

27:12B-4

LEGISLATIVE FACT SHEET

N.J.R.S. 27:12B-4

on granting governor veto power  
over certain activities of N.J.  
Highway Authority.  
( Amendment)

LAWS OF 1973

CHAPTER 370

SENATE BILL

ASSEMBLY BILL 625

INTRODUCED January 31, 1972

BY McDonough

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

VETO

SENATE TRANSPORTATION AND  
COMMUNICATIONS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 525**

[OFFICIAL COPY REPRINT]

**STATE OF NEW JERSEY**

DATED: APRIL 12, 1973

This bill provides that no resolution or other action by the New Jersey Highway Authority for the issuance or refund of bonds or other obligations or for the fixing, revising or adjusting of tolls shall be adopted without prior approval of the Governor and either the State Treasurer or the Comptroller of the Treasury.

The bill further provides that the Governor may veto any action taken by the authority, except action to negotiate or execute a collective negotiation agreement with a certified public employee organization representing employees of the authority, for 10 days after a copy of the minutes of a meeting of the authority have been delivered to the Governor.

JA/PC  
11/7/75

310  
1-7-74  
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ASSEMBLY, No. 525

STATE OF NEW JERSEY

INTRODUCED JANUARY 31, 1972

By Assemblyman McDONOUGH

Referred to Committee on State Government

AN ACT to amend "The New Jersey Highway Authority Act," approved April 14, 1952 (P. L. 1952, c. 16).

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

1 1. Section 4 of P. L. 1952, c. 16 (C. 27:12B-4) is amended to read  
2 as follows:

3 4. There is hereby established in the State **[Highway]** Depart-  
4 ment of *Transportation* a body corporate and politic, with corporate  
5 succession, to be known as the "New Jersey Highway Authority."  
6 The authority is hereby constituted an instrumentality exercising  
7 public and essential governmental functions, and the exercise by the  
8 authority of the powers conferred by this act in the construction,  
9 operation and maintenance of projects shall be deemed and held to  
10 be an essential governmental function of the State.

11 The New Jersey Highway Authority shall consist of five  
12 members, each of whom shall be a resident of the State, who shall  
13 have been a qualified elector therein for a period of at least 1 year  
14 next preceding his appointment. Each member of the authority  
15 shall be appointed by the Governor, with the advice and consent  
16 of the Senate, for a term of 5 years and shall serve until his  
17 successor is appointed and has qualified; except that of the first  
18 appointments hereunder, one shall be for a term of 3 years and  
19 one for a term of 6 years, and they shall serve until their respective  
20 successors are appointed and have qualified. The term of each of  
21 the first appointees hereunder shall be designated by the Governor.  
22 Each member of the authority may be removed from office by the  
23 Governor, for cause, after a public hearing. Each member of the  
24 authority before entering upon his duties shall take and subscribe  
25 an oath to perform the duties of his office faithfully, impartially

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

26 and justly to the best of his ability. A record of such oaths shall  
27 be filed in the office of the Secretary of State.

28 Any vacancies in the membership of the authority occurring  
29 other than by expiration of term shall be filled in the same manner  
30 as the original appointment, but for the unexpired term only.

31 The Governor shall designate one of the members of the au-  
32 thority as chairman thereof and another member as vice-chairman  
33 thereof. The chairman and vice-chairman of the authority so  
34 designated shall serve as such at the pleasure of the Governor  
35 and until their respective successors have been designated. The  
36 authority shall elect a secretary and a treasurer who need not be  
37 members. At the option of the authority the same person may be  
38 elected to serve both as secretary and treasurer. Three members  
39 of the authority shall constitute a quorum and the vote of three  
40 members shall be necessary for any action taken by the authority.  
41 No vacancy in the membership of the authority shall impair the  
42 right of a quorum to exercise all the rights and perform all the  
43 duties of the authority.

44 Before the issuance of any bonds or notes under the provisions  
45 of this act, each member of the authority shall execute a surety  
46 bond in the penal sum of \$25,000.00, and the treasurer shall execute  
47 a surety bond in the penal sum of \$50,000.00, each such surety bond  
48 to be conditioned upon the faithful performance of the duties of  
49 the office of such member or treasurer, as the case may be, to be  
50 executed by a surety company authorized to transact business in  
51 the State of New Jersey as surety and to be approved by the  
52 Attorney General and filed in the office of the Secretary of State.

53 *No resolution or other action of the authority providing for the*  
54 *issuance of bonds, refunding bonds or other obligations or for the*  
55 *fixing, revising or adjusting of tolls for the use of any highway*  
56 *projects or parts or sections thereof shall be adopted or otherwise*  
57 *made effective by the authority without the prior approval in writ-*  
58 *ing of the Governor and at least one of the following: the State*  
59 *Treasurer and the Comptroller of the Treasury. The powers con-*  
60 *ferred in this section upon the Governor, the State Treasurer and*  
61 *the Comptroller of the Treasury shall be exercised with due regard*  
62 *for the rights of the holders of bonds of the authority at any time*  
63 *outstanding, and nothing in, or done pursuant to, this section shall*  
64 *in any way limit, restrict or alter the obligation or powers of the*  
65 *authority or any representative or officer of the authority to carry*  
66 *out and perform in every detail each and every covenant, agreement*  
67 *or contract at any time made or entered into by or on behalf of the*

68 *authority with respect to its bonds or for the benefit, protection or*  
69 *security of the holders thereof.*

70 *A true copy of the minutes of every meeting of the authority shall*  
71 *be forthwith delivered by and under the certification of the secre-*  
72 *tary thereof, to the Governor. No action taken at such meeting by*  
73 *the authority shall have force or effect until 10 days (Saturdays,*  
74 *Sundays and holidays excepted) after such copy of the minutes*  
75 *shall have been delivered or the approval thereof by the Governor*  
76 *prior thereto. If, in said 10-day period, the Governor returns such*  
77 *copy of the minutes with veto of any action\*, except action to nego-*  
78 *tiate or execute a collective negotiation agreement with a certified*  
79 *public employee organization representing employees of the au-*  
79A *thority,\* taken by the authority or any member thereof at such*  
79B *meeting, such action shall be null and of no effect.*

80 *The members of the authority shall not receive compensation*  
81 *for their services as members of the authority. Each member shall*  
82 *be reimbursed by the authority for his actual expenses necessarily*  
83 *incurred in the performance of his duties.*

1 2. This act shall take effect immediately.

ASSEMBLY, No. 525

STATE OF NEW JERSEY

INTRODUCED JANUARY 31, 1972

By Assemblyman McDONOUGH

Referred to Committee on State Government

AN ACT to amend "The New Jersey Highway Authority Act," approved April 14, 1952 (P. L. 1952, c. 16).

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

1 1. Section 4 of P. L. 1952, c. 16 (C. 27:12B-4) is amended to read  
2 as follows:

3 4. There is hereby established in the State **Highway** Depart-  
4 ment of *Transportation* a body corporate and politic, with corporate  
5 succession, to be known as the "New Jersey Highway Authority."  
6 The authority is hereby constituted an instrumentality exercising  
7 public and essential governmental functions, and the exercise by the  
8 authority of the powers conferred by this act in the construction,  
9 operation and maintenance of projects shall be deemed and held to  
10 be an essential governmental function of the State.

11 The New Jersey Highway Authority shall consist of five  
12 members, each of whom shall be a resident of the State, who shall  
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14 next preceding his appointment. Each member of the authority  
15 shall be appointed by the Governor, with the advice and consent  
16 of the Senate, for a term of 5 years and shall serve until his  
17 successor is appointed and has qualified; except that of the first  
18 appointments hereunder, one shall be for a term of 3 years and  
19 one for a term of 6 years, and they shall serve until their respective  
20 successors are appointed and have qualified. The term of each of  
21 the first appointees hereunder shall be designated by the Governor.  
22 Each member of the authority may be removed from office by the  
23 Governor, for cause, after a public hearing. Each member of the  
24 authority before entering upon his duties shall take and subscribe  
25 an oath to perform the duties of his office faithfully, impartially

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

26 and justly to the best of his ability. A record of such oaths shall  
27 be filed in the office of the Secretary of State.

28 Any vacancies in the membership of the authority occurring  
29 other than by expiration of term shall be filled in the same manner  
30 as the original appointment, but for the unexpired term only.

31 The Governor shall designate one of the members of the au-  
32 thority as chairman thereof and another member as vice-chairman  
33 thereof. The chairman and vice-chairman of the authority so  
34 designated shall serve as such at the pleasure of the Governor  
35 and until their respective successors have been designated. The  
36 authority shall elect a secretary and a treasurer who need not be  
37 members. At the option of the authority the same person may be  
38 elected to serve both as secretary and treasurer. Three members  
39 of the authority shall constitute a quorum and the vote of three  
40 members shall be necessary for any action taken by the authority.  
41 No vacancy in the membership of the authority shall impair the  
42 right of a quorum to exercise all the rights and perform all the  
43 duties of the authority.

44 Before the issuance of any bonds or notes under the provisions  
45 of this act, each member of the authority shall execute a surety  
46 bond in the penal sum of \$25,000.00, and the treasurer shall execute  
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48 to be conditioned upon the faithful performance of the duties of  
49 the office of such member or treasurer, as the case may be, to be  
50 executed by a surety company authorized to transact business in  
51 the State of New Jersey as surety and to be approved by the  
52 Attorney General and filed in the office of the Secretary of State.

53 *No resolution or other action of the authority providing for the*  
54 *issuance of bonds, refunding bonds or other obligations or for the*  
55 *fixing, revising or adjusting of tolls for the use of any highway*  
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58 *ing of the Governor and at least one of the following: the State*  
59 *Treasurer and the Comptroller of the Treasury. The powers con-*  
60 *ferred in this section upon the Governor, the State Treasurer and*  
61 *the Comptroller of the Treasury shall be exercised with due regard*  
62 *for the rights of the holders of bonds of the authority at any time*  
63 *outstanding, and nothing in, or done pursuant to, this section shall*  
64 *in any way limit, restrict or alter the obligation or powers of the*  
65 *authority or any representative or officer of the authority to carry*  
66 *out and perform in every detail each and every covenant, agreement*  
67 *or contract at any time made or entered into by or on behalf of the*

68 *authority with respect to its bonds or for the benefit, protection or*  
 69 *security of the holders thereof.*

70 *A true copy of the minutes of every meeting of the authority shall*  
 71 *be forthwith delivered by and under the certification of the secre-*  
 72 *tary thereof, to the Governor. No action taken at such meeting by*  
 73 *the authority shall have force or effect until 10 days (Saturdays,*  
 74 *Sundays and holidays excepted) after such copy of the minutes*  
 75 *shall have been delivered or the approval thereof by the Governor*  
 76 *prior thereto. If, in said 10-day period, the Governor returns such*  
 77 *copy of the minutes with veto of any action taken by the authority*  
 78 *or any member thereof at such meeting, such action shall be null*  
 79 *and of no effect.*

80 The members of the authority shall not receive compensation  
 81 for their services as members of the authority. Each member shall  
 82 be reimbursed by the authority for his actual expenses necessarily  
 83 incurred in the performance of his duties.

1 2. This act shall take effect immediately.

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#### STATEMENT

The purpose of this bill is to give the Governor veto power over certain activities of the New Jersey Highway Authority. It would require that the minutes of the meetings of the authority be transmitted to the Governor. If he disapproved of action of the authority, he would then have 10 days (Saturdays, Sundays and holidays excepted) to return the minutes with his objection, if he so chose. If approved by the Governor prior to end of the 10 days the minutes would have force and effect when so approved.

The Governor already has this power over the activities of the New Jersey Turnpike Authority, the Delaware River Port Authority and the New York Port Authority, each of which is as important if not more important than the Highway Authority. There is no rational basis for continuing this inconsistency that now exists in our law.

The New Jersey Highway Authority, whose primary function is to operate the Garden State Parkway but of late has also included additional projects like the construction of the Garden State Art Center, is approximately a 1/2-billion dollar operation. The Garden State Parkway traverses 144 miles on its north-south route along the coast of New Jersey and is the main link between our fast-growing shore areas and the heavily populated northeastern section of the State and the country. The importance of the projects under the jurisdiction of the State agency to the people of this State cannot

be overstated. Its continued operation and development in a manner so as to serve the best interests of the State of New Jersey and its citizens is of the highest priority and therefore, to insure such operation and development, it must have its activities scrutinized by the only State officer elected by all the people of this State, the Governor.

Such scrutiny would in no way impede the activities of the authority nor would it in any way affect the interests of the investors in the authority. It would however result in a greater degree of coordination between the development of authority projects and the needs of the people of this State.



ASSEMBLY COMMITTEE AMENDMENT TO  
**ASSEMBLY, No. 525**

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**STATE OF NEW JERSEY**

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ADOPTED FEBRUARY 15, 1973

Amend page 3, section 1, line 77, after "action", insert " , except action to negotiate or execute a collective negotiation agreement with a certified public employee organization representing employees of the authority,".

SENATE TRANSPORTATION AND  
COMMUNICATIONS COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 525**

[OFFICIAL COPY REPRINT]

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**STATE OF NEW JERSEY**

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DATED: APRIL 12, 1973.

This bill provides that no resolution or other action by the New Jersey Highway Authority for the issuance or refund of bonds or other obligations or for the fixing, revising or adjusting of tolls shall be adopted without prior approval of the Governor and either the State Treasurer or the Comptroller of the Treasury.

The bill further provides that the Governor may veto any action taken by the authority, except action to negotiate or execute a collective negotiation agreement with a certified public employee organization representing employees of the authority, for 10 days after a copy of the minutes of a meeting of the authority have been delivered to the Governor.