

48:3-7

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LEGISLATIVE FACT SHEET

on *Pub. util. sale - employee obligations protect.*

N.J.R.S. 48:3-7, 10

( 1970 Amendment)

LAWS OF 1970

CHAPTER 306 Dec. 14, 1970

SENATE BILL

ASSEMBLY BILL 1336

INTRODUCED *Dec. 7, 1970*

BY *Horn et al.*

SPONSOR'S STATEMENT

YES  NO

ASSEMBLY COMMITTEE STATEMENT

YES  NO

SENATE COMMITTEE STATEMENT

YES  NO

FISCAL NOTE

YES  NO

AMENDED DURING PASSAGE

YES  NO

HEARING *None discovered*

VETO

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ASSEMBLY, No. 1336

STATE OF NEW JERSEY

INTRODUCED DECEMBER 7, 1970

By Assemblymen HORN, DICKEY, FLORIO, FRIEDLAND, LITTELL, HEALEY, FORAN, JACKMAN, POLICASTRO, FAY, SUMINSKI, BROWN, FIORE, HIGGINS, DUGAN, LEFANTE, GAVAN, MERLINO, OWENS, HIRKALA, CONWELL, TURNER, WOODSON, ESPOSITO, A. S. SMITH, PARKER, LORDI, RICHARDSON, CURCIO, CAFIERO, MABIE, HURLEY, Assemblywoman FENWICK, Assemblymen RAYMOND, KIEHN, GARIBALDI, MACRAE, IRWIN, WEIDEL, SCHLUTER, ENOS, DAWES, RINALDI, KALTENBACHER, ROBERTSON, PFALTZ, BLACK, SHUSTED, CRANE, VANDER PLAAT, CONNELL, HOLLENBECK, DE KORTE, DORGAN, THOMAS, COBB, DENNIS, McDONOUGH, EVERS, HAELIG, KRAVARIK, AZZOLINA, COLEMAN, VREELAND, CAPUTO, W. L. SMITH, FONTANELLA, VOLK and RUSSO

(Without Reference)

AN ACT concerning public utilities and amending R. S. 48:3-7 and R. S. 48:3-10.

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. No public utility shall, without the approval of the board,  
3 sell, lease, mortgage or otherwise dispose of or encumber its prop-  
4 erty, 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,  
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.

1 2. R. S. 48:3-10 is amended to read as follows:

2 48:3-10. No public utility incorporated under the laws of this  
3 State shall sell, nor shall any such public utility make or permit  
4 to be made upon its books any transfer of any share or shares of its  
5 capital stock, to any other public utility, unless authorized to do  
6 so by the board. Nor shall any public utility incorporated under  
7 the laws of this State sell any share or shares of its capital stock  
8 or make or permit any transfer thereof to be made upon its books,  
9 to any corporation, domestic or foreign, or any person, the result  
10 of which sale or transfer in itself or in connection with other previ-  
11 ous sales or transfers shall be to vest in such corporation or person  
12 a majority in interest of the outstanding capital stock of such public  
13 utility corporation unless authorized to do so by the board.

14 Every assignment, transfer, contract or agreement for assign-  
15 ment or transfer, by or through any person or corporation to any  
16 corporation or person in violation of any of the provisions hereof  
17 shall be void and of no effect, and no such transfer shall be made  
18 on the books of any public utility corporation. Nothing herein  
19 contained shall be construed to prevent the holding of stock law-  
20 fully acquired before March 5, 1935.

21 *Where, by the proposed assignment, transfer, contract, or agree-*  
22 *ment for assignment or transfer of capital stock as set forth herein,*  
23 *it appears that the public utility or a wholly owned subsidiary*  
24 *thereof may be unable to fulfill its obligation to any employees*

25 *thereof with respect to pension benefits previously enjoyed, whether*  
26 *vested or contingent, the board shall not grant its authorization*  
27 *unless the public utility seeking the board's authorization assumes*  
28 *such responsibility as will be sufficient to provide that all such*  
29 *obligations to employees will be satisfied as they become due.*

1 3. This act shall take effect immediately.