstances with respect to charter and special bus operators which are consistent with the interests of the users of charter or special bus services. He may also reimpose regulation of charter and special rates, fares and charges if he is of the opinion that there exist circumstances which are or will be inconsistent with the interests of the users of charter or special bus services.