

32:1-35.55

LEGISLATIVE FACT SHEET

ON Pa. covenant -- Repeal

N.J.R.S. 32:1-35.55

(Amendment)

LAWS OF 1974

CHAPTER 25 Aug. 30, 1974

SENATE

ASSEMBLY 1304

INTRODUCED Feb. 15, 1974

BY Klein and 43 others

STATEMENT

YES

NO

AMENDED DURING PASSAGE

YES

NO

HEARING None discovered

VETO

Is over news Press release Yes

CHAPTER 25 PASSED FEBRUARY 15, 1974
APPROVED 4-30-74

ASSEMBLY, No. 1304

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 15, 1974

By Assemblymen KLEIN, LEFANTE, HAMILTON, BARBOUR, PELLECCIA, BATE, SINSIMER, KEAN, MARTIN, GEWERTZ, Assemblywoman WILSON, Assemblymen BURSTEIN, VISOTCKY, HOLLENBECK, SALKIND, GLADSTONE, HERMAN, MARINO, KARCHER, OTLOWSKI, KOZLOSKI, GORMAN, PATERO, HAWKINS, GALLO, ESPOSITO, CALL, ADUBATO, NERI, BROWN, Assemblywoman BURGIO, Assemblymen ORECHIO, FORAN, WEIDEL, SNEDEKER, BORNHEIMER, DOYLE, McMANIMON, NEWMAN, PERKINS and McCARTHY

Referred to Committee on State Government, Federal and
Interstate Relations

AN ACT to repeal section 3 of "An act authorizing the Port Authority of New York and New Jersey to provide improved passenger railroad service as an extension of the Hudson tubes (now known as Port Authority Trans-Hudson) between the cities of Newark and Plainfield in the State of New Jersey, providing that a statutory covenant relating to the application of the revenues and reserves of the port authority shall not extend to the holders of bonds hereafter issued, and amending and supplementing 'An act to provide for the financing and effectuation by the Port of New York Authority of a port development project, consisting of the Hudson tubes, the Hudson tubes extensions and a world trade center, for coordinating, facilitating, and promoting the transportation of persons and the flow and exchange of trade and commerce in and through the Port of New York District, and agreeing with the State of New York with respect thereto,' approved February 13, 1962 (P. L. 1962, c. 8)" approved December 28, 1972 (P. L. 1972, c. 208) and supplementing said act.

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

1 1. Section 3 of "An act authorizing the Port Authority of New
2 York and New Jersey to provide improved passenger railroad ser-
3 vice as an extension of the Hudson tubes (known as Port Authority

4 Trans-Hudson) between the cities of Newark and Plainfield in the
 5 State of New Jersey, providing that a statutory covenant relating
 6 to the application of the revenues and reserves of the port authority
 7 shall not extend to the holders of bonds hereafter issued, and
 8 amending and supplementing 'An act to provide for the financing
 9 and effectuation by the Port of New York Authority of a port
 10 development project, consisting of the Hudson tubes, the Hudson
 11 tubes extensions and a world trade center, for coordinating, facili-
 12 tating, and promoting the transportation of persons and the flow
 13 and exchange of trade and commerce in and through the Port of
 14 New York District, and agreeing with the State of New York with
 15 respect thereto,' approved February 13, 1962 (P. L. 1962, c. 8),"
 16 approved December 28, 1972 (P. L. 1972, c. 208, C. 32:1-35.55a) is
 17 repealed.

1 2. If any section, part, phrase, or provision of this repealer act
 2 or the application thereof to any person, project or circumstances,
 3 be adjudged invalid by any court of competent jurisdiction, such
 4 judgment shall be confined in its operation to the section, part,
 5 phrase, provision or application directly involved in the controversy
 6 in which such judgment shall have been rendered and shall not
 7 affect or impair the validity of the remainder of this act or the
 8 application thereof to other persons, projects or circumstances,
 9 and the two states hereby declare that they would have entered
 10 into this act or the remainder thereof had the invalidity of such
 11 provision or application thereof been apparent.

1 3. This act shall take effect upon the enactment into law by the
 2 State of New York of legislation having an identical effect with
 3 this act, but if the State of New York has already enacted such
 4 legislation, this act shall take effect immediately.

STATEMENT

This bill is designed to preclude the application of the 1962 covenant restricting port authority participation in mass transit projects. Chapter 208, P. L. 1972, precluded such application to bonds newly issued after the effective date of that act, but maintained in status quo the position of holders of bonds issued between March 27, 1962 and December 28, 1972. Since affected bonds are outstanding until the year 2007, the restrictions imposed by the covenant effectively preclude sufficient port authority participation in the development of a public transportation system in the port district. In 1972 the State of New York passed legislation precluding the application of the 1962 covenant from outstanding bonds as well as newly issued bonds. It is the purpose of this act to accomplish effective repeal of the covenant.

FROM THE OFFICE OF THE GOVERNOR

APRIL 30, 1974

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

DICK CAMPBELL

Governor Brendan Byrne Tuesday signed a bill designed to stimulate greater involvement in mass transit projects by the Port Authority of New York and New Jersey.

The bill, A-1304, sponsored by Assemblyman Herbert C. Klein, D-Passaic, repeals the 1962 covenant which has effectively precluded the port authority from becoming involved in mass transit projects in the New York metropolitan area.

The covenant restricts the authority from participation in mass transit projects which are not self-sustaining.

"I hope this bill, coupled with the same legislation in New York state, will clear the way once and for all for the port authority to fulfill what I believe was one of its original functions," said Byrne. "The authority was created as a transportation agency and I intend to see that it lives up to its original promise of assisting in establishment of a quality public transportation system for the metropolitan region without in any way impairing its fiscal integrity."

"I hope the authority will now join with New York State, New York City and New Jersey in working toward the realization of a viable public transportation for the port district," he added.

The Governor said the port authority staff has the experience, expertise and financial capability to perform a valuable function in solving the mass transit dilemma in the metropolitan region.

"This bill means that it is the public policy of the state of New Jersey that the port authority -- a creation of the states of New Jersey and New York -- should become a leader in improving the plight of those who rely on or choose to use mass transit," he said.

The Governor said he expects repeal of the covenant to provide new impetus for the proposed PATH (Port Authority Trans-Hudson) extension to Plainfield, as well as for future transit projects in New Jersey.

Byrne emphasized he intends to do nothing that would adversely affect the authority's financial integrity, particularly its ability to meet its obligations to its bond holders.

"The state has as much a stake as the authority in maintaining the sound financial base it has enjoyed," he said. "Preserving the authority's outstanding reputation in the financial community can only serve to enable it to become more involved in future public transportation projects."
