

CHAPTER 1

AN ACT concerning the New Jersey Transit Corporation and amending P.L.1979, c.150 and P.L.1968, c.234.

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

1. Section 5 of P.L.1979, c.150 (C.27:25-5) is amended to read as follows:

C.27:25-5 Powers and duties of corporation.

5. In addition to the powers and duties conferred upon it elsewhere in this act, the corporation may do all acts necessary and reasonably incident to carrying out the objectives of this act, including but not in limitation thereof the following:

- a. Sue and be sued;
- b. Have an official seal and alter the same at pleasure;
- c. Make and alter bylaws for its organization and internal management and for the conduct of its affairs and business;
- d. Maintain an office at such place or places within the State as it may determine;
- e. Adopt, amend and repeal such rules and regulations as it may deem necessary to effectuate the purposes of this act, which shall have the force and effect of law; it shall publish the same and file them in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) with the Director of the Office of Administrative Law;
- f. Call to its assistance and avail itself of the service of such employees of any federal, State, county or municipal department or agency as it may require and as may be available to it for said purpose;
- g. Apply for, accept and expend money from any federal, State, county or municipal agency or instrumentality and from any private source; comply with federal statutes, rules and regulations, and qualify for and receive all forms of financial assistance available under federal law to assure the continuance of, or for the support or improvement of public transportation and as may be necessary for that purpose to enter into agreements, including federally required labor protective agreements;
- h. Plan, design, construct, equip, operate, improve and maintain, either directly or by contract with any public or private entity, public transportation services, capital equipment and facilities or any parts or functions thereof, and other transportation projects, or any parts or functions thereof, which may be funded under section 3 of the federal Urban Mass Transportation Act of 1964, Pub.L.88-365 (49 U.S.C. s.1602), or any successor or additional federal act having substantially the same or similar purposes or functions; the operation of the facilities of the corporation, by the corporation or any public or private entity, may include appropriate and reasonable limitations on competition in order that maximum service may be provided most efficiently to the public;
- i. Apply for and accept, from appropriate regulatory bodies, authority to operate public transportation services where necessary;
- j. Purchase, lease as lessee, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or any interest therein, from any public or private entity, wherever situated;
- k. Lease as lessor, sell or otherwise dispose of on terms which the corporation may prescribe, real and personal property, including tangible or intangible property and consumable goods, or any interest therein, to any public or private entity, in the exercise of its powers and the performance of its duties under this act. In order to provide or encourage adequate and efficient public transportation service, the corporation may lease or otherwise permit the use or occupancy of property without cost or at a nominal rental;
- l. Restrict the rights of persons to enter upon or construct any works in or upon any property owned or leased by the corporation, except under such terms as the corporation may prescribe; perform or contract for the performance of all acts necessary for the management, maintenance and repair of real or personal property leased or otherwise used or occupied pursuant to this act;
- m. Establish one or more operating divisions as deemed necessary. Upon the establishment of an operating division, there shall be established a geographically coincident advisory committee to be appointed by the Governor with the advice and consent of the Senate. The

committee shall consist of county and municipal government representatives and concerned citizens, in the number and for such terms as may be fixed by the corporation, and shall advise the corporation as to the public transportation service provided in the operating division. At least two members of each advisory committee shall be public transportation riders, including but not limited to urban transit users and suburban commuters as appropriate. One public member from the board of the corporation shall serve as a liaison to each advisory committee;

n. Set and collect fares and determine levels of service for service provided by the corporation either directly or by contract including, but not limited to, such reduced fare programs as deemed appropriate by the corporation; revenues derived from such service may be collected by the corporation and shall be available to the corporation for use in furtherance of any of the purposes of this act;

o. Set and collect rentals, fees, charges or other payments from the lease, use, occupancy or disposition of properties owned or leased by the corporation; such revenues shall be available to the corporation for use in furtherance of any of the purposes of this act;

p. Deposit corporate revenues in interest bearing accounts or in the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L.1977, c.281 (C.52:18A-90.4);

q. Delegate to subordinate officers of the corporation such powers and duties as the corporation shall deem necessary and proper to carry out the purposes of this act;

r. Procure and enter into contracts for any type of insurance and indemnify against loss or damage to property from any cause, including loss of use and occupancy, against death or injury of any person, against employees' liability, against any act of any member, officer, employee or servant of the corporation, whether part-time, full-time, compensated or noncompensated, in the performance of the duties of his office or employment or any other insurable risk. In addition, the corporation may carry its own liability insurance and may also establish and utilize a wholly-owned insurance subsidiary or captive provided the subsidiary or captive is domiciled in the United States in a state which is accredited by the National Association of Insurance Commissioners and which licenses and regulates wholly-owned insurance subsidiaries or captives;

s. Promote the use of public transportation services, coordinate ticket sales and passenger information and sell, lease or otherwise contract for advertising in or on the equipment or facilities of the corporation;

t. Adopt and maintain employee benefit programs for employees of the corporation including, but not limited to, pension, deferred compensation, medical disability, and death benefits, and which programs may utilize insurance contracts, trust funds, and any other appropriate means of providing the stipulated benefits, and may involve new plans or the continuation of plans previously established by entities acquired by the corporation;

u. Own, vote, and exercise all other rights incidental to the ownership of shares of the capital stock of any incorporated entity acquired by the corporation pursuant to the powers granted by this act;

v. Enter into any and all agreements or contracts, execute any and all instruments, and do and perform any and all acts or things necessary, convenient or desirable for the purposes of the corporation, or to carry out any power expressly or implicitly given in this act;

w. Notwithstanding the provisions of section 17 of P.L.1979, c.150 (C.27:25-17) or any other law to the contrary, (1) issue operating grant anticipation notes which shall be secured and retired from operating assistance grants authorized under section 9 of the federal Urban Mass Transportation Act of 1964, Pub.L.88-365 (49 U.S.C. s.1602), or any successor or additional federal act having substantially the same or similar purposes or functions and (2) issue capital grant anticipation notes which shall be secured and retired from capital assistance grants authorized under section 3 or section 9 of the federal Urban Mass Transportation Act of 1964, Pub.L.88-365 (49 U.S.C. s.1602), or any successor or additional federal act having substantially the same or similar purposes or functions. As used in this subsection, "operating grant anticipation notes" or "capital grant anticipation notes" (hereinafter referred to as "notes") means credit obligations issued in anticipation of these grants. The notes shall be authorized by a resolution or resolutions of the corporation, and may be issued in one or more series and shall bear the date, or dates, bear interest at the rate or rates of interest per annum, be in the

denomination or denominations, be in the form, carry the conversion or registration privileges, have the rank or priority, be executed in such manner as the resolution or resolutions require. The notes may be sold at public or private sale at the price or prices and in the manner that the corporation determines. The notes of the corporation, the sale or transfer thereof, and the income derived therefrom by the purchasers of the notes, shall, at all times, be free from taxation for State or local purposes, under any law of the State or any political subdivision thereof. Notes may be issued under the provisions of P.L.1979, c.150 (C.27:25-1 et seq.) without obtaining the consent of any department, division, commission, board, bureau or agency of the State, and without any other proceedings, conditions, or things which are specifically required by P.L.1979, c.150 (C.27:25-1 et seq.). The notes issued pursuant to P.L.1979, c.150 (C.27:25-1 et seq.) shall not in any way create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof or of the corporation, except as provided herein.

The notes shall be payable solely from (1) note proceeds, to the extent not disbursed to the corporation, (2) grant payments if, as, and when received from the federal government, and (3) investment earnings on note proceeds, to the extent not disbursed to the corporation. Each note shall contain on its face a statement to the effect that the corporation is obligated to pay the principal thereof or the interest thereon only from these grants to the corporation and from the proceeds of the notes and investment earnings on the proceeds of the notes, to the extent not disbursed to the corporation, and that neither the faith and credit nor the taxing power of the State or of any political subdivision thereof or of the corporation is pledged to the payment of the principal and interest on these notes. Neither the members of the corporation's board nor any person executing the transactions are personally liable on those notes nor are they otherwise liable for their actions; and

x. Enter into agreements with a public or private entity or consortia thereof to provide for the development of demonstration projects through the use of public-private partnerships pursuant to sections 1 through 9 of P.L.1997, c.136 (C.27:1D-1 through C.27:1D-9).

2. Section 6 of P.L.1968, c.234 (C.17:32-21) is amended to read as follows:

C.17:32-21 Nonapplicability of act.

6. The provisions of this act shall not be construed to apply to:

(a) The investigation, settlement or litigation of claims under any policy of insurance of any kind lawful when written in this State, or liquidation of the assets and liabilities of an insurer (other than the collection of new premiums) resulting from the operations of an insurer within this State which were lawful when conducted;

(b) Transactions involving any policy of insurance of any kind, subsequent to the issuance thereof, covering only subjects of insurance not resident, located or expressly to be performed in this State at the time of issuance, and lawfully solicited, written and delivered outside this State;

(c) The continuation and servicing of life insurance or accident or health insurance policies or annuity contracts remaining in force as to residents of this State when the insurer has withdrawn from this State and is not collecting new premiums within or from this State;

(d) The lawful transaction of contracts of reinsurance by insurers;

(e) Transactions involving group life insurance, group or blanket accident and health insurance, and group annuities where the master policy for such groups was lawfully issued and delivered in a state in which the insurer is duly admitted, and such policy conforms to the laws of the state in which it is delivered;

(f) Any life insurance company organized and operated without profit to any private shareholder or individual and exclusively for the purpose of aiding educational or scientific institutions organized and operated without profit to any private shareholder or individual, which issues residents of this State directly from its home office without agents, representatives or other field operations in this State, contracts of insurance and annuity contracts only to or for the benefit of such institutions and to individuals engaged in the service of such institutions; nor shall this subsection apply to any life, accident and health or annuity contracts issued by such life

insurance company, provided that any such life insurance company shall: (1) furnish to the commissioner a copy of any policy or contract form issued to residents of this State; (2) furnish to the commissioner a copy of its annual statement prepared pursuant to the laws of the state of domicile of such life insurance company, as well as such other reports, documents and financial material as may be requested by the commissioner; and (3) designate the commissioner as its true and lawful attorney upon whom may be served all lawful process in any action or proceeding against such life insurance company arising under any contract of insurance or annuity contract it has issued to, or which is held by, a resident of this State and process so served against such life insurance company shall have the same force and validity as if served upon said life insurance company; and provided further that the commissioner may, if in his judgment the interest of the public so requires, promulgate regulations affecting the contracts, investments, or other aspects of the operations of companies covered by this subparagraph (f), which shall be not more restrictive than the laws and regulations applicable to admitted life insurance companies;

(g) Insurance of vessels, crafts or hulls, cargoes, marine builder risks, marine protection and indemnity or other risks including strike and war risks commonly insured under ocean or wet marine forms of policy;

(h) Any wholly-owned insurance subsidiary or captive established by New Jersey Transit Corporation pursuant to subsection r. of section 5 of P.L.1979, c.150 (C.27:25-5).

3. This act shall take effect immediately.

Approved March 26, 2004.