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PUBLIC MEETING

before

ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE

ASSEMBLY BILL NOS. 712, 713, 4171, 4385, 4386, 4387

(Toll road reform bills)

April 24, 1989
Room 341
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman William "Pat" Schuber, Chairman
Assemblywoman Marion Crecco, Vice Chairman
Assemblyman Louis J. Gill

ALSO PRESENT:

Edward P. Westreich
Office of Legislative Services
Aide, Assembly Independent Authorities Committee

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Meeting Recorded and Transcribed by
Office of Legislative Services
Public Information Office
Hearing Unit
State House Annex
CN 068
Trenton, New Jersey 08625



ASSEMBLY, No. 712
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel
PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Assemblymen MAZUR and KARCHER

1 **AN ACT** concerning transportation, providing for the
abolishment of the New Jersey Highway Authority, New
3 Jersey Expressway Authority and the New Jersey Turnpike
Authority, transferring their functions, powers and duties to
5 the Department of Transportation, amending P.L. 1934, c. 73,
and supplementing chapter 1 of Title 27 of the Revised
7 Statutes.

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

11 1. (New section) As used in this act:

13 a. "Authorities" means the New Jersey Highway Authority,
the New Jersey Expressway Authority and the New Jersey
Turnpike Authority.

15 b. "Commissioner" means the Commissioner of
Transportation of the State of New Jersey.

17 c. "Department" means the Department of Transportation of
the State of New Jersey.

19 d. "Highway projects" means an expressway, highway or
turnpike project authorized by P.L. 1962, c. 10, P.L. 1952, c. 16
21 or P.L. 1948, c. 454.

23 e. "New Jersey Expressway Authority" means the public body
established under section 4 of P.L. 1962, c. 10 (C. 27:12C-4) or
its successor.

25 f. "New Jersey Highway Authority" means the public body
established under section 4 of P.L. 1952, c. 16 (C. 27:12B-4) or
27 its successor.

29 g. "New Jersey Turnpike Authority" means the public body
established under section 3 of P.L. 1948, c. 454 (C. 27:23-3) or
its successor.

31 2. (New section) Until all bonds or notes issued before the
effective date of this act, by the authorities to finance any
33 projects, and the interest thereon are paid in full, or a sufficient

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 underlined thus is new matter.

1 amount for the payment of all such bonds, and the interest
 3 thereon, to the maturity thereof, is set aside in trust for the
 benefit of the bondholders, no resolution or other action of the
 authorities providing for the issuance of bonds, refunding bonds
 5 or other obligations shall be adopted or otherwise made
 effective by the authorities except as shall be specifically
 7 authorized by law.

3. (New section) At any time that tolls are not required for
 9 the purpose of carrying out and performing the terms and
 provisions of any contract with or for the benefit of
 11 bondholders, the authorities shall cause tolls for the use of the
 projects to be charged at the same rates as were last charged
 13 and collected by the authorities pursuant to law and no change
 or revision shall be made in such rates except as shall be
 15 specifically authorized by law.

4. (New section) When all bonds or notes issued by the
 17 authorities to finance any projects, and the interest thereon,
 have been paid or a sufficient amount for the payment of all
 19 those bonds or notes, and the interest thereon, to the maturity
 thereof, has been set aside in trust for the benefit of the
 21 bondholders, as provided in P.L. 19 , c. (now pending
 before the Legislature as Assembly Bill No. of 1988):

23 a. The authorities shall be abolished and the terms of the
 members of the authorities then in office shall cease and
 25 terminate. The functions, powers and duties of the authorities,
 except the power to issue bonds, notes or other indebtedness and
 27 to fix and revise tolls, shall be continued, but shall be
 transferred to the department and shall thereafter be exercised
 29 and administered by the commissioner.

b. The bonds shall cease to be entitled to any lien, benefit or
 31 security under any resolution of the authorities, and all
 covenants, agreements and obligations of the authorities to the
 33 holders of the bonds shall be discharged and satisfied.

5. (New section) Upon the abolishment of the authorities as
 35 provided in section 4 of this act, all projects or facilities of
 these authorities shall be transferred to the department and all
 37 highway projects shall become part of the State highway system
 and shall thereafter be maintained by the department as toll
 39 roads. The commissioner shall cause tolls for the use of the

1 highway projects to be charged and collected by the department
2 at the same rates as were charged and collected by the
3 authorities immediately prior to their abolishment and no
4 change or revision shall thereafter be made in those rates by the
5 commissioner without the approval of the Governor and the
6 Legislature, after notice and hearing, at least 45 days prior to
7 the date on which the change or revision is proposed to become
8 effective.

9 6. (New section) Upon the abolishment provided for in section
10 4 of this act, all employees of the authorities shall be
11 transferred to the department and shall become State
12 employees. All records and property of the authorities, except
13 as otherwise provided in this act, shall be transferred to the
14 department and all outstanding obligations and commitments
15 lawfully undertaken or contracted for by the authorities shall be
16 assumed and performed by the department from the special fund
17 established by the State Treasurer pursuant to subsection c. of
18 section 7 of this act or as provided in subsection d. of section 7
19 of this act.

20 7. (New section) a. There is hereby created in the General
21 Fund a special fund to be entitled the "Toll Road General
22 Reserve Fund" to be maintained by the State Treasurer which
23 may be held in depositories as may be selected by the State
24 Treasurer and invested and reinvested as other funds in the
25 custody of the treasurer in the manner provided by law. Upon
26 the abolishment provided for in section 4 of this act, there shall
27 be deposited in this fund the following:

28 (1) Proceeds of the sale of bonds previously issued by the
29 authorities and not already expended;

30 (2) All tolls, receipts and other revenues of the authorities not
31 deposited in any funds established by any resolution of the
32 authorities;

33 (3) All amounts on deposit in funds established by any
34 resolution of the authorities; and

35 (4) All money, bonds, stocks and other securities and all
36 evidences thereof owned by the authorities or held by any
37 trustees under any resolution of the authorities.

38 b. The State Treasurer shall, on or before the expiration of
39 the sixth month following the establishment of the "Toll Road

1 General Reserve Fund," transfer and apply the balances in the
fund as follows, and in the following order of priority:

3 (1) To the "Toll Road Authorities Retirement Bond Debt
Service Fund," established by P.L. . . . , c. . . . (now pending
5 before the Legislature as Assembly Bill No. . . . of 1988), such
amounts as are necessary, along with estimated toll and other
7 receipts and revenues from the toll roads and other authority
projects now under the jurisdiction of the department, to
9 provide for the entire debt service of the bonds issued under
that act.

11 (2) To the "Transportation Trust Fund Account" established
pursuant to section 20 of P.L. 1984, c. 73 (C. 27:1B-20), to be
13 included in the funds of the "New Jersey Transportation Trust
Fund Authority," such amounts as remain in this fund after the
15 transferral of funds required for debt service.

c. Moneys which have been pledged or set aside for the
17 payment of contracts or agreements previously entered into by
the authorities in connection with the operation of projects
19 under their jurisdiction shall not be transferred as provided in
this section, but shall be set aside in a special fund by the State
21 Treasurer for that purpose.

d. Payments due to the State pursuant to a contract or
23 agreement entered into by the State and the authorities
pursuant to subsection (o) of section 5 of P.L. 1952, c. 16 (C.
25 27:12B-5), subsection (p) of section 11 of P.L. 1962, c. 10 (C.
27 27:12C-11), and subsection b. of section 1 of P.L. 1966, c. 8 (C.
27 27:23-5.8) shall not be transferred as provided in this section,
but shall be paid as due in the year following the abolishment, if
29 not already paid for that year. Thereafter, as provided in
section 24 of P.L. 19 . . . , c. . . . (now pending before the Legislature
31 as Assembly Bill No. . . . of 1988), these payments shall be made
from the "Toll Road Authorities Retirement Bond Debt Service
33 Fund."

8. (New section) a. Whenever in any law, rule, regulation,
35 order, contract, document, judicial or administrative proceeding
or otherwise, reference is made to the authorities, the same
37 shall mean and refer to the commissioner or department as the
case may be.

39 b. The abolishment of the authorities shall not affect the
orders, rules and regulations heretofore made or promulgated by

1 the authorities. These orders, rules and regulations insofar as
they are not inconsistent herewith shall continue in effect until
3 amended or repealed pursuant to law.

c. The provisions of P.L. 1952, c. 16 (C. 27:12B-1 et seq.),
5 P.L. 1962, c. 10 (C. 27:12C-1 et seq.), and P.L. 1948, c. 454 (C.
27:23-1 et seq.), insofar as they are not inconsistent with the
7 provisions of this act, shall continue in effect and any reference
therein or in any other law to the authorities, to the chairman or
9 any member thereof shall be deemed to mean and refer to the
commissioner or department as the case may be.

11 9. (New section) All transfers directed by this act shall be
made in accordance with the "State Agency Transfer Act," P.L.
13 1971, c. 375 (C. 52:14D-1 et seq.). Nothing in this act shall be
construed to deprive employees of their rights, privileges,
15 obligations or status with respect to any pension or retirement
system.

17 10. (New section) Upon transferral of the employees of the
authorities to the Department of Transportation, they shall
19 retain all of their rights and benefits under existing labor
agreements or contracts until such time as a new or revised
21 agreement or contract is agreed to or these agreements or
contracts shall expire. All existing bargaining agents shall be
23 retained to act on behalf of these employees until such time as
the employees shall, pursuant to law, elect to change such
25 agents.

11. (New section) In the event that, the outstanding
27 indebtedness of the authorities is not retired collectively but the
issuing officials shall elect to retire the outstanding bonded
29 indebtedness of each of the authorities independently, the
relevant provisions of this act shall also apply independently to
31 each authority as the case may be.

12. Section 20 of P.L. 1984, c. 73 (C. 27:1B-20) is amended to
33 read as follows:

20. There is hereby established in the General Fund an
35 account entitled the "Transportation Trust Fund Account."
During the fiscal year beginning July 1, 1984 and during each
37 succeeding fiscal year in which the authority has bonds, notes or
other obligations outstanding, the treasurer shall credit to this
39 account commencing with the last business day of August 1984

1 and on the last business day of each succeeding calendar month
an amount not less than \$7,333,333.00, provided that if the
3 effective date of the act shall be later than July 1984, the
initial credit shall be an amount equal to that which would have
5 been credited to the account had the act become effective on
July 1, 1984, and further provided that the amount credited
7 during any fiscal year shall not be less than \$88,000,000.00; and
an amount equivalent to moneys received by the State in
9 accordance with contracts entered into with toll road
authorities or other State agencies or paid or transferred to this
11 account from the "Toll Road General Reserve Fund" or the
"Toll Road Authorities Retirement Bond Debt Service Fund," as
13 provided under P.L. . . . , c. . . .) now pending before the
Legislature as Assembly Bill No. of 1988). The treasurer shall
15 also credit to this account, in accordance with a contract
between the treasurer and the authority, an amount equivalent
17 to the sum of the revenues due from the increase of fees for
motor vehicle registrations collected pursuant to the
19 amendment of R.S. 39:3-20 made by this act and from the
increase of fees for motor fuels user identification markers
21 collected pursuant to the amendment to section 10 of P.L. 1963,
c. 44 (C. 54:39A-10) made by this act and from the increase in
23 the tax on diesel fuels imposed pursuant to the amendment to
R.S. 54:39-27 made by this act, provided that the total amount
25 credited during the fiscal year beginning July 1, 1984 shall not
be less than \$20,000,000.00 and that the total amount credited
27 during the fiscal year beginning July 1, 1985 and during every
fiscal year thereafter shall not be less than \$30,000,000.00. No
29 later than the fifth business day of the month following the
month in which a credit has been made, the treasurer shall pay
31 to the authority, for its purposes as provided herein, the
amounts then credited to the Transportation Trust Fund
33 Account, provided that the payments to the authority shall be
subject to and dependent upon appropriations being made from
35 time to time by the Legislature of the amounts thereof for the
purposes of the act.

1 13. This act shall take effect immediately, but shall remain
inoperative until approval by the voters of P.L. . . . , c. . . (now
3 pending before the Legislature Assembly Bill No. of 1988).

5

STATEMENT

7

 This bill provides for the abolishment of the New Jersey
9 Highway Authority, the New Jersey Expressway Authority and
the New Jersey Turnpike Authority and the transferral of their
11 functions, powers and duties to the Department of
Transportation, except for bonding and the power to revise
13 tolls. All expressway, highway and turnpike projects would
become part of the State highway system and would thereafter
15 be maintained by the Department of Transportation as toll
roads. This bill would become effective upon the approval by
17 the voters of the issuance of not more than \$3 billion in State
bonds to retire the outstanding bonded indebtedness of the toll
19 road authorities, as proposed in Assembly Bill No. of 1988, the
companion bill to this proposed legislation.

21

TRANSPORTATION

Highways and Roads

25

 Provides for the abolishment of the toll road authorities and
27 transferral thereof to State Department of Transportation.

ASSEMBLY, No. 713
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel
PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Assemblymen MAZUR and BRYANT

1 **AN ACT** to authorize the creation of a debt of the State of New
2 Jersey by the issuance of bonds of the State in an aggregate
3 principal amount not exceeding \$3,000,000,000.00 for the
4 purpose of retiring the outstanding bonded indebtedness of the
5 New Jersey Highway Authority, the New Jersey Expressway
6 Authority and the New Jersey Turnpike Authority so that
7 these authorities may be abolished pursuant to law;
8 authorizing the issuance of refunding bonds; providing the
9 ways and means to pay the interest on the debt and also to
10 pay and discharge the principal thereof; providing for the
11 submission of this act to the people at a general election; and
12 providing an appropriation therefor.

13

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

16 1. This act shall be known and may be cited as the "Toll Road
17 Authorities Debt Retirement Bond Act of 1987."

18 2. The Legislature finds and declares:

19 a. It is the public policy of this State to foster the
20 development and improvement of an integrated, comprehensive
21 and modern transportation system to meet the essential social
22 and economic needs of the State.

23 b. Pursuant to this policy, the Legislature has created the
24 New Jersey Highway Authority, the New Jersey Expressway
25 Authority and the New Jersey Turnpike Authority as
26 independent authorities to provide for the construction of
27 modern and efficient toll road highways to assist in transporting
28 people and goods in this State.

29 c. With the increased complexity of today's transportation
30 system, however, it is imperative that the public bodies

1 concerned with transportation act in an integrated fashion and
that they stand accountable to the Legislature and the Governor
3 for their policies.

d. Inasmuch as the toll road authorities have completed their
5 principal assigned task, namely, the construction of modern and
efficient toll road highways, it is appropriate for these bodies to
7 be abolished pursuant to law and their powers, duties and
functions to be transferred to the State Department of
9 Transportation in order to provide for an integrated and
comprehensive transportation system coordinated by an
11 accountable State department.

e. In order to accomplish this transferral without violating
13 the bond resolutions and covenants pertaining to the outstanding
bonded indebtedness of the toll road authorities, it is necessary
15 and appropriate to provide for the retiring of this outstanding
indebtedness, thereby defeasing the bonds of the authorities,
17 releasing the State and the authorities from any obligations
under the covenants and resolutions, and thereby permitting the
19 toll road authorities to be abolished pursuant to law and their
powers, duties and functions to be transferred to the
21 Department of Transportation.

f. When the outstanding bonded indebtedness of the toll road
23 authorities is retired and they are abolished pursuant to law, any
moneys remaining, after the payment of the debt service and
25 the setting aside of necessary reserves, would be transferred to
the Transportation Trust Fund and made available for
27 expenditure on the State's transportation system, including
mass transit capital expenditures.

29 3. As used in this act:

a. "Commissioner" means the Commissioner of
31 Transportation of the State of New Jersey.

b. "Cost" means the expenses incurred in connection with:
33 the execution of any agreements necessary or useful for
carrying out the purposes of this act; the procurement of
35 planning, legal, financial or other professional services,
including the services of a bond registrar or an authenticating
37 agent; the issuance, redemption or retirement of bonds under
this act, or any interest, discount or redemption premium
thereon; the administrative, organizational, operating or other
39 expenses incident to the implementation of the purposes of this

1 act; the establishment of funds necessary or useful to implement
the provisions of this act, as the State Treasurer may determine;
3 and reimbursement to any fund of the State of moneys which
may have been transferred or advanced therefrom to any fund
5 created by this act, or any moneys which may have been
expended therefrom for or in connection with this act.

7 c. "New Jersey Expressway Authority" means the public body
established under section 4 of P.L. 1962, c. 10 (C. 27:12C-4) or
9 its successor.

d. "New Jersey Highway Authority" means the public body
11 established under section 4 of P.L. 1952, c. 16 (C. 27:12B-4) or
its successor.

13 e. "New Jersey Turnpike Authority" means the public body
established under section 3 of P.L. 1948, c. 454 (C. 27:23-3) or
15 its successor.

f. "Outstanding bonded indebtedness" means, as of the date
17 of calculation as determined by the issuing officials, the amount
of bonds issued by the toll road authorities, or any bonds issued
19 by these authorities which refinance those bonds, which shall be
outstanding in accordance with their terms at such date of
21 calculation.

g. "Retiring" means the provision of amounts required for the
23 payment of the principal of, and the interest and redemption
premiums on, the outstanding bonds of the toll road authorities.

25 h. "Toll road authorities" means the New Jersey Highway
Authority, the New Jersey Expressway Authority and the New
27 Jersey Turnpike Authority.

4. The commissioner shall adopt, pursuant to law, the rules
29 and regulations necessary to carry out the provisions of this act.

5. Bonds of the State of New Jersey are authorized to be
31 issued in aggregate principal amount not exceeding
\$3,000,000,000.00 for the purpose of retiring the outstanding
33 bonded indebtedness of the toll road authorities, and financing
the cost connected therewith, thereby defeasing the outstanding
35 bonds of the authorities and permitting the toll road authorities
to be abolished and their powers, duties and functions to be
37 transferred to the Department of Transportation as provided in

1 P.L. 19 , c. . . (C.) (now pending before the Legislature
as Assembly Bill No. of 1988).

3 6. a. The bonds authorized under this act shall be serial
bonds, term bonds, or a combination thereof, and shall be known
5 as "Toll Road Authorities Debt Retirement Bonds." These bonds
shall be issued from time to time as the issuing officials herein
7 named shall determine, subject to the provisions of this section,
and may be issued in coupon form, fully-registered form or
9 book-entry form. These bonds may be made subject to
redemption prior to maturity and shall mature and be paid not
11 later than 35 years from the dates of their issuance.

b. The issuing officials named in section 7 of this act may
13 issue these bonds for the purposes set forth in section 5 of this
act, subject to the following provisions:

15 (1) All bonds authorized under this act, the issuance of which
is required to retire the existing outstanding bonded
17 indebtedness of the toll road authorities, shall be issued not
later than three years from January 1 next following approval of
19 this act by the voters at a general election. The bonds so issued
may be issued in such amount and at such times within that
21 three-year period as may be necessary to retire the outstanding
bonded indebtedness of the toll road authorities.

23 (2) Each series of bonds shall be issued in a sufficient amount
so that the proceeds thereof shall pay or provide for the
25 payment of the principal of the outstanding bonds to be retired,
together with any redemption premium on the outstanding
27 bonds, any interest accrued or to accrue on the outstanding
bonds to be retired to the date of payment of those outstanding
29 bonds, the cost of issuing the bonds authorized under this act,
the cost of paying the outstanding bonds to be retired, and any
31 other cost of implementing the provisions of this act.

(3) Any retirement authorized under this act may be effected
33 by the sale of the bonds authorized to be issued under this act
and the application of the proceeds therefrom to the payment of
35 the principal of the outstanding bonds to be retired thereby,
together with any redemption premium thereon, any interest
37 accrued or to accrue on those outstanding bonds to be retired to

1 the date of payment of the outstanding bonds, the cost of issuing
the bonds authorized under this act and the cost of paying the
3 outstanding bonds to be retired, as provided in this act.

7. The Governor, the State Treasurer and the Director of the
5 Division of Budget and Accounting in the Department of the
Treasury, or any two of these officials, herein referred to as
7 "the issuing officials," are authorized to carry out the provisions
of this act relating to the issuance of bonds, and shall determine
9 all matters in connection therewith, subject to the provisions of
this act. If an issuing official is absent from the State or
11 incapable of acting for any reason, the powers and duties of that
issuing official shall be exercised and performed by the person
13 authorized by law to act in an official capacity in the place of
that issuing official.

8. Bonds issued in accordance with the provisions of this act
15 shall be direct obligations of the State of New Jersey, and the
faith and credit of the State are pledged for the payment of the
17 interest thereon when due and for the payment of the principal
thereof at maturity. The principal of and interest on the bonds
19 shall be exempt from taxation by the State or by any county,
21 municipality or other taxing district of the State.

9. The bonds shall be signed in the name of the State by
23 means of the manual or facsimile signature of the Governor
under the Great Seal of the State, which seal may be by
25 facsimile or by way of any other form of reproduction on the
bonds, and attested by the manual or facsimile signature of the
27 Secretary of State, or an assistant Secretary of State, and shall
be countersigned by the facsimile signature of the Director of
29 the Division of Budget and Accounting in the Department of the
Treasury and may be manually authenticated by an
31 authenticating agent or bond registrar, as the issuing officials
shall determine. Interest coupons, if any, attached to the bonds
33 shall be signed by the facsimile signature of the director. The
bonds may be issued notwithstanding that an issuing official
35 signing them or whose manual or facsimile signature appears
thereon has ceased to hold office at the time of issuance, or at
37 the time of the delivery of the bonds to the purchaser thereof.

1 10. a. The bonds shall recite that they are issued for the
purposes set forth in section 5 of this act, that they are issued
3 pursuant to this act, that this act was submitted to the people of
the State at the general election held in the month of
5 November, 1988, and that this act was approved by a majority of
the legally qualified voters of the State voting thereon at the
7 election. This recital shall be conclusive evidence of the
validity of the bonds and of the authority of the State to issue
9 them. Any bonds containing this recital shall, in any suit, action
or proceeding, involving their validity, be conclusively deemed
11 to be fully authorized by this act and to have been issued, sold,
executed and delivered in conformity herewith and with all
13 other provisions of laws applicable hereto, and shall be
incontestable for any cause.

15 b. The bonds shall be issued in such denominations and in such
form or forms, whether coupon, fully-registered or book-entry,
17 and with or without provisions for the interchangeability
thereof, as may be determined by the issuing officials.

19 11. When the bonds are issued from time to time, the bonds
of each issue shall constitute a separate series to be designated
21 by the issuing officials. Each series of bonds shall bear such
rate or rates of interest as may be determined by the issuing
23 officials, which interest shall be payable semiannually; except
that the first and last interest periods may be longer or shorter,
25 in order that intervening semiannual payments may be at
convenient dates.

27 12. The bonds shall be issued and sold at such price or prices
and under such terms, conditions and regulations as the issuing
29 officials may prescribe, after notice of the sale, published at
least once in at least three newspapers published in this State,
31 and at least once in a publication carrying municipal bond
notices and devoted primarily to financial news, published in this
33 State or in the city of New York, the first notice to appear at
least five days prior to the day of bidding. The notice of sale
35 may contain a provision to the effect that any bid in pursuance
thereof may be rejected. In the event of rejection or of failure
37 to receive any acceptable bid, the issuing officials, at any time

1 within 60 days from the date of the advertised sale, may sell the
bonds at a private sale at such price or prices and under such
3 terms and conditions as the issuing, officials may prescribe. The
issuing officials may sell all or part of the bonds of any series as
5 issued to any State fund or to the federal government or any
agency thereof, at a private sale, without advertisement.

7 13. Until permanent bonds are prepared, the issuing officials
may issue temporary bonds in such form and with such privileges
9 as to their registration and exchange for permanent bonds as
may be determined by the issuing officials.

11 14. a. Proceeds derived from the sale of bonds authorized
under this act shall be paid to the State Treasurer, to be held
13 thereby in a separate fund which shall be known as the "Toll
Road Authorities Debt Retirement Bond Fund." The proceeds of
15 this fund shall be deposited in the depositories selected by the
State Treasurer to the credit of the fund.

17 b. These proceeds shall be applied, together with any other
moneys legally available therefor, to the purposes set forth in
19 section 5 of this act and to the immediate payment of the
principal of, redemption premium, if any, and interest due on
21 any outstanding bonds to be retired under this act, or, to the
extent not required for that immediate payment, shall be
23 deposited, together with any other moneys legally available
therefor, in trust with the State Treasurer, to be held separate
25 and apart from all other funds of the State, or, at the direction
of the issuing officials, in trust with one or more trustees or
27 escrow agents, which trustees or escrow agents shall be trust
companies or national or State banks having powers of a trust
29 company, located either within or without the State. Proceeds
or moneys deposited in trust with the State Treasurer or with
31 one or more trustees or escrow agent shall be applied solely to
the payment when due of the principal of, redemption premium,
33 if any, and interest due and to become due on those outstanding
bonds to be retired on or prior to the redemption date or
35 maturity date of the outstanding bonds, as the case may be.
Proceeds or moneys so held by the State Treasurer or deposited
37 with trustees or escrow agents may be invested in government

1 securities (including government securities issued or held in
3 book-entry form on the books of the Department of the
Treasury of the United States); except that those government
5 securities shall not be subject to redemption prior to their
maturity other than at the option of the holder thereof. Except
7 as provided in this subsection, neither government securities nor
moneys so deposited with the State Treasurer or with trustees or
9 escrow agents shall be withdrawn or used for any purpose other
than, and shall be held in trust for, the payment of the principal
11 of, redemption premium, if any, and interest on the outstanding
bonds to be retired by these bonds, except that any cash
13 received from principal or interest payments on government
securities deposited with the State Treasurer or with trustees or
15 escrow agents: (1) to the extent that the cash will not be
required at any time for that purpose, shall be paid over to the
17 State as received by the State Treasurer or by the trustees or
escrow agents, and (2) to the extent the cash will be required for
that purpose at a later date, shall, to the extent practicable and
19 legally permissible, be reinvested in government securities
maturing at times and in amounts sufficient to pay when due the
21 principal of, redemption premium, if any, and interest to
become due on the outstanding bonds on and prior to the
23 redemption date or maturity date of the outstanding bonds, as
the case may be, and interest earned from those reinvestments
25 to the extent not required for the payment of bonds shall be paid
over to the State, as received by the State Treasurer or by the
27 trustees or escrow agents.

29 -c. Notwithstanding anything to the contrary contained in this
section: (1) the State Treasurer or trustees or escrow agents
31 shall, if so directed by the issuing officials, apply moneys on
deposit with the State Treasurer or the trustees or escrow
agents pursuant to the provisions of this section and redeem or
33 sell government securities so deposited with the State Treasurer
or the trustees or escrow agents and apply the proceeds thereof
35 to: (a) the purchase of the outstanding bonds which were retired
by the deposit with the State Treasurer or the trustee or escrow
agents of the moneys and government securities and
37 immediately thereafter cancel all outstanding bonds so

1 purchased or (b) the purchase of different government
securities; except that the moneys and government securities on
3 deposit with the State Treasurer or the trustees or escrow
agents after the purchase and cancellation of the outstanding
5 bonds or the purchase of different government securities shall
be sufficient to pay, when due, the principal of, redemption
7 premium, if any, and interest on all other outstanding bonds in
respect of which the moneys and government securities were
9 deposited with the State Treasurer or the trustees or escrow
agents on or prior to the redemption date or maturity date of
11 the outstanding bonds, as the case may be; and (2) if on any
date, as a result of any purchases and cancellations of
13 outstanding bonds or any purchases of different government
securities as provided in this subsection, the total amount of
15 moneys and government securities remaining on deposit with the
State Treasurer or the trustees or escrow agents is in excess of
17 the total amount which would have been required to be
deposited with the State Treasurer or the trustees or escrow
19 agents on that date in respect of the remaining outstanding
bonds for which the deposit was made in order to pay when due
21 the principal of redemption premium, if any, and interest on
those remaining outstanding bonds, the State Treasurer or the
23 trustees or escrow agents shall, if so directed by the issuing
officials, pay the amount of that excess to the State.

25 d. Any amounts held by the State Treasurer in a separate
fund for the payment of the principal of and interest on
27 outstanding bonds to be retired, as provided in this section,
shall, if so directed by the issuing officials, be transferred by
29 the State Treasurer for deposit with one or more trustees or
escrow agents as provided in this section, or for deposit with the
31 State Treasurer as provided in this section to be held separate
and apart from all other funds of the State, to be applied to the
33 payment when due of the principal of, redemption premium, if
any, and interest to become due on those outstanding bonds, as
35 provided in this section, or be applied by the State Treasurer to
the payment when due of the principal of and interest on bonds
37 issued under this act to retire those outstanding bonds.

1 e. The State Treasurer is authorized, upon direction of the
issuing officials, to enter into contracts with one or more trust
3 companies or national or State banks, to act as trustees or
escrow agents as provided in this section, on terms and
5 conditions as shall be approved by the issuing officials.

15. a. The moneys in the "Toll Road Authorities Debt
7 Retirement Bond Fund" and the principal of and interest on
government securities held in trust as provided in section 14 of
9 this act specifically are dedicated and shall be applied to the
cost of the purposes set forth in section 5 of this act, and all
11 such moneys are appropriated for those purposes, and no such
moneys shall be expended for those purposes, except as
13 otherwise authorized in this act, without the specific
appropriation thereof by the Legislature, but bonds may be
15 issued as herein provided, notwithstanding that the Legislature
has not adopted an act making a specific appropriation of any of
17 the moneys.

b. At any time prior to the issuance and sale of bonds under
19 this act, the State Treasurer is authorized to transfer from
available money in any fund of the treasury of the State to the
21 credit of the "Toll Road Authorities Debt Retirement Bond
Fund," such sum as the State Treasurer may deem necessary.
23 Notwithstanding any other provisions of this act, the sum so
transferred shall be returned to the same fund of the treasury by
25 the State Treasurer from the proceeds of the sale of the first
issue of bonds.

27 16. If any coupon bond, coupon or registered bond is lost,
mutilated or destroyed, a new bond or coupon shall be executed
29 and delivered of like tenor, in substitution for the lost,
mutilated or destroyed bond or coupon, upon the owner
31 furnishing to the issuing officials such evidence satisfactory to
them of the loss, mutilation or destruction of the bond or
33 coupon; the ownership thereof; and the security, indemnity and
reimbursement for expenses connected therewith, as the issuing
35 officials may require.

17. The accrued interest received upon the sale of the bonds
37 shall be applied to the discharge of a like amount of interest
upon the bonds when due. Any expense incurred by the issuing

1 officials for advertising, engraving, printing, clerical,
3 authenticating, registering, legal or other services necessary to
5 carry out the duties imposed upon them by the provisions of this
7 act shall be paid from the proceeds of the sale of the bonds by
the State Treasurer, upon the warrant of the Director of the
Division of Budget and Accounting in the Department of the
Treasury, in the same manner as other obligations of the State
are paid.

9 18. Bonds of each series issued hereunder shall mature,
11 including any sinking fund redemptions, not later than the 35th
13 year from the date of issue of such series, and in such amounts
15 as shall be determined by the issuing officials. The issuing
17 officials may reserve to the State by appropriate provision in
the bonds of any series the power to redeem any of the bonds
prior to maturity at such price or prices and upon such terms
and conditions as may be provided in the bonds.

19 19. The issuing officials may issue refunding bonds at any
21 time and from time to time for the purpose of refinancing any
23 bond or bonds issued pursuant to this act, subject to the
following provisions:

25 a. Refunding bonds may be issued at such time prior to the
27 maturity or redemption of the bonds to be refinanced thereby as
29 the issuing officials may determine;

31 b. Each series of refunding bonds may be issued in a
33 sufficient amount to pay or to provide for the payment of the
35 principal of the bonds to be refinanced thereby, together with
any redemption premium thereon, any interest accrued or to
accrue on the bonds to be refinanced to the date of payment of
the outstanding bonds, the expense of issuing the refunding
bonds and the expenses, if any, of paying the bonds to be
refinanced;

37 c. No refunding bonds shall be issued unless the issuing
officials shall first determine that the present value of the
aggregate principal of and interest on the refunding bonds is less
than the present value of the aggregate principal of and interest
on the bonds to be refinanced thereby; provided, for the
purposes of this limitation, present value shall be computed
using a discount ratio equal to the yield of the refunding bonds,

1 and yield shall be computed using an actuarial method based
upon a 360-day year with semiannual compounding and upon the
3 price or prices paid to the State by the initial purchasers of the
refunding bonds;

5 d. Any refinancing authorized hereunder may be effected by
the sale of the refunding bonds and the application of the
7 proceeds thereof to the immediate payment of the principal of
the bonds to be refinanced thereby, together with any
9 redemption premium thereon, any interest accrued or to accrue
on the bonds to be refinanced to the date of payment of the
11 bonds, the expenses of issuing the refunding bonds and the
expenses, if any, of payment the bonds to be refinanced, or, to
13 the extent not required for the immediate payment, shall be
deposited, together with any other moneys legally available
15 therefor, in trust with the State Treasurer to be held separate
and apart from all other funds of the State or with one or more
17 trustees within or without the State to be held in trust and
applied solely to the payment when due of the principal of,
19 redemption premium, if any, and interest due and to become due
on the bonds to be refinanced on or prior to the redemption date
21 or maturity date thereof, as the case may be. These proceeds or
moneys may be invested in government securities, including
23 government securities issued or held in book-entry form on the
books of the Department of the Treasury of the United States;
25 provided, these government securities shall not be subject to
redemption prior to their maturity other than at the option of
27 the holder thereof. Except as otherwise provided in this
subsection, neither government securities nor moneys so
29 deposited with the State Treasurer or trustee shall be withdrawn
or used for any purpose other than, and shall be held in trust for,
31 the payment of the principal of, redemption premium, if any,
and interest on the bonds to be refinanced thereby; provided
33 that any cash received from the principal or interest payments
on the government securities deposited with the State Treasurer
35 or trustee, to the extent such cash will not be required at any
time for these purposes, shall be paid over to the State as
37 received by the State Treasurer or trustees and to the extent
this cash will be required for these purposes at a later date,
39 shall, to the extent practicable and legally permissible, be

1 reinvested in government securities maturing at times and in
3 amounts sufficient to pay when due the principal of, redemption
5 premium, if any and interest to become due on the bonds to be
7 refinanced on and prior to the redemption date or maturity date
9 thereof, as the case may be, and interest earned from these
11 reinvestments to the extent not required for the payment of
13 bonds shall be paid over to the State, as received by the State
15 Treasurer or the trustee. Notwithstanding anything to the
17 contrary contained herein: (1) the State Treasurer or trustee
19 shall, if so directed by the issuing officials, apply moneys on
21 deposit with the State Treasurer or trustee pursuant to the
23 provisions of this section and redeem or sell government
25 securities so deposited with the State Treasurer or trustee and
27 apply the proceeds thereof to the purchase of the bonds which
29 were refinanced by the deposit with the State Treasurer or
31 trustee of these moneys and government securities and
33 immediately thereafter cancel the bonds so purchased; or apply
35 the proceeds thereof to the purchase of different government
37 securities; except that the moneys and, government securities
39 on deposit with the State Treasurer or trustee after the
purchase and cancellation of these outstanding bonds or the
purchase of different government securities shall be sufficient
to pay when due the principal of, redemption premium, if any,
and interest on all other bonds in respect of which these moneys
and government securities were deposited with the State
Treasurer or trustee on or prior to the redemption date or
maturity date thereto as the case may be; and (2) in the event
that on any date, as a result of any purchases and cancellations
of the bonds or any purchases or different government securities
as provided in this subsection, the total amount of moneys and
government securities remaining on deposit with the State
Treasurer or trustee is in excess of the total amount which
would have been required to be deposited with the State
Treasurer or trustee on such date in respect of the remaining
bonds for which such deposit was made in order to pay when due
the principal of, redemption premium, if any, and interest on the
remaining bonds, the State Treasurer or trustee shall if so
directed by the issuing officials, pay, the amount of the excess
to the State.

1 e. Notwithstanding the provisions of section 12 hereof, any
series of refunding bonds issued pursuant to this section shall
3 mature at any time or times not later than five years following
the latest scheduled final maturity date, determined without
5 regard to any redemptions prior thereto, of any of the bonds to
be refunded thereby, and in no event later than 35 years
7 following the date of issuance of such series of refunding bonds,
and such refunding bonds may be sold at public or private sale at
9 such prices and under such terms, conditions and regulations as
the issuing officials may prescribe. Refunding bonds shall be
11 entitled to all the benefits of this act and subject to all its
limitations except as to sale provisions and to the extent therein
13 otherwise expressly provided.

f. Upon the decision by the issuing officials to issue refunding
15 bonds pursuant to this section, and prior to the sale of those
bonds, the issuing officials shall transmit to the Joint Budget
17 Oversight Committee established by Assembly Concurrent
Resolution No. 83 of 1986, or its successor, a report that a
19 decision has been made, reciting the basis on which the decision
was made, including an estimate of the debt service savings to
21 be achieved and the calculations upon which the issuing officials
relied when making the decision to issue refunding bonds. The
23 report shall also disclose the intent of the issuing officials to
issue and sell the refunding bonds at public or private sale and
25 the reasons therefor.

g. The Joint Budget Oversight Committee established by
27 Assembly Concurrent Resolution No. 83 of 1986, or its
successor, shall have authority to approve or disapprove the
29 sales of refunding bonds as included in each report submitted in
accordance with subsection f. of this section. The committee
31 shall notify the issuing officials in writing of the approval or
disapproval as expeditiously as possible.

h. No refunding bonds shall be issued unless the report has
33 been submitted to and approved by the Joint Budget Oversight
Committee, or its successor, as set forth in subsection g. of this
35 section.

i. Within 30 days after the sale of the refunding bonds, the
37 issuing officials shall notify the Joint Budget Oversight
Committee, or its successor, of the result of that sale, including
39

1 the prices and terms, conditions and regulations concerning the
3 refunding bonds, the actual amount of debt service savings to be
realized as a result of the sale of refunding bonds, and the
intended use of the proceeds from the sale of those bonds.

5 j. The committee, or its successor, shall, however, review all
information and reports submitted in accordance with this
7 section and may, on its own initiative, make observations and
recommendations to the issuing officials, or to the Legislature,
9 or both, as it deems appropriate.

20. Any bond or bonds whose issuance is authorized by section
11 5 of this act or any series or portions thereof, shall no longer be
deemed to be outstanding, shall no longer constitute a direct
13 obligation of the State of New Jersey and the faith and credit of
the State shall no longer be pledged to the payment of the
15 principal of and interest on those bonds, and those bonds shall be
secured solely by and payable solely from moneys and
17 government securities deposited in trust with the State
Treasurer or the trustee as provided herein, whenever there is
19 deposited in trust with the State Treasurer or the trustee as
provided herein either moneys or government securities,
21 including government securities issued or held in book-entry
form on the books of the Department of the Treasury of the
23 United States, the principal of and interest on which when due
will provide money which, together with the moneys, if any,
25 deposited with the State Treasurer or the trustee at the same
time, shall be sufficient to pay when due the principal of,
27 redemption premium, if any, and interest due and to become due
on the bonds on or prior to the redemption date or maturity date
29 thereof, as the case may be; provided, the government securities
shall not be subject to redemption prior to their maturity other
31 than at the option of the holder thereof. The State of New
Jersey covenants with the holders of any bonds for which
33 government securities or moneys have been deposited in trust
with the State Treasurer or the trustee as provided in the
35 preceding sentence that, except as provided in the immediately
succeeding sentence, neither the government securities nor
37 moneys so deposited with the State Treasurer or the trustee
shall be withdrawn or used for any purpose other than, and shall

1 be held in trust for, the payment of the principal of, redemption
premium, if any, and interest to become due on the bonds;
3 provided that any cash received from the principal or interest
payments on the government securities deposited with the State
5 Treasurer or the trustee to the extent this cash is not required
at any time for this purpose, shall be paid over to the State as
7 received by the State Treasurer or the trustee, free and clear of
any trust, lien, pledge or assignment securing the bonds; and to
9 the extent this cash is required for this purpose at a later date,
shall, to the extent practicable and legally permissible, be
11 reinvested in government securities maturing at times and in
amounts sufficient to pay when due the principal of, redemption
13 premium, if any, and interest to become due on the bonds on and
prior to the redemption or maturity dates thereof, as the case
15 may be, and interest earned from these reinvestments shall be
paid over to the State, as received by the state Treasurer or the
17 trustee, free and clear of any trust, lien or pledge securing the
bonds.

19 Notwithstanding anything to the contrary contained herein: (a)
the State Treasurer or the trustee shall, if so directed by the
21 issuing officials, apply moneys on deposit with the State
Treasurer or the trustee pursuant to the provisions of this
23 section and redeem or sell government securities so deposited
with the State Treasurer or the trustee and: (1) apply the
25 proceeds thereof to the purchase of the bonds which were
defeased by the deposit with the State Treasurer or the trustee
27 of the moneys and government securities and immediately
thereafter cancel all bonds so purchased; or (2) apply the
29 proceeds thereof to the purchase of different government
securities; except that the moneys and government securities on
31 deposit with the State Treasurer or the trustee after the
purchase and cancellation of the bonds or the purchase of
33 different government securities shall be sufficient to pay when
due the principal of, redemption premium, if any, and interest
35 on all other bonds in respect of which the moneys and
government securities were deposited with the State Treasurer
37 or the trustee on or prior to the redemption date or maturity
date thereof, as the case may be; and (b) in the event that on

1 any date, as a result of any purchases and cancellations of bonds
or any purchases of different government securities as provided
3 in this sentence, the total amount of moneys and government
securities remaining on deposit with the State Treasurer or the
5 trustee is in excess of the total amount which would have been
required to be deposited with the State Treasurer or the trustee
7 on that date in respect of the remaining bonds for which the
deposit was made in order to pay when due the principal of,
9 redemption premium, if any, and interest on the remaining
bonds, the State Treasurer or the trustee shall, if so directed by
11 the issuing officials, pay the amount of the excess to the State
free and clear of any trust, lien, pledge or assignment securing
13 the bonds.

21. Refunding bonds issued pursuant to section 19 of this act
15 may be consolidated with bonds issued pursuant to section 5 of
this act or with bonds issued pursuant to any other act for
17 purposes of sale.

22. To provide funds to meet the interest and principal
19 payment requirements for the bonds issued under this act and
outstanding, there is appropriated in the order following:

21 a. Moneys deposited in the "Toll Road Authorities
Retirement Bond Debt Service Fund," established pursuant to
23 section 24 of this act;

b. Revenue derived from the collection of taxes under the
25 "Sales and Use Tax Act," P.L. 1966, c. 30 (C. 54:32B-1 et seq.),
or so much thereof as may be required; and

27 c. If, at any time, funds necessary to meet the interest and
principal payments on outstanding bonds issued under this act
29 are insufficient or not available, there shall be assessed, levied
and collected annually in each of the municipalities of the
31 counties of this State a tax on the real and personal property,
upon which municipal taxes are or shall be assessed, levied and
33 collected, sufficient to meet the interest on all outstanding
bonds issued hereunder and on the bonds proposed to be issued
35 under this act in the calendar year in which the tax is to be
raised and for the payment of bonds falling due in the year
37 following the year for which the tax is levied. The tax shall be
assessed, levied and collected in the same manner and at the

1 same time as other taxes upon real and personal property. The
governing body of each municipality shall pay to the treasurer of
3 the county in which the municipality is located, on or before
December 15 in each, year, the amount of tax herein directed to
5 be assessed and levied, and the county treasurer shall pay the
amount of the tax to the State Treasurer on or before December
7 20 in each year.

If on or before December 31 in any year the issuing officials
9 shall determine that there are moneys in the General Fund
beyond the needs of the State, sufficient to pay the principal of
11 the bonds falling due and all interest payable in the ensuing
calendar year, the issuing officials shall, if there is determined
13 to be a deficiency in the "Toll Road Authorities Retirement
Bond Debt Service Fund," established by section 24 of this act,
15 for this purpose, by resolution so find and shall file their findings
in the office of the State Treasurer, whereupon the State
17 Treasurer shall transfer the moneys from the General Fund to a
separate fund to be designated by him; and shall, if and to the
19 extent necessary, pay the principal and interest out of that fund
as it shall become due and payable, and the other sources of
21 payment of that principal and interest provided for in this
section shall not then be available, and the receipts for that
23 year from the tax specified in subsection b. of this section shall
thereupon be considered and treated as part of the General
25 Fund, available for general purposes. If at any time it is
determined that the amounts so set aside, except for these
27 moneys in the "Toll Road Authorities Retirement Bond Debt
Service Fund," are not necessary to pay the principal and
29 interest of the bonds, such amounts shall be released for use by
the State Treasurer for other authorized State purposes.

31 The commissioner shall on or before December 15 of each
year and on or before 60 days prior to each interest payment
33 date for bonds issued pursuant to this act, and on any other
dates of the commissioner's choosing, file with the State
35 Treasurer a certificate estimating the tolls, receipts and other
revenues of the toll roads and other toll road authority projects
37 under the department's jurisdiction during the next succeeding
12-month period which will be available to pay the principal of

1 and interest on the bonds issued pursuant to this act. If upon
3 receipt of this certificate, the State Treasurer determines that
5 there will be a deficiency in these tolls, receipts and other
7 revenues, available for this purpose, then the State Treasurer
9 shall set aside and retain in a special fund from the funds
11 appropriated pursuant to this section or other funds legally
13 available therefor the amounts sufficient to equal such
15 deficiency. The State Treasurer shall hold and use all amounts
17 in that separate fund, if and to the extent necessary, solely to
19 make payments of the principal and interest authorized by this
21 act. If at any time it is determined that the amounts so set
23 aside, except for those moneys in the "Toll Road Authorities
25 Retirement Bond Debt Service Fund," are not necessary to make
27 payments of the principal and interest authorized by this act,
29 these amounts shall be released for use by the State Treasurer
31 for other authorized State purposes.

17 23. Should the State Treasurer, by December 31 of any year,
19 deem it necessary, because of the insufficiency of funds
21 collected from the sources of revenues as provided in this act,
23 to meet the interest and principal payments for the year after
25 the ensuing year, then the State Treasurer shall certify to the
27 Director of the Division of Budget and Accounting in the
29 Department of the Treasury the amount necessary to be raised
31 by taxation for those purposes, which is to be assessed, levied
33 and collected for and in the ensuing calendar year. The director
35 shall, on or before March 1 following, calculate the amount in
37 dollars to be assessed, levied and collected in each county as
herein set forth. This calculation shall be based upon the
corrected assessed valuation of each county for the year
preceding the year in which the tax is to be assessed, but the tax
shall be assessed, levied and collected upon the assessed
valuation of the year in which the tax is assessed and levied.
The director shall certify the amount to the county board of
taxation and the treasurer of each county. The county board of
taxation shall include the proper amount in the current tax levy
of the several taxing districts of the county in proportion to the
ratables as ascertained for the current year.

39 24. There is established in the General Fund a special trust
fund to be entitled the "Toll Road Authorities Retirement Bond

1 Debt Service Fund" to be maintained by the State Treasurer
3 which may be held in depositories as may be selected by the
treasurer and invested and reinvested as other funds in the
5 custody of the treasurer in the manner provided by law. Upon
the issuance of the bonds authorized by this act and the
7 consequent retirement of the outstanding bonded indebtedness
of the toll road authorities, there shall be deposited in this fund
the following:

9 a. Moneys transferred to this fund from the "Toll Road
General Reserve Fund," established pursuant to section 7 of P.L.
11 198 , c. (C.) (now pending before the Legislature as
Assembly Bill No. of 1988).

13 b. All tolls and receipts and other revenues collected on the
toll roads and other toll road authority projects now under the
15 jurisdiction of the Department of Transportation. As provided
in section 22 of this act, the moneys deposited in this fund shall
17 be used for the payment of the principal and interest due on the
bonds authorized to be issued under this act. On or before
19 December 31 in each year the State Treasurer shall determine if
there are moneys in the fund sufficient to pay the principal of
21 the bonds falling due and all interest payable in the ensuing
calendar year or if the tolls, receipts and other revenues of the
23 toll roads and other toll road authority projects under the
jurisdiction of the Department of Transportation during the next
25 succeeding 12-month period are estimated to be sufficient for
the payment of the principal and interest, then upon the
27 expiration of the ensuing calendar year the State Treasurer
shall, sufficient amounts being held in reserve for future
29 payments, transfer and credit the balance of moneys remaining
in the fund, after the payment of the principal and interest for
31 that year, to the "Transportation Trust Fund Account"
established by section 20 of P.L. 1984, c. 73 (C. 27:1B-20) to be
33 included in the funds of the "New Jersey Transportation Trust
Fund Authority." However, in no event shall the moneys
35 transferred be less than the amount of the payment provided in
the contract or agreement entered into by the State and the toll
37 road authorities pursuant to subsection (s) of section 5 of P.L.
1952, c. 16 (C. 27:12B-5), subsection (p) of section 11 of P.L.
39 1962, c. 10 (C. 27:12C-11), and subsection b. of section 1 of P.L.

1 1966, c. 8 (C. 27:23-5.8), and due in the second year following
the abolishment of the toll road authorities, the first year
3 payment to be paid from the funds of the "Toll Road General
Reserve Fund." The payment and transferral of moneys shall be
5 deemed to satisfy the terms and conditions of the contracts.
Upon the completion of the payment of the principal and
7 interest on all of the outstanding bonds, the moneys remaining in
the fund shall be credited and transferred in their entirety to
9 the "Transportation Trust Fund Account."

25. Upon the issuance and sale of the bonds authorized by this
11 act and the application of the proceeds to the retirement of the
outstanding bonded indebtedness of the toll road authorities or a
13 sufficient amount from these proceeds for the retirement of all
such outstanding bonded indebtedness is set aside in trust for the
15 benefit of the toll road authority bondholders, the toll road
authority bonds shall cease to be entitled to any lien, benefit or
17 security under any resolution of the toll road authorities, and all
covenants, agreements and obligations of the toll road
19 authorities to the holders of their bonds shall thereupon be
discharged and satisfied, and the toll road authorities shall be
21 abolished in the manner provided in P.L. , c. (C.) (now
pending before the Legislature as Assembly Bill No. of 1988)
23 and all expressway, highway and turnpike projects shall become
part of the State highway system and shall thereafter be
25 maintained by the Department of Transportation as toll roads.

26. In the event that the outstanding bonded indebtedness of
27 the toll road authorities is not retired collectively but the
issuing officials shall elect to retire the outstanding bonded
29 indebtedness of each of the toll road authorities independently,
the relevant provisions of this act shall also apply independently
31 to each authority as the case may be, but in no event shall there
remain any outstanding bonded indebtedness after the expiration
33 of the third year following January 1 next following approval of
this act by the people.

35 27. For the purpose of complying with the provisions of the
State Constitution, this act shall be submitted to the people at
37 the general election to be held in the month of November, 1988.
To inform the people of the contents of this act, it shall be the

1 duty of the Secretary of State, after this section takes effect,
and at least 15 days prior to the election, to publish this act in
3 at least 10 newspapers published in this State and to notify the
clerk of each county of this State of the passage of this act; and
5 the clerks respectively, in accordance with the instructions of
the Secretary of State, shall have each of the ballots printed as
7 follows:

If you approve of the act entitled below, make a cross (x),
9 plus. (+), or check (✓) mark in the square opposite the word
"Yes."

11 If you disapprove of the act entitled below, make a cross (x),
plus (+) or check (✓) mark in the square opposite the word "No."

13 If voting machines are used, a vote of "Yes" or "No" shall be
equivalent to these markings respectively.

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**TOLL ROAD AUTHORITIES DEBT
RETIREMENT BOND ISSUE**

YES.

Should the "Toll Road Authorities Debt Retirement Bond Act of 1987," which authorizes the State to issue bonds in an amount not exceeding \$3,000,000,000.00 for the purpose of retiring the outstanding bonded indebtedness of the New Jersey Highway Authority, the New Jersey Expressway Authority and the New Jersey Turnpike Authority so that these authorities may be abolished pursuant to law; authorizing the issuance of refunding bonds; providing the ways and means to pay the interest on the debt and also to pay and discharge the principal thereof, be approved?

INTERPRETIVE STATEMENT

NO.

Approval of this act would authorize the sale of not more than \$3,000,000,000.00 in State bonds to retire the outstanding bonded indebtedness of the State's toll road authorities: the New Jersey Highway Authority (which operates the Garden State Parkway), the New Jersey Expressway Authority (which operates the Atlantic City Expressway) and the New Jersey Turnpike Authority, so that these authorities, may be abolished pursuant to law. Certain proceeds from the sale of bonds previously sold by the toll road authorities, and the tolls and other revenues of the toll roads, would be available to pay the debt service on these \$3 billion in bonds, with any deficit to be made up by State revenues. Upon the retirement of the toll road authorities' debt, the toll road authorities would be abolished and the toll roads would become part of the State highway system operated as toll roads by the Department of Transportation.

1 The fact and date of the approval or passage of this act, as
3 the case may be, may be inserted in the appropriate place after
5 the title in the ballot. No other requirements of law as to
notice or procedure, except as herein provided, need be adhered
to.

7 The votes cast for and against the approval of this act, by
ballot or voting machine shall be counted and the result thereof
returned by the election officer, and a canvass of the election
9 had in the same manner as is provided for by law in the case of
the election of a Governor, and the approval or disapproval of
11 this act so determined shall be declared in the same manner as
the result of an election for a Governor, and if there is a
13 majority of all votes cast for and against it at the election in
favor of the approval of this act, then all the provisions of this
15 act not made effective theretofore shall take effect forthwith.

28. There is appropriated the sum of \$5,000.00 to the
17 Department of State for expenses in connection with the
publication of notice pursuant to section 27 of this act.

19 29. This section and sections 27 and 28 of this act shall take
effect immediately and the remainder of the act shall take
21 effect as provided in section 27.

23 STATEMENT

25 This bill authorizes the State of New Jersey to issue bonds in
27 an amount not exceeding \$3 billion to retire the outstanding
bonded indebtedness of the New Jersey Highway Authority, the
29 New Jersey Expressway Authority and the New Jersey Turnpike
Authority. Upon the issuance of these bonds and the application
31 of the proceeds to retire the indebtedness of the toll road
authorities, the authorities would be abolished and their
33 functions, powers and duties would be transferred to the State
Department of Transportation as provided in the companion bill,
35 Assembly Bill No. of 1988. All expressway, highway and
turnpike projects would become part of the State highway
37 system and would thereafter be maintained by the Department
of Transportation as toll roads.

1 The debt service on the bond issues would be paid in the first
instance from a "Toll Road Authorities Retirement Bond Debt
3 Service Fund" created by this bill into which would be deposited
moneys (including bond proceeds and toll receipts) held by the
5 abolished toll road authorities and toll receipts to be collected
on the toll roads once they become part of the State highway
7 system. Any surplus funds remaining in this fund, after the
payment of debt service and the setting aside of necessary
9 reserves, would be transferred to the Transportation Trust Fund
Authority to defray the State's capital expenses in the area of
11 transportation.

13

TRANSPORTATION

15

Highways and Roads

17 Authorizes \$3,000,000,000 sale of State bonds to retire
outstanding bonded indebtedness of the toll road authorities.

ASSEMBLY, No. 4171
STATE OF NEW JERSEY

INTRODUCED JANUARY 26, 1989

By Assemblywoman CRECCO and Assemblyman ZECKER

1 **AN ACT** concerning the New Jersey Highway Authority,
 amending P.L.1984, c.73 and supplementing chapter 7 of Title
3 27 of the Revised Statutes.

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

7 1. (New section) Sections 1 through 13 of this amendatory and
 supplementary act shall be known and may be cited as the "New
9 Jersey Highway Authority Reorganization Law."

 2. (New section) The Legislature finds and declares, as a
11 matter of public policy, that:

 a. The adoption of policies and programs by the New Jersey
13 Highway Authority without adequate input and involvement of
 the public or appropriate State agencies has demonstrated an
15 overriding need for the State to exercise greater supervision and
 control of the operations and management of the Garden State
17 Parkway;

 b. The public confidence in the existing operation and
19 structure of the New Jersey Highway Authority has been
 undermined due to the absence of effective controls over the
21 actions of the authority which, as an independent State authority,
 is exempt from many of the controls applicable to other agencies
23 of State government;

 c. Recent studies have confirmed that the elimination of toll
25 barriers on the Garden State Parkway is vitally needed to reduce
 traffic congestion, reduce air pollution levels and promote safer
27 use of the parkway which has become a major commuter highway
 upon which tens of thousands of residents depend each day to
29 travel to and from places of employment;

 d. The transfer of the operational functions of the New Jersey
31 Highway Authority to the Department of Transportation is
 necessary at this time to insure that the parkway projects will be
33 operated in a manner consistent with the public trust, that the

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 underlined thus is new matter.

1 extensive financial resources and capital programs of the
parkway will be managed in a manner consistent with the public
3 trust and that greater coordination will be achieved between the
operations of the parkway and the overall transportation goals of
5 the State.

7 3. (New section) As used in this amendatory and supplementary
act:

a. "Authority" means the New Jersey Highway Authority.

9 b. "Commissioner" means the Commissioner of Transportation
of the State of New Jersey.

11 c. "Department" means the Department of Transportation of
the State of New Jersey.

13 d. "Highway projects" means any highway projects authorized
by P.L.1952, c.16 (C.27:12B-1 et seq.).

15 e. "New Jersey Highway Authority" means the public body
established under section 4 of P.L.1952, c.16 (C.27:12B-4) or its
17 successor.

4. (New section) Until all bonds or notes issued by the
19 authority to finance any projects, and the interest thereon are
paid in full, or a sufficient amount for the payment of all such
21 bonds, and the interest thereon, to the maturity thereof, is set
aside in trust for the benefit of the bondholders, no resolution or
23 other action of the authority providing for the issuance of bonds,
refunding bonds or other obligations shall be adopted or otherwise
25 made effective by the authority except as shall be specifically
authorized by law.

27 5. (New section) At any time that tolls are not required for the
purpose of carrying out and performing the terms and provisions
29 of any contract with or for the benefit of bondholders, the
authority or the department, as the case may be, shall cause tolls
31 for the use of the projects to be removed and the highway
projects shall thereafter be operated free of tolls except as shall
33 be specifically authorized by law.

6. (New section) When all bonds or notes issued by the
35 authority to finance any projects, and the interest thereon, have
been paid or a sufficient amount for the payment of all those
37 bonds or notes, and the interest thereon, to the maturity thereof,
has been set aside in trust for the benefit of the bondholders:

39 a. The authority shall be abolished and the terms of the

1 members of the authority then in office shall cease and
2 terminate. The functions, powers and duties of the authority,
3 except the power to issue bonds, notes or other indebtedness and
4 to fix and revise tolls, shall be continued, but shall be
5 transferred to the department and shall thereafter be exercised
6 and administered by the commissioner.

7 b. The bonds shall cease to be entitled to any lien, benefit or
8 security under any resolution of the authority, and all covenants,
9 agreements and obligations of the authority to the holders of the
10 bonds shall be discharged and satisfied.

11 7. (New section) Upon the abolishment of the authority as
12 provided in section 6 of this amendatory and supplementary act,
13 all projects or facilities of the authority shall be transferred to
14 the department and all highway projects shall become part of
15 the State highway system and shall thereafter be maintained by
16 the department free of tolls except as specifically authorized by
17 law.

18 8. (New section) Upon the abolishment provided for in section
19 6 of this amendatory and supplementary act, all employees of
20 the authority shall be transferred to the department and shall
21 become State employees. All records and property of the
22 authority, except as otherwise provided in this amendatory and
23 supplementary act, shall be transferred to the department and
24 all outstanding obligations and commitments lawfully
25 undertaken or contracted for by the authority shall be assumed
26 and performed by the department from funds which may be
27 transferred by the State Treasurer from the special reserve fund
28 established pursuant to section 9 of this amendatory and
29 supplementary act.

30 9. (New section) a. There is hereby created in the General
31 Fund a special fund to be entitled the "Highway Authority
32 General Reserve Fund" to be maintained by the State Treasurer
33 which may be held in depositories as may be selected by the
34 State Treasurer and invested and reinvested as other funds in
35 the custody of the treasurer in the manner provided by law.
36 Upon the abolishment provided for in section 6 of this
37 amendatory and supplementary act, there shall be deposited in
38 this fund the following:

39 (1) Proceeds of the sale of bonds previously issued by the

1 authority and not already expended;

2 (2) All receipts or other revenues of the authority not
3 deposited in any funds established by any resolution of the
authority;

5 (3) All amounts on deposit in funds established by any
resolution of the authority;

7 (4) All money, bonds, stocks and other securities and all
evidences thereof owned by the authority or held by any trustees
9 under any resolution of the authority;

(5) Any federal funds received by the department to
11 effectuate the purposes of this amendatory and supplementary
act;

13 (6) Any funds appropriated to the department from the
State's general fund to effectuate the purposes of this
15 amendatory and supplementary act;

(7) Any funds from the sale of bonds or notes by the State to
17 finance highway projects on the Garden State Parkway; and

(8) Any revenues received from the gross revenue tax
19 imposed on the operations of the Garden State Arts Center
pursuant to section 13 of this amendatory and supplementary act.

21 b. The State Treasurer shall, as sufficient funds are available
and following the establishment of the "Highway Authority
23 General Reserve Fund," transfer and apply the balances in the
fund as follows, and in the following order of priority:

25 (1) Such amounts as are necessary, along with other receipts
and revenues from the authority projects now under the
27 jurisdiction of the department, to provide for the payment,
discharge or retirement of any remaining debts, contractual
29 duties or obligations assumed by the department pursuant to this
amendatory and supplementary act.

31 (2) Payments due to the State pursuant to a contract or
agreement entered into by the State and the authority pursuant
33 to subsection (o) of section 5 of P.L.1952, c.16 (C.27:12B-5).

(3) To the "Transportation Trust Fund Account" established
35 pursuant to section 20 of P.L.1984, c.73 (C.27:1B-20), to be
included in the funds of the "New Jersey Transportation Trust
37 Fund Authority," such amounts as remain in this fund after the
transferral of funds required by this section.

39 10. (New section) a. Whenever in any law, rule, regulation,

1 order, contract, document, judicial or administrative proceeding
or otherwise, reference is made to the authority, the same shall
3 mean and refer to the commissioner or department as the case
may be.

5 b. The abolishment of the authority shall not affect the
orders, rules and regulations heretofore made or promulgated by
7 the authority. These orders, rules and regulations insofar as
they are not inconsistent herewith shall continue in effect until
9 amended or repealed pursuant to law.

c. The provisions of P.L.1952, c.16 (C.27:12B-1 et seq.),
11 insofar as they are not inconsistent with the provisions of this
amendatory and supplementary act, shall continue in effect and
13 any reference therein or in any other law to the authority, to
the chairman or any member thereof shall be deemed to mean
15 and refer to the commissioner or department, as the case may
be.

17 11. (New section) All transfers directed by this amendatory
and supplementary act shall be made in accordance with the
19 "State Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et
seq.). Nothing in this amendatory and supplementary act shall
21 be construed to deprive employees of their rights, privileges,
obligations or status with respect to any pension or retirement
23 system.

12. (New section) Upon transferral of the employees of the
25 authority to the Department of Transportation, they shall retain
all of their rights and benefits under existing labor agreements
27 or contracts until such time as a new or revised agreement or
contract is agreed to or these agreements or contracts shall
29 expire. All existing bargaining agents shall be retained to act on
behalf of these employees until such time as the employees
31 shall, pursuant to law, elect to change such agents.

13. (New section) a. Upon transferral of all projects and
33 facilities of the authority to the department as provided in
section 7 of this amendatory and supplementary act, the
35 department shall provide for the leasing of the Garden State
Arts Center to an organization of recognized ability and
37 experience in matters pertaining to the administration of an arts
and entertainment center.

39 b. Any such lease or other agreement shall expressly provide

1 that there is imposed an annual tax on gross revenues derived
3 from operation of the Garden State Arts Center in the amount
5 of 8% of such gross revenues. All revenues from the tax
7 imposed under this section shall be deposited by the lessee on at
least a monthly basis to the credit of the "Highway Authority
General Reserve Fund" established under section 9 of this
amendatory and supplementary act.

14. Section 20 of P.L.1984, c.73 (C.27:1B-20) is amended to
9 read as follows:

20. There is hereby established in the General Fund an
11 account entitled the "Transportation Trust Fund Account."
During the fiscal year beginning July 1, 1984 and during each
13 succeeding fiscal year in which the authority has bonds, notes or
other obligations outstanding, the treasurer shall credit to this
15 account commencing with the last business day of August 1984
and on the last business day of each succeeding calendar month
17 an amount not less than \$7,333,333.00, provided that if the
effective date of the act shall be later than July 1984, the
19 initial credit shall be an amount equal to that which would have
been credited to the account had the act become effective on
21 July 1, 1984, and further provided that the amount credited
during any fiscal year shall not be less than \$88,000,000.00; and
23 an amount equivalent to moneys received by the State in
accordance with contracts entered into with toll road
25 authorities or other State agencies or paid or transferred to this
account from the "Highway Authority General Reserve Fund",
27 established under section 9 of P.L....., c..... (C.....)(now pending
before the Legislature as this bill). The treasurer shall also
29 credit to this account, in accordance with a contract between
the treasurer and the authority, an amount equivalent to the
31 sum of the revenues due from the increase of fees for motor
vehicle registrations collected pursuant to the amendment of
33 R.S.39:3-20 made by this act and from the increase of fees for
motor fuels user identification markers collected pursuant to
35 the amendment to section 10 of P.L.1963, c.44 (C.54:39A-10)
made by this act and from the increase in the tax on diesel fuels
37 imposed pursuant to the amendment to R.S.54:39-27 made by
this act, provided that the total amount credited during the
39 fiscal year beginning July 1, 1984 shall not be less than

1 \$20,000,000.00 and that the total amount credited during the
fiscal year beginning July 1, 1985 and during every fiscal year
3 thereafter shall not be less than \$30,000,000.00. No later than
the fifth business day of the month following the month in which
5 a credit has been made, the treasurer shall pay to the authority,
for its purposes as provided herein, the amounts then credited to
7 the Transportation Trust Fund Account, provided that the
payments to the authority shall be subject to and dependent
9 upon appropriations being made from time to time by the
Legislature of the amounts thereof for the purposes of the act.

11 (cf: P.L.1987, c.460, s.3)

15. This act shall take effect immediately.

15 STATEMENT

17 This bill provides for the abolishment of the New Jersey
Highway Authority upon the payment of all bonds or notes issued
19 by the authority or upon provision being made for sufficient
funds being set aside for the payment of those bonds or notes.
21 Following abolishment of the authority, this bill also provides
for the transferral of the functions, powers, duties, property,
23 facilities and records of the authority to the Department of
Transportation upon abolishment of the authority. In addition,
25 all employees of the authority would be transferred to the
department and become State employees and the department
27 would assume all other debts, contractual duties and other
obligations of the authority legally entered into.

29 This bill further provides that all highway projects would
become part of the State highway system and would thereafter
31 be maintained by the department free of tolls except as may be
specifically authorized by law. Under the provisions of this bill,
33 the department shall lease the Garden State Arts Center to a
recognized arts and entertainment organization which shall
35 operate the center and pay an 8% tax to the Highway Authority
General Reserve Fund on gross revenues derived from operation
37 of the Arts Center.

This bill would become effective immediately.

1 TRANSPORTATION
 Highways and Roads

3
5 Provides for the abolishment of the New Jersey Highway
 Authority and the transferral thereof to the State Department
 of Transportation.

ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4171

STATE OF NEW JERSEY

DATED: MAY 8, 1989

The Assembly Independent Authorities Committee reports favorably Assembly Bill No. 4171.

As reported, this bill provides for the abolishment of the New Jersey Highway Authority upon the payment of all bonds or notes issued by the authority or upon provision being made for sufficient funds being set aside for the payment of those bonds or notes. Following abolishment of the authority, this bill also provides for the transferral of the functions, powers, duties, property, facilities and records of the authority to the Department of Transportation upon abolishment of the authority. In addition, all employees of the authority would be transferred to the department and become State employees and the department would assume all other debts, contractual duties and other obligations of the authority legally entered into.

This bill further provides that all highway projects would become part of the State highway system and would thereafter be maintained by the department free of tolls except as may be specifically authorized by law. Under the provisions of this bill, the department shall lease the Garden State Arts Center to a recognized arts and entertainment organization which shall operate the center and pay an 8% tax to the Highway Authority General Reserve Fund on gross revenues derived from operation of the Arts Center.

LEGISLATIVE FISCAL ESTIMATE TO

ASSEMBLY, No. 4171

STATE OF NEW JERSEY

DATED: August 17, 1989

Assembly Bill No. 4171 of 1989 provides for the abolishment of the New Jersey Highway Authority upon the payment of all bonds or notes issued by the authority or upon provision being made for sufficient funds being set aside for the payment of those bonds or notes. Following abolishment of the authority, this bill also provides for the transferral of the functions, powers, duties, property, facilities and records of the authority to the Department of Transportation (DOT) upon abolishment of the authority. In addition, all employees of the authority would be transferred to the department and become State employees and the department would assume all other debts, contractual duties and other obligations of the authority legally entered into.

This bill further provides that all highway projects would become part of the State highway system and would thereafter be maintained by the department free of tolls except as may be specifically authorized by law. Under the provisions of this bill, the department shall lease the Garden State Arts Center to a recognized arts and entertainment organization which shall operate the center and pay an 8% tax to the Highway Authority General Reserve Fund on gross revenues derived from operation of the Arts Center.

The Office of Legislative Services (OLS) notes that the New Jersey Highway Authority had the following 1988 expenses according to the authority's 1988 Annual Report:

Maintenance of roadway, buildings, and equipment	\$26.2 million
Toll collection	23.7
Policies and traffic control	11.7
Administration	20.7
Garden State Arts Center	6.5
Debt service	34.0
Payment to Transportation Trust Fund	<u>10.0</u>
Total	\$132.8 million

However, these expenses do not include the redemption of \$75 million in short term indebtedness incurred by the authority in June 1988. If this short term debt is converted to long term debt in

1989 as expected, annual debt service could increase by \$6.0 million to a total of some \$40.0 million in debt expenses by 1990. Nevertheless, OLS anticipates that the authority is likely to issue at least \$200 million in new bonds by December 1989 in order to convert the \$75 million in short term debt and to obtain the additional funds needed to undertake the authority's revised \$256 million capital program. This higher level of bond issuance would raise debt service costs by about \$20 million to a total debt expense of \$54 million.

Assuming \$200 million in new authority bond issuance and a nominal 5% inflationary increase in operating costs, authority expenses could reach \$165 million in 1990. Discounting about \$7.0 million in Garden State Arts Center expenses (the center would be leased under provisions of the bill), revenues of about \$158 million appear to be necessary to meet 1990 authority expenses. At present, this level of revenue would be provided essentially from tolls, service areas and investment income.

As to the cost to the State if Assembly Bill No. 4171 were enacted, such costs could vary greatly. If the intent of this bill is to abolish the authority as an autonomous entity but to retain tolls to meet operation, debt service and contractual expenses, then there should be no additional cost to the State.

If the intent is also to abolish the toll barriers entirely and as quickly as possible, then a revenue source that could provide about \$140 million would have to be identified to supplant lost toll revenue. (The authority expects that service areas, investment income, etc. would generate about \$18 million in revenues annually.) While cost savings might be expected by the elimination of toll booths and reorganization of the authority within DOT, such savings may only be nominal because the bill would transfer all authority employees to DOT. Since the major expense in toll collection and administration, according to authority reports, is attributable to salaries and benefits, retention of all authority expenses would likely preclude significant savings.

Therefore, OLS estimates that there should be no apparent cost to the State if the New Jersey Highway Authority were abolished but tolls retained. However, elimination of tolls would require the State to identify a revenue substitute that could provide \$140 million. OLS would note that it cannot determine if debt service payments would be eliminated in the future once all outstanding and anticipated

authority bonds are redeemed. Future parkway construction, maintenance, or safety needs may require periodic bond authorizations to financially support these needs.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY, No. 4385

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1989

By Assemblyman SCHUBER

1 AN ACT concerning the State toll road authorities and the New
Jersey Transportation Trust Fund Authority, amending various
3 parts of the statutory law, supplementing Title 27 of the
Revised Statutes and amending the title of P.L.1984, c.73.

5

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

1. The title of P.L.1984, c.73 is amended to read as follows:

9 AN ACT concerning financing for the State's transportation
system, creating the New Jersey Transportation, Toll Road and
11 Trust Fund Authority and defining its functions, duties and
powers, including the authorization to issue bonds, notes and
13 other obligations and to establish three subsidiary
administrations, creating the Transportation Trust Fund
15 Account within the General Fund, providing for the credit to
the Transportation Trust Fund Account of \$88 million and
17 amounts equivalent to increases authorized in motor vehicle
registration fees and other fees and in the tax on diesel fuel,
19 providing for payment of funds of the New Jersey
Transportation, Toll Road and Trust Fund Authority to the
21 Special Transportation Fund, and amending "The New Jersey
Highway Authority Act," approved April 14, 1952 (P.L.1952,
23 c.16), the "New Jersey Expressway Authority Act," approved
February 19, 1962 (P.L.1962, c.10), and the "New Jersey
25 Turnpike Authority Act of 1948," approved October 27, 1948
(P.L.1948, c.454) to provide authority for contractual payments
27 by these toll road authorities or successor subsidiary
administrations to the State or the New Jersey Transportation,
29 Toll Road and Trust Fund Authority, amending various other
parts of the statutory law and supplementing Title 27 of the
31 Revised Statutes.

(cf: P.L.1984, c.73, Title)

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 underlined thus is new matter.

1 2. Section 1 of P.L.1984, c.73 (C.27:1B-1) is amended to read
as follows:

3 1. "This act shall be known and may be cited as the "New
Jersey Transportation, Toll Road and Trust Fund Authority Act
5 [of 1984]."

(cf: P.L.1984, c.73, s.1)

7 3. Section 2 of P.L.1984, c.73 (C.27:1B-2) is amended to read
as follows:

9 2. The Legislature finds and declares that:

a. A sound, balanced transportation system is vital to the
11 future of the State and is a key factor in its continued economic
development.

13 b. The transportation infrastructure of the State is among the
most heavily used in the nation and has deteriorated alarmingly in
15 recent years, with parts of the highway system reaching the end
of their useful lives. This deterioration has been caused, in part,
17 because New Jersey, unlike most states and the federal
government, has not provided a stable source of transportation
19 funding.

c. There exists an urgent need for a stable and assured method
21 of financing the planning, acquisition, engineering, construction,
reconstruction, repair and rehabilitation of the State's
23 transportation system, including the financing of the State's
share under federal aid highway laws of the cost of planning,
25 acquisition, engineering, construction, reconstruction, repair,
resurfacing, and rehabilitation of public highways and of the
27 State's share of the planning, acquisition, engineering,
construction, reconstruction, repair and rehabilitation of public
29 transportation projects and other transportation projects in the
State, that will enable the State to construct and maintain the
31 safe, balanced, sound and efficient transportation system
necessary for the well-being of the State's citizens.

33 d. Unless additional State funding is provided immediately for
the State's transportation system, the cost of repair and
35 reconstruction will increase geometrically and the economic
well-being and safety of users of the State's transportation
37 system will be endangered.

e. Transportation facilities under the jurisdiction of counties
39 and municipalities form an integral and vital part of the State's

1 transportation system. Without State aid, counties and
2 municipalities will be unable to meet the cost of maintaining,
3 rehabilitating and improving these facilities.

4 f. The State's commitment to the payment for and financing
5 of the State transportation system in a stable fashion, thus
6 ensuring a predictable and continuing public investment in
7 transportation and allowing the State to take full advantage of
8 funds provided by the federal government, is a public use and
9 public purpose for which public money may be expended and tax
10 exemptions granted. The powers and duties of the New Jersey
11 Transportation Trust Fund Authority and the other measures
12 hereinafter described are necessary and proper for the purpose of
13 achieving the ends herein recited.

14 g. In order to assure a unified transportation system in the
15 State, it is in the public interest for the State's toll road
16 authorities to be organized into separate subsidiary
17 administrations under one successor transportation authority to
18 be known as the New Jersey Transportation, Toll Road and Trust
19 Fund Authority which subsidiary administrations shall maintain,
20 operate and finance toll road projects, shall succeed to all the
21 requirements of the bond covenants and resolutions of the
22 predecessor authorities and shall maintain the various reserves
23 and other funds of each predecessor authority as they are
24 currently maintained.

25 h. Through the creation of such a successor authority, it is the
26 intent of the Legislature to insure greater supervision and control
27 of the finances and operations of the State's toll road
28 authorities, to achieve more effective coordination of the various
29 programs, policies and projects of the toll road authorities and to
30 insure that the toll road authorities shall operate in a manner
31 consistent with the public trust without interfering with the
32 existing obligations to holders of bonds or notes.

33 (cf: P.L.1984, c.73, s.2)

34 4. Section 3 of P.L.1984, c.73 (C.27:1B-3) is amended to read
35 as follows:

36 3. The following words or terms as used in this act shall have
37 the following meaning unless a different meaning clearly appears
38 from the context:

39 a. "Act" means this New Jersey Transportation, Toll Road and

- 1 Trust Fund Authority Act [of 1984].
- 2 b. "Authority" means the New Jersey Transportation, Toll
3 Road and Trust Fund Authority created by section 4 of this act.
- 4 c. "Bonds" means bonds issued by the authority for its own
5 benefit pursuant to the act.
- 6 d. "Commissioner" means the Commissioner of Transportation.
- 7 e. "Department" means the Department of Transportation.
- 8 f. "Federal aid highway" means any highway within the State
9 in connection with which the State receives payment or
10 reimbursement from the federal government under the terms of
11 Title 23, United States Code or any amendment, successor, or
12 replacement thereof, for the purposes contained in the act.
- 13 g. "Federal government" means the United States of America,
14 and any officer, department, board, commission, bureau, division,
15 corporation, agency or instrumentality thereof.
- 16 h. "New Jersey Expressway Authority" means the public
17 corporation created by section 4 of chapter 10 of the Laws of
18 New Jersey of 1962 as amended or its successor.
- 19 i. "New Jersey Highway Authority" means the public
20 corporation created by section 4 of chapter 16 of the Laws of
21 New Jersey of 1952 as amended or its successor.
- 22 j. "New Jersey Turnpike Authority" means the public
23 corporation created by section 4 of chapter 454 of the Laws of
24 New Jersey of 1948 as amended or its successor.
- 25 k. "Notes" means the notes issued by the authority for its own
26 benefit pursuant to the act.
- 27 l. "Public highways" means public roads, streets, expressways,
28 freeways, parkways, motorways and boulevards, including bridges,
29 tunnels, overpasses, underpasses, interchanges, rest areas,
30 express bus roadways, bus pullouts and turnarounds, park-ride
31 facilities, traffic circles, grade separations, traffic control
32 devices, the elimination or improvement of crossings of railroads
33 and highways, whether at grade or not at grade, and any
34 facilities, equipment, property, rights of way, easements and
35 interests therein needed for the construction, improvement and
36 maintenance of highways.
- 37 m. "Public transportation project" means, in connection with
38 public transportation service, passenger stations, shelters and
39 terminals, automobile parking facilities, ramps, track

1 connections, signal systems, power systems, information and
communication systems, roadbeds, transit lanes or rights of way,
3 equipment storage and servicing facilities, bridges, grade
crossings, rail cars, locomotives, motorbuses and other motor
5 vehicles, maintenance and garage facilities, revenue handling
equipment and any other equipment, facility or property useful
7 for or related to the provision of public transportation service.

n. "State agency" means any officers, department, board,
9 commission, bureau, division, agency or instrumentality of the
State.

11 o. "Toll road authorities" means and includes the New Jersey
Turnpike Authority, the New Jersey Highway Authority and the
13 New Jersey Expressway Authority.

p. "Transportation project" means, in addition to public
15 highways, toll road projects, and public transportation projects,
any equipment, facility or property useful or related to the
17 provision of any ground, waterborne or air transportation for the
movement of people and goods.

19 q. "Transportation system" means public highways, public
transportation projects, other transportation projects, and all
21 other methods of transportation for the movement of people and
goods.

23 r. "Predecessor authorities" means and includes the toll road
authorities.

25 s. "South Jersey" means the area encompassing the counties of
Atlantic, Burlington, Camden, Cape May, Cumberland,
27 Gloucester, Ocean and Salem.

t. "Successor authority" means the New Jersey
29 Transportation, Toll Road and Trust Fund Authority.

u. "Subsidiary administrations" means and includes the
31 Turnpike Administration, Parkway Administration and
Expressway Administration created by P.L. , c. (C.)(now
33 pending before the Legislature as this bill).

v. "Toll road projects" means and includes any project
35 authorized pursuant to P.L.1948, c.454, P.L.1952, c.16, or
P.L.1962, c.10, whether operated by the predecessor authorities
37 or the successor authority.

w. "Toll roads" means and includes the New Jersey Turnpike,
39 the Garden State Parkway and the Atlantic City Expressway.

1 x. "Toll road revenues" means and includes all tolls, receipts
2 and other revenues of the predecessor authorities or subsidiary
3 administrations whether derived from toll road operations or toll
4 road projects.

5 (cf: P.L.1984. c.73. s.3)

6 5. Section 4 of P.L.1984. c.73 (C.27:1B-4) is amended to read
7 as follows:

8 4. a. There is hereby established in the department a public
9 body corporate and politic, with corporate succession, to be
10 known as the "New Jersey Transportation, Toll Road and Trust
11 Fund Authority." For the purpose of complying with the
12 provisions of Article V, Section IV, paragraph 1 of the New
13 Jersey Constitution, the authority is hereby allocated within the
14 Department of Transportation, but notwithstanding said
15 allocation, the authority shall be independent of any supervision
16 or control by the department or by any board or officer thereof.
17 The authority is hereby constituted as an instrumentality of the
18 State, exercising public and essential governmental functions, no
19 part of whose revenues shall accrue to the benefit of any
20 individual, and the exercise by the authority of the powers
21 conferred by the act shall be deemed and held to be an essential
22 governmental function of the State.

23 b. The authority shall consist of five members as follows: the
24 commissioner and the State Treasurer, who shall be members ex
25 officio, and three public members, one of whom shall be
26 appointed by the Governor, with the advice and consent of the
27 Senate, and the two remaining to be appointed by the Governor,
28 one of whom upon recommendation of the President of the Senate
29 and the other upon recommendation of the Speaker of the
30 General Assembly. The public member appointed by the
31 Governor with the advice and consent of the Senate shall be a
32 resident of South Jersey. No more than three members of the
33 authority shall be of the same political party. The public
34 members appointed by the Governor shall serve a four year term,
35 except that the public member appointed by the Governor upon
36 recommendation of the President of the Senate shall serve for a
37 four year term and the public member appointed upon
38 recommendation of the Speaker of the General Assembly shall
39 serve for a two year term.

1 With respect to those public members first appointed by the
Governor: the Senate shall advise and consent to the
3 appointment of the member not appointed upon recommendation
of the President and the Speaker within 30 days of the receipt
5 thereof from the Governor, such appointment having been sent by
the Governor to the Senate within 20 days following the effective
7 date of this act; the President of the Senate and the Speaker of
the General Assembly shall send their recommendations for
9 public members to the Governor within 20 days following the
effective date of this act. The Governor has an additional 10
11 days to accept or reject in writing these recommendations.

Each public member shall hold office for the term of the
13 member's appointment and until the member's successor shall
have been appointed and qualified. A member shall be eligible
15 for reappointment. Any vacancy in the membership occurring
other than by expiration of term shall be filled in the same
17 manner as the original appointment but for the unexpired term
only.

19 Each public member of the authority appointed pursuant to
P.L.1984, c.73 (C.27:1B-1 et seq.) shall hold office for the term
21 of the member's appointment and shall serve as a member of the
New Jersey Transportation, Toll Road and Trust Fund Authority
23 until the member's successor shall have been appointed and
qualified. Any vacancy in the membership occurring other than
25 by expiration of term shall be filled in the same manner as the
original appointment but for the unexpired term only.

27 c. Each public member, except those appointed upon
recommendation of the President of the Senate and the Speaker
29 of the General Assembly, may be removed from office by the
Governor, for cause, after public hearing, and may be suspended
31 by the Governor pending the completion of such hearing. All
members before entering upon their duties shall take and
33 subscribe an oath to perform the duties of their office faithfully,
impartially and justly to the best of their ability. A record of
35 such oaths shall be filed in the Office of the Secretary of State.

d. The authority shall not be deemed to be constituted and
37 shall not take action or adopt motions or resolutions until at least
three authorized members shall have been appointed and qualified
39 in the manner provided in this section. The commissioner shall

1 serve as chairperson of the authority. Prior to the authority
being constituted, the chairperson is authorized to transfer up to
3 \$75 million to the department from the appropriations made to
the authority for the fiscal year commencing July 1, 1984. The
5 members shall annually elect one of their members as vice
chairperson. The members shall elect a secretary and a
7 treasurer, who need not be members, and the same person may be
elected to serve both as secretary and treasurer. The powers of
9 the authority shall be vested in the members thereof in office
from time to time and three members of the authority shall
11 constitute a quorum at any meeting thereof. Action may be
taken and motions and resolutions adopted by the authority at any
13 meeting thereof by the affirmative vote of at least three
members of the authority. No vacancy in the membership of the
15 authority shall impair the right of a quorum of the members to
exercise all the powers and perform all the duties of the
17 authority, except that the authority shall not have the power to
issue its initial offering of bonds, notes or other obligations unless
19 all five members of the authority shall have been appointed and
qualified.

21 e. The members of the authority shall serve without
compensation, but the authority shall reimburse its members for
23 actual expenses necessarily incurred in the discharge of their
duties. Notwithstanding the provisions of any other law, no
25 member shall be deemed to have forfeited nor shall the member
forfeit the member's office or employment or any benefits or
27 emoluments thereof by reason of the member's acceptance of
the office of ex officio member of the authority or the member's
29 services therein.

f. Each ex officio member may designate an employee of the
31 member's department or agency to represent the member at
meetings of the authority. All designees may lawfully vote and
33 otherwise act on behalf of the member for whom they constitute
the designee. The designation shall be in writing delivered to the
35 authority and shall continue in effect until revoked or amended in
writing delivered to the authority.

37 g. A true copy of the minutes of every meeting of the
authority shall be forthwith delivered by and under the
39 certification of the secretary thereof to the Governor. [No]

1 Except as otherwise provided by P.L. , c. (C.)(now
2 pending before the Legislature as this bill), no action taken at the
3 meeting by the authority shall have force or effect until 15 days
4 after such copy of the minutes shall have been so delivered.
5 unless during this 15-day period the Governor shall approve in
6 writing the same or any part thereof, in which case the action
7 shall become effective upon approval. If, in said 15-day period,
8 the Governor returns a copy of the minutes with his veto of any
9 action taken by the authority or any member thereof at the
10 meeting, the action shall be null and void and of no effect.
11 Notwithstanding the foregoing, if the last day of the 15-day
12 period shall be a Saturday, Sunday or legal holiday, then the
13 15-day period shall be deemed extended to the next following
14 business day. The powers conferred in this paragraph upon the
15 Governor shall be exercised with due regard for the rights of the
16 holders of bonds, notes or other obligations of the authority at
17 any time outstanding, and nothing in, or done pursuant to, this
18 paragraph shall in any way limit, restrict or alter the covenants
19 contained in the bond indentures of the authority or predecessor
20 authorities, nor any collective bargaining agreement or binding
21 arbitration decision reached by the authority or any predecessor
22 authorities or the obligation or powers of the authority or any
23 representative or officer of the authority to carry out and
24 perform in every detail each and every covenant, agreement or
25 contract at any time made or entered into by or on behalf of the
26 authority or predecessor authorities with respect to its bonds,
27 notes or other obligations or with respect to any bonds, notes, or
28 other obligations to which it is the successor or for the benefit,
29 protection or security of the holders thereof.

30 The minutes of every meeting of the authority shall be
31 transcribed into printed form and made available to the members
32 of the authority for their review. Each member shall complete
33 his review of the printed minutes within 20 days following the
34 date of receipt of the minutes after which each member shall
35 submit the copy of the minutes to the authority together with a
36 signed certification stating that the member has reviewed the
37 minutes of the meeting. Upon receipt of the signed certifications
38 of all the members present at a meeting, the authority shall
39 cause the minutes and any comments submitted by the members

1 to be printed, bound and made available for distribution to the
2 general public.

3 The authority shall insure that a representative of the Office
4 of the Attorney General in the Department of Law and Public
5 Safety is present at each meeting of the authority to advise and
6 assist the members in the interpretation and application of the
7 provisions of the "Open Public Meetings Act," P.L.1975, c.231
8 (C.10:4-6 et seq.) as it relates to public authorities.

9 h. The authority shall continue in existence until dissolved by
10 act of the Legislature, except that it shall not continue in
11 existence beyond 22 years unless the Legislature shall by law
12 prescribe otherwise. However, any dissolution of this authority,
13 by act of the Legislature or otherwise, shall be on condition that
14 the authority has no debts, contractual duties or obligations
15 outstanding, or that provision has been made for the payment,
16 discharge or retirement of these debts, contractual duties or
17 obligations. Upon any dissolution of the authority, all property,
18 rights, funds and assets thereof shall pass to and become vested
19 in the State. Upon any dissolution of the authority, any
20 subsidiary administrations thereof shall continue in existence
21 until dissolved by act of the Legislature in accordance with
22 section 26 of P. L. , c. (C.)(now pending before the
23 Legislature as this bill).

(cf: P.L.1987, c.460, s.1)

25 6. Section 5 of P.L.1984, c.73 (C.27:1B-5) is amended to read
26 as follows:

27 5. It shall be the sole purpose of the authority created under
28 this act to provide the payment for and financing of all, or a
29 portion of, the costs incurred by the department for the planning,
30 acquisition, engineering, construction, reconstruction, repair and
31 rehabilitation of the State's transportation system, including,
32 without limitation, the State's share (including State advances
33 with respect to any federal share) under federal aid highway laws
34 of the costs of planning, acquisition, engineering, construction,
35 reconstruction, repair, resurfacing and rehabilitation of public
36 highways, the State's share (including State advances with
37 respect to any federal share) of the costs of planning, acquisition,
38 engineering, construction, reconstruction, repair and
39 rehabilitation of public transportation projects and other

1 transportation projects in the State. [and] State aid to counties
and municipalities for transportation projects. and payment of
3 any bonds, notes or other obligations to which it is a successor.
all in furtherance of the public policy declared in section 2 of the
5 act, in the manner provided for in the act.

(cf: P.L.1984, c.73, s.5)

7 7. Section 6 of P.L.1984, c.73 (C.27:1B-6) is amended to read
as follows:

9 6. In addition to all other powers granted to the authority in
the act, the authority shall have power:

11 a. To sue and be sued:

b. To have an official seal and alter the same at its pleasure:

13 c. To make and alter bylaws for its organization and internal
management and rules and regulations for the conduct of its
15 affairs and business;

d. To maintain an office at a place or places within the State
17 as it may determine;

e. To acquire, hold, use and dispose of its income, revenues,
19 funds and moneys;

f. To acquire, own, lease as lessee or lessor, hold, use, sell,
21 transfer, and dispose of real or personal property for its purposes;

g. To borrow money and to issue its bonds, notes or other
23 obligations for its own benefit and to secure the same by its
revenues or other funds, excluding tolls, receipts and other
25 revenues of the predecessor authorities or subsidiary
administrations of the authority whether derived from the
27 operation of toll roads or toll road projects, and otherwise to
provide for and secure the payment thereof and to provide for the
29 rights of the holders thereof and to provide for the refunding
thereof, all as provided in the act;

h. To issue subordinated indebtedness and to enter into bank
31 loan agreements, lines of credit, letters of credit and other
33 security agreements as provided for in the act;

i. In its own name or in the name of the State, to apply for and
35 receive and accept appropriations or grants of property, money,
services or reimbursements for money previously spent and other
37 assistance offered or made available to it by or from any person,
government, agency, public authority or any public and private
39 entity whatever for any lawful corporate purpose of the

1 authority, including, without limitation, grants, appropriations or
2 reimbursements from the State or federal government with
3 respect to their respective shares under federal aid highway laws
4 of the costs of planning, acquisition, engineering, construction,
5 reconstruction, repair, resurfacing and rehabilitation of public
6 highways or the costs of planning, acquisition, engineering,
7 construction, reconstruction, repair and rehabilitation of public
8 transportation projects and other transportation projects, in the
9 State and the authority's operating expenses and to apply and
10 negotiate for the same upon such terms and conditions as may be
11 required by any person, government, agency, authority or entity
12 or as the authority may determine to be necessary, convenient or
13 desirable;

14 j. Subject to any agreement with the holders of bonds, notes or
15 other obligations, to invest moneys of the authority not required
16 for immediate use, including proceeds from the sale of any bonds,
17 notes or other obligations, in obligations, securities and other
18 investments as the authority shall deem prudent;

19 k. Subject to any agreements with holders of bonds, notes or
20 other obligations, to purchase bonds, notes or other obligations of
21 the authority out of any funds or moneys of the authority
22 available therefor, and to hold, cancel or resell the bonds, notes
23 or other obligations;

24 l. For its sole purpose as established in section 5 of this act
25 and for the purposes of the subsidiary administrations as
26 established in P.L. , c. (C.)(now pending before the
27 Legislature as this bill), to appoint and employ [an] one executive
28 director for the authority and the subsidiary administrations of
29 the authority, or to appoint and employ one executive director
30 for the authority and one or more executive directors for the
31 subsidiary administrations of the authority, and such additional
32 officers, who need not be members of the authority and such
33 other personnel and staff as it may require[, at an annual expense
34 not to exceed \$100,000.00], and to determine their qualifications,
35 terms of office, duties and compensation all without regard to
36 the provisions of Title [11] 11A, Civil Service, of the [Revised
37 Statutes] New Jersey Statutes except that officers and employees
38 appointed or hired by the authority after January 1, 1989 and who
39 are not subject to the "New Jersey Employer-Employee Relations

1 Act." P.L.1941, c.100 (C.34:13A-1 et seq.) shall receive sick and
2 vacation leave only as provided for State employees in Title 11A
3 of the New Jersey Statutes and if supplemental compensation
4 upon retirement is to be paid to those officers and employees, it
5 shall be calculated and limited as in N.J.S.11A:6-19:

6 m. To do and perform any acts and things authorized by the
7 act under, through, or by means of its officers, agents or
8 employees or by contract with any person, firm or corporation or
9 any public body;

10 n. To procure insurance against any losses in connection with
11 its property, operations, assets or obligations in amounts and
12 from insurers as it deems desirable;

13 o. To make and enter into any and all contracts and
14 agreements which the authority determines are necessary,
15 incidental, convenient or desirable to the performance of its
16 duties and the execution of its powers under the act; [and]

17 p. To establish subsidiary administrations as provided by
18 section 25 of P.L. , c. (C.)(now pending before the
19 Legislature as this bill) to succeed to the functions, powers and
20 duties of, any and all predecessor authorities, including but not
21 limited to, the operation of the toll roads and toll road projects
22 of the predecessor authorities and the assumption of the revenues
23 and the debts of those predecessor authorities; and

24 q. To do any and all things necessary, convenient or desirable
25 to carry out its purposes and exercise the powers given and
26 granted in the act.

27 (cf: P.L.1984, c.73, s.6)

28 8. Section 8 of P.L.1984, c.73 (C.27:1B-8) is amended to read
29 as follows:

30 8. The authority shall have the power to enter into contracts
31 (or take an assignment of the rights and interests in contracts
32 entered into by the treasurer or commissioner) with each toll
33 road authority, subsidiary administration or other State agency to
34 provide for payments to it by each toll road authority, subsidiary
35 administration or other State agency from available revenues of
36 the amount or amounts that may be set forth in, or determined in
37 accordance with, the contract; provided however, that no such
38 contract shall contain specific provisions which direct such toll
39 road authority, subsidiary administration or other State agency to

1 increase tolls. Subject as aforesaid, each contract, or
2 assignment, may contain conditions and covenants as shall be
3 agreed to by the authority and by the affected toll road
4 authority, subsidiary administration or other State agency and, in
5 the case of an assignment, as agreed to by the treasurer or
6 commissioner, including but not limited to conditions and
7 covenants necessary and desirable to facilitate the issuance and
8 sale of bonds, notes and other obligations of the authority. [The]
9 Except as provided by this section, the authority may receive and
10 use (and contract for the use of) the amounts paid to it pursuant
11 to the contracts for any one or more of its corporate purposes or
12 powers.

13 Upon the subsidiary administrations of the authority being the
14 successors to all rights, obligations, contracts, debts and
15 properties of the predecessor authorities, the contracts entered
16 into between the predecessor authorities and the State or the
17 Department of Transportation or the New Jersey Transportation
18 Trust Fund Authority pursuant to subsection (s) of section 5 of
19 P.L.1952, c.16 (C.27:12B-5), subsection (p) of section 11 of
20 P.L.1962, c.10 (C.27:12C-11), and subsection b. of section 1 of
21 P.L.1966, c.8 (C.27:23-5.8) providing for payment from the
22 revenues of the predecessor authorities to the State or to the
23 New Jersey Transportation Trust Fund Authority shall be entered
24 into between the subsidiary administrations as successors to the
25 predecessor authorities and the State or the Department of
26 Transportation or the New Jersey Transportation, Toll Road and
27 Trust Fund Authority, as the case may be, and all payments
28 required under the contracts previously entered into, shall be
29 made from the revenues of the subsidiary administrations to the
30 State or the Department of Transportation or the authority which
31 may receive and use such payments for any one or more of its
32 corporate purposes or powers, except for toll road purposes or
33 toll road projects, and such monies shall be kept in a special fund
34 separate and apart from the other revenues and monies of the
35 authority and separate and apart from the revenues and monies of
36 the subsidiary administrations of the authority.

37 (cf: P.L.1984, c.73, s.8)

38 9. Section 9 of P.L.1984, c.73 (C.27:1B-9) is amended to read
39 as follows:

1 9. a. [The] Except as may be otherwise expressly provided in
3 this section, the authority shall have the power and is hereby
5 authorized after November 15, 1984 and from time to time
7 thereafter to issue its bonds, notes or other obligations in
9 principal amounts as in the opinion of the authority shall be
11 necessary to provide for any of its corporate purposes, including
13 the payment, funding or refunding of the principal of, or interest
15 or redemption premiums on, any bonds, notes or other obligations
17 issued by it, whether the bonds, notes, obligations or interest to
19 be funded or refunded have or have not become due; and to
21 provide for the security thereof and for the establishment or
23 increase of reserves to secure or to pay the bonds, notes or other
25 obligations or interest thereon and all other reserves and all costs
27 or expenses of the authority incident to and necessary or
29 convenient to carry out its corporate purposes and powers; and in
31 addition to its bonds, notes and other obligations, the authority
33 shall have the power to issue subordinated indebtedness, which
35 shall be subordinate in lien to the lien of any or all of its bonds or
37 notes. No resolution or other action of the authority providing
39 for the issuance of bonds, refunding bonds or other obligations
 shall be adopted or otherwise made effective by the authority
 without the prior approval in writing of the Governor and either
 the State Treasurer or the Director of the Division of Budget and
 Accounting in the Department of the Treasury.

25 b. Except as may be otherwise expressly provided in the act or
27 by the authority, every issue of bonds or notes shall be general
29 obligations payable out of any revenues or funds of the authority,
31 other than tolls, receipts, or other revenues of the predecessor
33 authorities or subsidiary administrations whether derived from
35 toll road operations or toll road projects, subject only to any
37 agreements with the holders of particular bonds or notes pledging
39 any particular revenues or funds. The authority may provide the
 security and payment provisions for its bonds or notes as it may
 determine, including (without limiting the generality of the
 foregoing) bonds or notes as to which the principal and interest
 are payable from and secured by all or any portion of the
 revenues of and payments to the authority, and other moneys or
 funds as the authority shall determine. In addition, the authority
 may, in anticipation of the issuance of the bonds or the receipt of

1 appropriations, grants, reimbursements or other funds, including
2 without limitation grants from the federal government for
3 federal aid highways or public transportation systems, issue
4 notes, the principal of or interest on which, or both, shall be
5 payable out of the proceeds of notes, bonds or other obligations
6 of the authority or appropriations, grants, reimbursements or
7 other funds or revenues of the authority. The authority may also
8 enter into bank loan agreements, lines of credit and other
9 security agreements and obtain for or on its behalf letters of
10 credit in each case for the purpose of securing its bonds, notes or
11 other obligations or to provide direct payment of any costs which
12 the authority is authorized to pay by this act and to secure
13 repayment of any borrowings under the loan agreement, line of
14 credit, letter of credit or other security agreement by its bonds,
15 notes or other obligations or the proceeds thereof or by any or all
16 of the revenues of and payments to the authority or by any
17 appropriation, grant or reimbursement to be received by the
18 authority and other moneys or funds as the authority shall
19 determine.

20 c. Whether or not the bonds and notes are of the form and
21 character as to be negotiable instruments under the terms of
22 Title 12A, Commercial Transactions, New Jersey Statutes, the
23 bonds and notes are hereby made negotiable instruments within
24 the meaning of and for all the purposes of said Title 12A.

25 d. Bonds or notes of the authority shall be authorized by a
26 resolution or resolutions of the authority and may be issued in one
27 or more series and shall bear the date, or dates, mature at the
28 time or times, bear interest at the rate or rates of interest per
29 annum, be in the denomination or denominations, be in the form,
30 carry the conversion or registration privileges, have the rank or
31 priority, be executed in the manner, be payable from the sources,
32 in the medium of payment, at the place or places within or
33 without the State, and be subject to the terms of redemption
34 (with or without premium) as the resolution or resolutions may
35 provide. Bonds or notes may be further secured by a trust
36 indenture between the authority and a corporate trustee within or
37 without the State. All other obligations of the authority shall be
38 authorized by resolution containing terms and conditions as the
39 authority shall determine. Bonds, notes or other obligations of

1 the subsidiary administrations shall be authorized by a resolution
2 or resolutions of the subsidiary administrations containing terms
3 and conditions as the subsidiary administrations shall determine.

4 e. Bonds, notes or other obligations of the authority may be
5 sold at public or private sale at a price or prices and in a manner
6 as the authority shall determine. Every bond issued on or before
7 the effective date of this 1987 amendatory and supplementary
8 act shall mature and be paid not later than 17 years from the
9 date thereof, except that no bond, note or other obligation shall
10 mature and be paid later than 22 years from the effective date of
11 P.L.1984, c.73 (C.27:1B-1 et seq.), nor shall any refunding of such
12 obligations mature or be paid later than that date. Every bond
13 issued after the effective date of this 1987 amendatory and
14 supplementary act shall mature and be paid not later than 11
15 years from the date thereof, except that no bond, note or other
16 obligation shall mature and be paid later than 22 years from the
17 effective date of P.L.1984, c.73 (C.27:1B-1 et seq.).

18 Notes, the initial series of bonds and bonds issued for refunding
19 purposes of the authority may be sold at public or private sale at
20 a price or prices and in a manner as the authority shall determine.

21 Except as noted above, all bonds of the authority shall be sold
22 at such price or prices and in such manner as the authority shall
23 determine, after notice of sale, published at least three times in
24 at least three newspapers published in the State of New Jersey,
25 and at least once in a publication carrying municipal bond notices
26 and devoted primarily to financial news, published in New Jersey
27 or the City of New York, the first notice to be at least five days
28 prior to the day of bidding. The notice of sale may contain a
29 provision to the effect that any or all bids made in pursuance
30 thereof may be rejected. In the event of such rejection or of
31 failure to receive any acceptable bid, the authority, at any time
32 within 60 days from the date of such advertised sale, may sell
33 such bonds at private sale upon terms not less favorable to the
34 State than the terms offered by any rejected bid. The authority
35 may sell all or part of the bonds of any series as issued to any
36 State fund or to the federal government or any agency thereof, at
37 private sale, without advertisement.

38 Bonds, notes or other obligations issued by the subsidiary
39 administrations of the authority may be sold at public or private

1 sale at a price or prices and in a manner as the subsidiary
2 administrations may determine.

3 f. Bonds or notes may be issued and other obligations incurred
4 under the provisions of the act without obtaining the consent of
5 any department, division, commission, board, bureau or agency of
6 the State, other than the approval as required by subsection a. of
7 this section, and without any other proceedings or the happening
8 of any other conditions or other things than those proceedings,
9 conditions or things which are specifically required by the act.

10 g. Bonds, notes and other obligations of the authority issued or
11 incurred under the provisions of the act shall not be in any way a
12 debt or liability of the State or of any political subdivision
13 thereof other than the authority and shall not create or
14 constitute any indebtedness, liability or obligation of the State or
15 of any political subdivision or be or constitute a pledge of the
16 faith and credit of the State or of any political subdivision but all
17 bonds, notes and obligations, unless funded or refunded by bonds,
18 notes or other obligations of the authority, shall be payable solely
19 from revenues or funds pledged or available for their payment as
20 authorized in the act. Each bond, note or other obligation shall
21 contain on its face a statement to the effect that the authority is
22 obligated to pay the principal thereof or the interest thereon only
23 from revenues or funds of the authority and that neither the
24 State nor any political subdivision thereof is obligated to pay the
25 principal or interest and that neither the faith and credit nor the
26 taxing power of the State or any political subdivision thereof is
27 pledged to the payment of the principal of or the interest on the
28 bonds, notes or other obligations. For the purposes of this
29 subsection, political subdivision does not include the authority.

30 h. All expenses incurred in carrying out the provisions of the
31 act shall be payable solely from the revenues or funds provided or
32 to be provided under or pursuant to the provisions of the act and
33 nothing in the act shall be construed to authorize the authority to
34 incur any indebtedness or liability on behalf of or payable by the
35 State or any political subdivision thereof.

36 i. The aggregate principal amount of bonds, notes or other
37 obligations, including subordinated indebtedness of the authority,
38 may not exceed \$1,700,000,000.00. Any principal amount retired
39 in any manner before and after the effective date of this 1987

1 amendatory and supplementary act shall not be applied to any
unissued aggregate principal amount remaining under the
3 limitations and reductions provided for in this subsection. If in
any fiscal year appropriations by the Legislature to the authority,
5 and amounts received in accordance with contracts entered into
with the toll road authorities, if those amounts are not included
7 in legislative appropriations, shall be in excess of \$143,000,000.00
in any fiscal year through the fiscal year beginning on July 1,
9 1986 or \$201,000,000.00 for the fiscal year beginning on July 1,
1987 or \$331,000,000.00 in any fiscal year thereafter, the
11 aggregate principal amount of \$1,700,000,000.00 shall be reduced
by an amount equal to the excess. In computing the foregoing
13 limitations there shall be excluded all the bonds, notes or other
obligations, including subordinated indebtedness of the authority,
15 which shall be issued for refunding purposes, provided that the
refunding shall be determined by the authority to result in a debt
17 service savings.

The authority shall minimize debt incurrence by first relying on
19 appropriations and other revenues available to the authority
before incurring debt to meet its statutory purposes.

21 The authority shall not incur debt at any time in any fiscal year
in excess of the difference between the amount of appropriations
23 and other revenues to the authority theretofore made in that
fiscal year and the amount which the Department of
25 Transportation is permitted to commit for transportation projects
under the act in that fiscal year as indicated in the budget, plus
27 reasonably necessary expenses, required debt reserve funds, debt
service and outstanding financial obligations from prior fiscal
29 years of the authority.

Debt which would have been incurred pursuant to this section,
31 which is not incurred in any fiscal year, may be issued in
subsequent years.

33 j. The provisions of this section do not apply to bonds, notes or
other obligations issued by the subsidiary administrations of the
35 authority or bonds, notes or other obligations transferred to or
assumed by the subsidiary administrations of the authority.

37 (cf: P.L.1987, c.460, s.2)

39 10. Section 10 of P.L.1984, c.73 (C.27:1B-10) is amended to
read as follows:

1 10. In any resolution of the authority authorizing or relating to
3 the issuance of any bonds, notes or other obligations or in any
indenture securing the bonds, notes or other obligations, the
5 authority, in order to secure the payment of the bonds, notes or
other obligations and in addition to its other powers, shall have
7 the power by provisions therein, which shall constitute covenants
by the authority and contracts with the holders of the bonds,
notes or other obligations:

9 a. To pledge all or any part of its revenues or receipts to
which its right then exists or may thereafter come into existence
11 and other moneys or funds as the authority shall determine and
the moneys derived therefrom, excluding any tolls, receipts and
13 other revenues of the subsidiary administrations of the authority
whether derived from toll road operations or toll road projects,
15 and the proceeds of any bonds, notes or other obligations;

17 b. To pledge any agreement, including, without limitation, the
contract or contracts referred to in section 23 of the act,
contracts with the toll road authorities or other State agencies,
19 and any grant, contract, or agreement with the federal
government or the revenues or payments thereunder and the
21 proceeds thereof;

23 c. To covenant against pledging all or any part of its revenues
or receipts or its agreements and the revenues derived thereunder
or the proceeds thereof and other moneys or funds as the
25 authority shall determine and the moneys derived therefrom or
against permitting or suffering any lien on any of the foregoing;

27 d. To covenant with respect to limitations on any right to sell,
lease or otherwise dispose of any property of any kind;

29 e. To covenant as to any bonds, notes and other obligations to
be issued and the limitations thereof and the terms and conditions
31 thereof and as to the custody, application, investment, and
disposition of the proceeds thereof;

33 f. To covenant as to the issuance of additional bonds, or notes
or other obligations or as to limitations on the issuance of
35 additional bonds, notes or other obligations and on the incurring
of other debts by it;

37 g. To covenant as to the payment of the principal of or
interest on the bonds, notes, or other obligations, as to the
39 sources and methods of payment, as to the rank or priority of any

1 bonds, notes or obligations with respect to any lien or security or
as to the acceleration of the maturity of any bonds, notes or
3 obligations:

h. To provide for the replacement of lost, stolen, destroyed or
5 mutilated bonds, notes or other obligations:

i. To covenant against extending the time for the payment of
7 bonds, notes or other obligations or interest thereon:

j. To covenant as to the redemption of bonds, notes or other
9 obligations and privileges of exchange thereof for other bonds,
notes or other obligations of the authority:

11 k. Subject to the rights and security interests of the holders
from time to time of bonds, notes or other obligations heretofore
13 or hereafter issued by each of the toll road authorities or other
State agencies, to covenant as to the enforcement of any term in
15 any agreement entered into pursuant to the act, to which the
authority is a party or an assignee, fixing amounts of funds of the
17 toll road authorities or other State agencies to be paid over to
and received by the authority in each year or other period of
19 time, including any term concerning the fixing of tolls and other
charges by the toll road authorities or other State agencies, at
21 rates as shall be necessary to provide the amounts of funds:

l. To covenant to create or authorize the creation of special
23 funds or moneys to be held in pledge or otherwise for payment or
redemption of bonds, notes, or other obligations, reserves or
25 other purposes and as to the use, investment, and disposition of
the moneys held in the funds:

27 m. To establish the procedure, if any, by which the terms of
any contract or covenant with or for the benefit of the holders of
29 bonds, notes or other obligations may be amended or abrogated,
the amount of bonds, notes or other obligations the holders of
31 which must consent thereto, and the manner in which the consent
may be given:

33 n. To provide for the release of property, agreements, or
revenues and receipts from any pledge and to reserve rights and
35 powers in, or the right to dispose of, property which is subject to
a pledge:

37 o. To provide for the rights and liabilities, powers and duties
arising upon the breach of any covenant, condition or obligation
39 and to prescribe the events of default and the terms and

1 conditions upon which any or all of the bonds, notes or other
obligations of the authority shall become or may be declared due
3 and payable before maturity and the terms and conditions upon
which any declaration and its consequences may be waived:

5 p. To vest in a trustee or trustees within or without the State
such property, rights, powers and duties in trust as the authority
7 may determine, and to limit the rights, duties and powers of such
trustee:

9 q. To execute all bills of sale, conveyances, deeds of trust and
other instruments necessary or convenient in the exercise of its
11 powers or in the performance of its covenants or duties:

13 r. To pay the costs or expenses incident to the enforcement of
the bonds, notes or other obligations or of the provisions of the
resolution or of any covenant or agreement of the authority with
15 the holders of its bonds, notes or other obligations:

17 s. To limit the rights of the holders of any bonds, notes or
other obligations to enforce any pledge or covenant securing the
bonds, notes or other obligations; and

19 t. To make covenants, in addition to the covenants herein
expressly authorized, of like or different character, and to make
21 covenants to do or refrain from doing acts and things as may be
necessary, or convenient and desirable, in order to better secure
23 bonds, notes or other obligations or which in the absolute
discretion of the authority will tend to make bonds, notes or
25 other obligations more marketable, notwithstanding that the
covenants, acts or things may not be enumerated herein.

27 u. The provisions of this section do not apply to bonds, notes
29 or other obligations issued by the subsidiary administrations of
the authority or bonds, notes or other obligations transferred to
or assumed by the subsidiary administrations.

31 (cf: P.L.1984, c.73, s.10)

33 11. Section 8 of P.L.1987, c.460 (C.27:1B-21.1) is amended to
read as follows:

35 8. a. Commencing with the report of the commissioner
required to be submitted pursuant to section 22 of P.L.1984, c.73
(C.27:1B-22) on or before March 1, 1988 for the fiscal year
37 commencing July 1, 1988 and for the reports of the commissioner
required to be submitted pursuant thereto for each of the next six
39 fiscal years, the amount reported by the commissioner for

1 proposed projects to be financed shall not exceed \$365,000,000.00
exclusive of federal funds for each of those fiscal years except as
3 provided herein. If, in the discretion of the commissioner, a
greater amount is determined to be necessary to meet the
5 financing requirements for the ensuing fiscal year, the
commissioner may include in a report an amount in excess of
7 \$365,000,000.00 exclusive of federal funds; provided that in no
event shall that amount be an amount greater than 105% of that
9 \$365,000,000.00.

In any fiscal year for which an amount exceeding
11 \$365,000,000.00 exclusive of federal funds was appropriated
pursuant to subsection b. of this section, the commissioner shall
13 report on or before March 1 of that fiscal year for the ensuing
fiscal year an amount for proposed projects to be financed not
15 greater than \$365,000,000.00 reduced by the amount in excess of
\$365,000,000.00 that was appropriated in that fiscal year.

17 b. Commencing with the fiscal year beginning on July 1, 1988
and for each of the next six fiscal years, the total amount
19 authorized to be appropriated from the revenues and other
nonfederal funds of the New Jersey Transportation Trust Fund
21 Authority for the projects listed in the appropriations act
pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21), shall not
23 exceed \$365,000,000.00 exclusive of federal funds in any fiscal
year except as provided herein. If, in any fiscal year, a greater
25 amount is determined to be necessary to meet the financing
requirements, the amount appropriated may be in excess of
27 \$365,000,000.00 exclusive of federal funds; provided that: (1) in
no event shall there be appropriated an amount greater than
29 105% of that \$365,000,000.00, and provided further, that (2) the
appropriation for the ensuing fiscal year shall not be greater than
31 that \$365,000,000.00 reduced by the amount in excess of
\$365,000,000.00 that was appropriated in the current fiscal year.

33 c. The limit on the amount reported in any fiscal year set
forth in subsection a. of this section and the limit on the amount
35 appropriated in any fiscal year set forth in subsection b. of this
section shall not include any amount for salaries and other
37 administrative expenses of the department and the authority.

d. The provisions of this section shall not apply to toll road
39 projects.

(cf: P.L.1987, c.460, s.8)

1 12. Section 22 of P.L.1984, c.73 (C.27:1B-22) is amended to
read as follows:

3 22. To the end that the transportation system of the State
shall be planned in an orderly and efficient manner and that the
5 Legislature shall be advised of the nature and extent of public
highways, public transportation projects and other transportation
7 projects contemplated to be financed under this act, the
department shall submit a master plan, as provided in subsection
9 (a) of section 5 of P.L.1966, c.301 (C.27:1A-5). Notwithstanding
the provisions of that act, the plan shall be for a period of five
11 years and shall be submitted to the Commission on Capital
Budgeting and Planning, the Chairman of the Senate
13 Transportation and Communications Committee and the
Chairman of the Assembly Transportation, Communications and
15 High Technology Committee, or their successors, and the
Legislative Budget and Finance Officer, on or before December
17 15, 1984, and at five year intervals thereafter.

On or before March 1 of each year, the commissioner shall
19 submit a report of proposed projects, including but not limited to
public highways, to be financed in an ensuing fiscal year,
21 including therewith a description of the projects, the county or
counties within which they are to be located, a distinction
23 between State and local projects, and the amount estimated to be
expended on each project and also including a financial plan
25 designed to implement the financing of the proposed projects.
The financial plan shall contain an enumeration of the bonds,
27 notes or other obligations of the authority which the authority
intends to issue, including the amounts thereof and the conditions
29 therefor. The financial plan shall set forth a complete operating
and financial statement covering the authority's proposed
31 operations during the ensuing fiscal year, including amounts of
income from all sources, including but not limited to the proceeds
33 of bonds, notes or other obligations to be issued, as well as
interest earned. In addition, the plan shall contain proposed
35 amounts to be appropriated and expended, as well as amounts for
which the department anticipates to obligate during the ensuing
37 fiscal year for any future expenditures. The report shall be
submitted to the Senate and General Assembly. Within 30 days of
39 the receipt thereof, the Senate or the General Assembly may

1 object in writing to the commissioner in regard to any project or
2 projects it disapproves or which it is of the opinion should be
3 modified or added to or any additional or alternative projects
4 considered or in regard to any element of the financial plan. The
5 commissioner shall consider the objections and recommendations
6 and resubmit the report within 10 days, containing therein any
7 modifications based upon the commissioner's consideration of the
8 objections or recommendations. The report of proposed projects
9 required by this section shall not include toll road projects.

(cf: P.L.1987, c.460, s.5)

11 13. Section 3 of P.L.1948, c.454 (C.27:23-3) is amended to
12 read as follows:

13 3. (A) There is hereby established in the State Department of
14 Transportation a body corporate and politic, with corporate
15 succession, to be known as the "New Jersey Turnpike Authority."
16 The authority is hereby constituted an instrumentality exercising
17 public and essential governmental functions, and the exercise by
18 the authority of the powers conferred by this act in the
19 construction, operation and maintenance of turnpike projects
20 shall be deemed and held to be an essential governmental
21 function of the State.

22 [(B) The New Jersey Turnpike Authority shall consist of six
23 members, as follows: the Commissioner of Transportation, ex
24 officio, or his designee; and five members appointed by the
25 Governor, with the advice and consent of the Senate, each of
26 whom shall be a resident of the State and shall have been a
27 qualified elector therein for a period of at least one year next
28 preceding his appointment. Each appointed member of the
29 authority shall serve for a term of five years and until his
30 successor is appointed and has qualified; except that of the first
31 appointments hereunder, one shall be for a term of two years and
32 one for a term of three years, and they shall serve until their
33 respective successors are appointed and have qualified. The term
34 of each of the first appointees hereunder shall be designated by
35 the Governor. Each appointed member of the authority may be
36 removed from office by the Governor, for cause, after a public
37 hearing. Each member of the authority before entering upon his
38 duties shall take and subscribe an oath to perform the duties of
39 his office faithfully, impartially and justly to the best of his

1 ability. A record of such oaths shall be filed in the office of the
Secretary of State. Any vacancies in the appointed membership
3 of the authority occurring other than by expiration of term shall
be filled in the same manner as the original appointment, but for
5 the unexpired term only.

(C) The Governor shall designate one of the members of the
7 authority as chairman thereof and another member as vice
chairman thereof. The chairman and vice chairman of the
9 authority so designated shall serve as such at the pleasure of the
Governor and until their respective successors have been
11 designated. The authority shall elect a secretary and a treasurer
who need not be members. At the option of the authority the
13 same person may be elected to serve both as secretary and
treasurer. Four members of the authority shall constitute a
15 quorum and the vote of four members shall be necessary for any
action taken by the authority. No vacancy in the membership of
17 the authority shall impair the right of a quorum to exercise all
the rights and perform all the duties of the authority.]

19 (B) The New Jersey Turnpike Authority shall consist of five
members, who shall be the persons who from time to time shall
21 hold the office of members of the New Jersey Transportation,
Toll Road and Trust Fund Authority. The chairman and the
23 vice-chairman shall be the chairman and vice-chairman,
respectively, of the New Jersey Transportation, Toll Road and
25 Trust Fund Authority. The authority shall elect a secretary and a
treasurer who need not be members, and the same person may be
27 elected as both secretary and treasurer. The powers of the
authority shall be vested in the members thereof from time to
29 time and three members of the authority shall constitute a
quorum at any meeting thereof. Action may be taken and
31 motions and resolutions adopted by the authority at any meeting
thereof by the affirmative vote of at least a majority of the
33 members present. No vacancy in the membership of the
authority shall impair the right of the quorum of the members to
35 exercise all of the powers and perform all of the duties of the
authority.

37 (C) Anything herein to the contrary notwithstanding, the
authority, or upon its dissolution, the Turnpike Administration as
39 successor to the authority, shall retain its separate legal status

1 and corporate existence and continue to exercise all its powers
2 and duties as required by law and by agreement with holders of
3 its bonds or notes.

4 (D) [Each member of the authority shall execute a surety bond
5 in the penal sum of \$25,000.00 and the] The treasurer shall
6 execute a surety bond in the penal sum of \$50,000.00. [each] such
7 surety bond to be conditioned upon the faithful performance of
8 the duties of the office of [such member or] treasurer. [as the
9 case may be.] to be executed by a surety company authorized to
10 transact business in the State of New Jersey as surety and to be
11 approved by the Attorney General and filed in the office of the
12 Secretary of State.

13 (E) The members of the authority shall not receive
14 compensation for their services as members of the authority.
15 Each member shall be reimbursed by the authority for his actual
16 expenses necessarily incurred in the performance of his duties.
17 Notwithstanding the provisions of any other law, no member shall
18 be deemed to have forfeited, nor shall the member forfeit, the
19 member's office or employment or any benefits or emoluments
20 thereof by reason of the member's acceptance of the office of ex
21 officio member of the authority or the member's services therein.

22 (F) No resolution or other action of the authority providing for
23 the issuance of bonds, refunding bonds or other obligations or for
24 the fixing, revising or adjusting of tolls for the use of any
25 turnpike project or parts or sections thereof shall be adopted or
26 otherwise made effective by the authority without the prior
27 approval in writing of the Governor and at least one of the
28 following: the State Treasurer and the Director of the Division of
29 Budget and Accounting in the Department of the Treasury. A
30 true copy of the minutes of every meeting of the authority shall
31 be forthwith delivered by and under the certification of the
32 secretary thereof, to the Governor. No action taken at such
33 meeting by the authority shall have force or effect until 10 days,
34 exclusive of Saturdays, Sundays and public holidays, after such
35 copy of the minutes shall have been so delivered. If, in said
36 10-day period, the Governor returns such copy of the minutes
37 with veto of any action taken by the authority or any member
38 thereof at such meeting such action shall be null and of no
39 effect. The Governor may approve all or part of the action taken

1 at such meeting prior to said 10-day period. The powers
conferred in this subsection (F) upon the Governor, the State
3 Treasurer and the Director of the Division of Budget and
Accounting in the Department of the Treasury shall be exercised
5 with due regard for the rights of the holders of bonds of the
authority at any time outstanding, and nothing in, or done
7 pursuant to, this subsection (F) shall in any way limit, restrict or
alter the obligation or powers of the authority or any
9 representative or officer of the authority to carry out and
perform in every detail each and every covenant, agreement or
11 contract at any time made or entered into by or on behalf of the
authority with respect to its bonds or for the benefit, protection
13 or security of the holders thereof.

(G) The ex officio member of the authority may designate an
15 employee of his department to represent him at meetings of the
authority. A designee may lawfully vote and otherwise act on
17 behalf of the member for whom he constitutes the designee. The
designations shall be in writing and delivered to the authority and
19 shall be effective until revoked or amended by a writing delivered
to the authority.

21 (H) Notwithstanding any provisions of this section or any other
law to the contrary, the members of the authority appointed by
23 the Governor pursuant to section 3 of P.L.1948, c.454 (C.27:23-3)
shall, after the date of dissolution of the New Jersey Turnpike
25 Authority pursuant to subsection (I) of this section, continue to
serve until the expiration of their appointment but the members
27 shall serve exclusively as an advisory body to the members of the
New Jersey Transportation, Toll Road and Trust Fund Authority.
29 Any vacancy occurring in the membership of the advisory body
established by this subsection, whether by expiration of the term
31 of an advisory member or occurring other than by expiration of
term, shall not be filled and there shall not be an appointment of
33 a member to another term as an advisory member.

(I) On or before the ninetieth day after the effective date of
35 P.L. . c. (C.)(now pending before the Legislature as this
bill), the members shall prepare or cause to be prepared a final
37 and complete audit of the financial accounts and records of the
New Jersey Turnpike Authority and shall submit the same to the
39 Treasurer of the State of New Jersey; provided, however, that

1 the treasurer in his discretion, may extend the time for the
3 members to submit the audit beyond the 90 days if the extension
5 is necessary to complete the audit. The audit shall contain an
7 appraisal of the value of the facilities of the authority. Upon
9 receipt of the audit, the treasurer shall certify the exact
11 indebtedness of the authority owing to creditors and bondholders
13 as of the effective date of P.L. , c. (C.)(now pending
15 before the Legislature as this bill), and upon such certification
17 the New Jersey Turnpike Authority is dissolved and the facilities,
19 files, books, papers, records, equipment and other property,
21 including all the rights, title and interest of the authority in any
23 of its records and papers, are hereby transferred to the Turnpike
25 Administration established under section 25 of P.L. ,
27 c. (C.) (now pending before the Legislature as this bill), to
29 be held, used and applied for the purposes of the Turnpike
31 Administration.

(cf: P.L.1988, c.177, s.8)

14. Section 1 of P.L.1970, c.184 (C.27:23-3.2) is amended to
read as follows:

1. Notwithstanding any inconsistent provisions of the act
hereby supplemented or any other law, the New Jersey Turnpike
Authority, or upon its dissolution as provided in subsection (l) of
section 13 of P.L. , c. (C.)(now pending before the
Legislature as this bill), the Turnpike Administration, shall submit
to the Governor, the Chairmen of the Appropriations Committees
of the Senate and General Assembly, and the Director of the
Division of Budget and Accounting of the Department of the
Treasury, the following reports:

a. Within 90 days after the end of each of its fiscal years, a
complete and detailed report of (1) its operations and
accomplishments during said year; (2) its receipts and
disbursements, or revenues and expenses, during said year in
accordance with the categories or classifications established by
the authority for its own operating and capital outlay purposes
and in accordance with such other categories and classifications
as may be designated by any of the persons enumerated in section
1 of this act; (3) its assets and liabilities at the end of said year,
including the status of reserve, depreciation, special or other
funds and including the receipts and payments of these funds; (4)

1 a schedule of its bonds and notes outstanding at the end of said
year, together with a statement of the amounts redeemed and
3 incurred; and (5) a listing of all contracts exceeding \$100,000.00
entered into during said year;

5 b. Before the close of each of its fiscal years, a complete and
detailed report of its operating and capital construction budget,
7 in the form and detail established by the authority for its own
operating and capital outlay budget and in such form and detail as
9 may be designated by any of the persons enumerated in section 1
of this act for the next succeeding fiscal year, including its
11 receipts and disbursements or revenues and expenses, for the
prior fiscal year and its estimated receipts and disbursements, or
13 revenues and expenses, for said year and for the succeeding fiscal
year.

15 (cf: P.L.1970, c.184, s.1)

15. Section 4 of P.L.1948, c.454 (C.27:23-4) is amended to
17 read as follows:

4. As used in this act, the following words and terms shall have
19 the following meanings, unless the context shall indicate another
or different meaning or intent:

21 (a) The word "authority" shall mean the New Jersey Turnpike
Authority, created by section 3 of this act, or, where appropriate,
23 the Turnpike Administration established under section 25 of
P.L. , c. (C.)(now pending before the Legislature as this
25 bill) or, if said authority and subsidiary administration shall be
abolished, the [board, body or commission succeeding to the
27 principal functions thereof or to whom the powers given by this
act to the authority shall be given by law] New Jersey
29 Transportation, Toll Road and Trust Fund Authority.

(b) The word "project" or the words "turnpike project" shall
31 mean any express highway, superhighway or motorway at such
locations and between such termini as may hereafter be
33 established by law, and constructed or to be constructed under
the provisions of this act by the authority, and shall include, but
35 not be limited to all bridges, tunnels, overpasses, underpasses,
interchanges, entrance plazas, approaches, toll houses, service
37 areas, service stations, service facilities, communications
facilities, and administration, storage and other buildings,
39 directly related to the use of the express highway, superhighway

1 or motorway, intersecting highways and bridges and feeder roads
which the authority may deem necessary for the operation of
3 such project, together with all property, rights, easements and
interests which may be acquired by the authority for the
5 construction or the operation of such project.

(c) The word "bonds" or the words "turnpike revenue bonds"
7 shall mean bonds of the authority authorized under the provisions
of this act or bonds of the Turnpike Administration authorized
9 under P.L. . c. (C.)(now pending before the Legislature as
this bill).

11 (d) The word "public highways" shall include all public
highways, roads and streets in the State, whether maintained by
13 the State or by any county, city, borough, town, township, village,
or other political subdivision.

15 (e) The word "owner" shall include all individuals,
copartnerships, associations, private or municipal corporations
17 and all political subdivisions of the State having any title or
interest in any property, rights, easements and interests
19 authorized to be acquired by this act.

(cf: P.L.1969, c.197, s.1)

21 16. Section 5 of P.L.1948, c.454 (C.27:23-5) is amended to
read as follows:

23 5. [The] Except as otherwise may be provided by P.L. .
c. (C.)(now pending before the Legislature as this bill), the
25 authority shall be a body corporate and politic and shall have
perpetual succession and shall have the following powers:

27 (a) To adopt bylaws for the regulation of its affairs and the
conduct of its business;

29 (b) To adopt an official seal and alter the same at pleasure;

(c) To maintain an office at such place or places within the
31 State as it may designate;

(d) To sue and be sued in its own name;

33 (e) To maintain, repair and operate turnpike projects at such
locations as shall be established by law;

35 (f) To issue turnpike revenue bonds of the authority, for any of
its corporate purposes, payable solely from the tolls, other
37 revenues and proceeds of such bonds, and to refund its bonds, all
as provided in this act;

39 (g) In the exercise of any of its powers, to fix and revise from

1 time to time and charge and collect tolls for transit over each
turnpike project constructed by it;

3 (h) To establish rules and regulations for the use of any project;

5 (i) To acquire, hold and dispose of real and personal property in
the exercise of its powers and the performance of its duties under
this act;

7 (j) To acquire in the name of the authority by purchase or
otherwise, on such terms and conditions and in such manner as it
9 may deem proper, or by the exercise of the power of eminent
domain, any land and other property which it may determine is
11 reasonably necessary for any turnpike project or for the
relocation or reconstruction of any highway by the authority
13 under the provisions of this act or for the construction of any
feeder road, which the authority is or may be authorized to
15 construct and any and all rights, title and interest in such land
and other property, including public lands, parks, playgrounds,
17 reservations, highways or parkways, owned by or in which any
county, city, borough, town, township, village, or other political
19 subdivision of the State of New Jersey has any right, title or
interest, or parts thereof or rights therein and any fee simple
21 absolute or any lesser interest in private property, and any fee
simple absolute in, easements upon, or the benefit of restrictions
23 upon, abutting property to preserve and protect turnpike projects.

Upon the exercise of the power of eminent domain, the
25 compensation to be paid thereunder shall be ascertained and paid
in the manner provided in chapter one of Title 20 of the Revised
27 Statutes insofar as the provisions thereof are applicable and not
inconsistent with the provisions contained in this act. The
29 authority may join in separate subdivisions in one petition or
complaint the descriptions of any number of tracts or parcels of
31 land or property to be condemned and the names of any number
of owners and other parties who may have an interest therein and
33 all such land or property included in said petition or complaint
may be condemned in a single proceeding; provided, however,
35 that separate awards be made for each tract or parcel of land or
property; and provided, further, that each of said tracts or
37 parcels of land or property lies wholly in or has a substantial part
of its value lying wholly within the same county.

39 Upon the filing of such petition or complaint or at any time

1 thereafter the authority may file with the clerk of the county in
which such property is located and also with the Clerk of the
3 Superior Court a declaration of taking, signed by the authority,
declaring that possession of one or more of the tracts or parcels
5 of land or property described in the petition or complaint is
thereby being taken by and for the use of the authority. The said
7 declaration of taking shall be sufficient if it sets forth: (1) a
description of each tract or parcel of land or property to be so
9 taken sufficient for the identification thereof, to which there
may or may not be attached a plan or map thereof; (2) a
11 statement of the estate or interest in the said land or property
being taken; (3) a statement of the sum of money estimated by
13 the authority by resolution to be just compensation for the taking
of the estate or interest in each tract or parcel of land or
15 property described in said declaration; and (4) that, in compliance
with the provisions of this act, the authority has established and
17 is maintaining a trust fund as hereinafter provided. Upon the
filing of the said declaration, the authority shall deposit with the
19 Clerk of the Superior Court the amount of the estimated
compensation stated in said declaration. In addition to the said
21 deposits with the Clerk of the Superior Court, the authority at all
times shall maintain a special trust fund on deposit with a bank or
23 trust company doing business in this State, in an amount at least
equal to twice the aggregate amount deposited with the Clerk of
25 the Superior Court, as estimated compensation for all property
described in declaration of taking with respect to which the
27 compensation has not been finally determined and paid to the
persons entitled thereto or into court. Said trust fund shall
29 consist of cash or securities readily convertible into cash,
constituting legal investments for trust funds under the laws of
31 this State. Said trust fund shall be held solely to secure and may
be applied to the payment of just compensation for the land or
33 other property described in such declarations of taking. The
authority shall be entitled to withdraw from said trust fund from
35 time to time so much as may then be in excess of twice the
aggregate of the amount deposited with the Clerk of the Superior
37 Court, as estimated compensation for all property described in
declarations of taking with respect to which the compensation
39 has not been finally determined and paid to the persons entitled

1 thereto or into court.

3 Upon the filing of the said declaration as aforesaid and
5 depositing with the Clerk of the Superior court the amount of the
7 estimated compensation stated in said declaration, the authority,
9 without other process or proceedings, shall be entitled to the
11 exclusive possession and use of each tract of land or property
13 described in said declaration and may forthwith enter into and
15 take possession of said land or property, it being the intent of this
17 provision that the proceedings for compensation or any other
19 proceedings relating to the taking of said land or interest therein
21 or other property shall not delay the taking of possession thereof
23 and the use thereof by the authority for the purpose or purposes
25 for which the authority is authorized by law to acquire or
27 condemn such land or other property or interest therein.

15 The authority shall cause notice of the filing of said
17 declaration and the making of said deposit to be served upon each
19 party in interest named in the petition residing in this State,
21 either personally or by leaving a copy thereof at his residence, if
23 known, and upon each party in interest residing out of the State,
25 by mailing a copy thereof to him at his residence, if known. In
27 the event that the residence of any such party or the name of
29 such party is unknown, such notice shall be published at least
31 once in a newspaper published or circulating in the county or
33 counties in which the land is located. Such service, mailing or
35 publication shall be made within 10 days after filing such
37 declaration. Upon the application of any party in interest and
39 after notice to other parties in interest, including the authority,
any judge of the Superior Court assigned to sit for said county
may order that the money deposited with the Clerk of the
Superior Court or any part thereof be paid forthwith to the
person or persons entitled thereto for or on account of the just
compensation to be awarded in said proceeding; provided, that
each such person shall have filed with the Clerk of the Superior
Court a consent in writing that, in the event the award in the
condemnation proceeding shall be less than the amount deposited,
the court, after notice as herein provided and hearing, may
determine his liability, if any, for the return of such difference or
any part thereof and enter judgment therefor. If the amount of
the award as finally determined shall exceed the amount so

1 deposited. the person or persons to whom the award is payable
shall be entitled to recover from the authority the difference
3 between the amount of the deposit and the amount of the award.
with interest at the rate of six per centum (6%) per annum
5 thereon from the date of making the deposit. If the amount of
the award shall be less than the amount so deposited, the Clerk of
7 the Superior Court shall return the difference between the
amount of the award and the deposit to the authority, unless the
9 amount of the deposit or any part thereof shall have theretofore
been distributed, in which event the court, on petition of the
11 authority and notice to all persons interested in the award and
affording them an opportunity to be heard, shall enter judgment
13 in favor of the authority for such difference against the party or
parties liable for the return thereof. The authority shall cause
15 notice of the date fixed for such hearing to be served upon each
party thereto residing in this State, either personally or by
17 leaving a copy thereof at his residence, if known, and upon each
party residing out of the State, by mailing a copy to him at his
19 residence, if known. In the event that the residence of any party
or the name of such party is unknown, such notice shall be
21 published at least once in a newspaper published or circulating in
the county or counties in which the land is located. Such service,
23 mailing or publication shall be made at least 10 days before the
date fixed for such hearing.

25 Whenever under chapter one of Title 20 of the Revised Statutes
the amount of the award may be paid into court, payment may be
27 made into the Superior Court and may be distributed according to
law. The authority shall not abandon any condemnation
29 proceeding subsequent to the date upon which it has taken
possession of the land or property as herein provided;

31 (k) To designate the locations, and establish, limit and control
such points of ingress to and egress from each turnpike project as
33 may be necessary or desirable in the judgment of the authority to
insure the proper operation and maintenance of such project, and
35 to prohibit entrance to such project from any point or points not
so designated;

37 (l) To make and enter into all contracts and agreements
necessary or incidental to the performance of its duties and the
39 execution of its powers under this act;

1 (m) To appoint such additional officers, who need not be
2 members of the authority, as the authority deems advisable, and
3 to employ consulting engineers, attorneys, accountants,
4 construction and financial experts, superintendents, managers,
5 and such other employees and agents as may be necessary in its
6 judgment; to fix their compensation; and to promote and
7 discharge such officers, employees and agents, all without regard
8 to the provisions of Title [11] 11A of the [Revised Statutes] New
9 Jersey Statutes:

10 (n) To receive and accept from any federal agency, subject to
11 the approval of the Governor, grants for or in aid of the
12 construction of any turnpike project, and to receive and accept
13 aid or contributions, except appropriations by the Legislature,
14 from any source, of either money, property, labor or other things
15 of value, to be held, used and applied only for the purposes for
16 which such grants and contributions may be made; and

17 (o) To do all acts and things necessary or convenient to carry
18 out the powers expressly granted in this act.

19 (cf: P.L.1984, c.73, s.41)

20 17. Section 1 of P.L.1966, c.8 (C.27:23-5.8) is amended to read
21 as follows:

22 1. The New Jersey Turnpike Authority shall have, in addition
23 to the powers heretofore granted to it, power:

24 a. To pay or make any advance or contribution to the United
25 States Government or the State of New Jersey or any agency
26 thereof for the purpose of paying the State's share or any portion
27 thereof under the federal aid highway laws of the cost of
28 construction of any highway improvement determined by the
29 authority to be a major improvement necessary to restore or
30 prevent physical damage to the turnpike project, for the safe or
31 efficient operation of such project, or to prevent loss of revenues
32 therefrom.

33 b. Subject to the rights and security interests of the holders
34 from time to time of bonds or notes heretofore or hereafter
35 issued by the New Jersey Turnpike Authority, to enter into
36 contracts with the State or the New Jersey Transportation Trust
37 Fund Authority established by section 4 of the "New Jersey
38 Transportation Trust Fund Authority Act of 1984," P.L.1984, c.73
39 (C.27:1B-4), providing for the payment from the revenues of the

1 New Jersey Turnpike Authority or the Turnpike Administration
2 established within the New Jersey Transportation, Toll Road and
3 Trust Fund Authority, as the case may be, to the State or to the
4 New Jersey Transportation Trust Fund Authority of the amount
5 or amounts of revenues that may be set forth in or determined in
6 accordance with the contracts. Any contracts authorized
7 pursuant to this section may include conditions and covenants
8 necessary and desirable to facilitate the issuance and sale of
9 bonds, notes and other obligations of the New Jersey
10 Transportation Trust Fund Authority. Any agreements entered
11 into between the State and the Turnpike Authority pursuant to
12 this subsection shall terminate upon the effective date of any
13 agreement entered into between the Turnpike Authority and the
14 New Jersey Transportation Trust Fund Authority providing for
15 the payment of revenues of the Turnpike Authority directly from
16 the Turnpike Authority to the New Jersey Transportation Trust
17 Fund Authority.

(cf: P.L.1984, c.73, s.30)

18 18. Section 3 of P.L.1952, c.16 (C.27:12B-3) is amended to
19 read as follows:

20 3. As used in this act the following words and terms shall have
21 the following meanings, unless the context shall indicate another
22 or different meaning or intent:

23 (a) "Authority" means the New Jersey Highway Authority,
24 created by section 4 of this act, or, where appropriate, the
25 Parkway Administration established under section 25 of P.L. ,
26 c. (C.)(now pending before the Legislature as this bill), or, if
27 said authority and subsidiary administration shall be abolished,
28 the [board, body or commission succeeding to the principal
29 functions thereof or to whom the powers given by this act to the
30 authority shall be given by law] New Jersey Transportation, Toll
31 Road and Trust Fund Authority.

32 (b) "Commissioner" means the Commissioner of
33 Transportation.

34 (c) "Department" means the Department of Transportation.

35 (d) "Project" or "highway project" means any express highway,
36 superhighway or motorway at such locations and between such
37 termini as herein established or as may hereafter be established
38 by law, and acquired or to be acquired or constructed or to be
39

1 constructed under the provisions of this act by the authority, over
which abutters have no easement or rights of light, air or direct
3 access by reason of the fact that their properties abut thereon.
together with such adjoining park or recreational areas and
5 facilities directly related to the use of the express highway,
superhighway or motorway as the authority, with the concurrence
7 of the Department of Environmental Protection, shall find to be
necessary and desirable for the convenience and comfort of users
9 of the highway project and feasible for development pursuant to
this act, and shall include but not be limited to all bridges,
11 tunnels, overpasses, underpasses, interchanges, traffic circles,
grade separations, entrance plazas, approaches, toll houses,
13 service areas, service stations, service facilities, communications
facilities, and administration, storage and other buildings which
15 the authority may deem necessary for the operation of such
project, together with all property, rights, easements and
17 interests which may be acquired by the authority for the
construction or the operation of such project.

19 "Project" or "ferry project" also means a ferry service for the
transportation of passengers and freight between such termini as
21 are herein established or as may hereafter be established by law,
and shall include but shall not be limited to ferries and other
23 craft, bulkheads, docks, piers, wharves, warehouses, ferry
terminals and stations, parking areas, service stations, service
25 facilities, communications facilities and administration and other
buildings which the authority may deem necessary for the
27 operation of such project, together with all property, rights,
easements and interests, including land under water and riparian
29 rights, which may be acquired by the authority for the
construction or operation of such project.

31 (e) "Bonds" or "revenue bonds" means bonds of the authority
authorized under the provisions of this act or any amendment
33 thereof or supplement thereto.

(f) "Public highway" means and shall include any public
35 highway, road or street in the State, whether maintained by the
State or by any county, city, borough, town, township, village, or
37 other political subdivision.

(g) "Feeder road" means any road which in the opinion of the
39 authority is necessary to create or facilitate access to a project.

1 (h) "Owner" means and shall include all individuals,
2 copartnerships, associations, private or municipal corporations
3 and all political subdivisions of the State having any title or
4 interest in any property, rights, easements and interests
5 authorized to be acquired by this act.

(cf: P.L.1988, c.177, s.1)

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

9 4. There is hereby established in the State Department of
10 Transportation a body corporate and politic, with corporate
11 succession, to be known as the "New Jersey Highway Authority."
12 The authority is hereby constituted an instrumentality exercising
13 public and essential governmental functions, and the exercise by
14 the authority of the powers conferred by this act in the
15 construction, operation and maintenance of projects shall be
16 deemed and held to be an essential governmental function of the
17 State.

[The New Jersey Highway Authority shall consist of eight
19 members, as follows: the Commissioner of Transportation, ex
20 officio, or his designee; and seven members, each of whom,
21 except the Commissioner of Transportation, shall be a resident of
22 the State and shall have been a qualified elector therein for a
23 period of at least one year next preceding his appointment. Each
24 member of the authority, except the Commissioner of
25 Transportation, shall be appointed by the Governor, with the
26 advice and consent of the Senate, for a term of five years and
27 shall serve until his successor is appointed and has qualified. Of
28 the two members first appointed pursuant to this amendatory act,
29 one shall be for a term of four years and one for a term of five
30 years. Each member of the authority, except the Commissioner
31 of Transportation, may be removed from office by the Governor,
32 for cause, after a public hearing. Each member of the authority
33 before entering upon his duties shall take and subscribe an oath to
34 perform the duties of his office faithfully, impartially and justly
35 to the best of his ability. A record of such oaths shall be filed in
36 the office of the Secretary of State.

37 Any vacancies in the appointed membership of the authority
38 occurring other than by expiration of term shall be filled in the
39 same manner as the original appointment, but for the unexpired

1 term only.

3 The Governor shall designate one of the members of the
5 authority as chairman thereof and another member as
7 vice-chairman thereof. The chairman and vice-chairman of the
9 authority so designated shall serve as such at the pleasure of the
11 Governor and until their respective successors have been
13 designated. The authority shall elect a secretary and a treasurer
who need not be members. At the option of the authority the
same person may be elected to serve both as secretary and
treasurer. Five members of the authority shall constitute a
quorum and the vote of five members shall be necessary for any
action taken by the authority. No vacancy in the membership of
the authority shall impair the right of a quorum to exercise all
the rights and perform all the duties of the authority].

15 The New Jersey Highway Authority shall consist of five
17 members, who shall be the persons who from time to time shall
19 hold the office of members of the New Jersey Transportation,
21 Toll Road and Trust Fund Authority. The chairman and the
23 vice-chairman shall be the chairman and vice-chairman,
25 respectively, of the New Jersey Transportation, Toll Road and
27 Trust Fund Authority. The authority shall elect a secretary and a
29 treasurer who need not be members, and the same person may be
31 elected as both secretary and treasurer. The powers of the
authority shall be vested in the members thereof from time to
time and three members of the authority shall constitute a
quorum at any meeting thereof. Action may be taken and
motions and resolutions adopted by the authority at any meeting
thereof by the affirmative vote of at least a majority of the
members present. No vacancy in the membership of the
authority shall impair the right of the quorum of the members to
exercise all of the powers and perform all of the duties of the
authority.

33 Anything herein to the contrary notwithstanding, the authority,
35 or upon its dissolution, the Parkway Administration as successor
37 to the authority, shall retain its separate legal status and
corporate existence and continue to exercise all its powers and
duties as required by law and by agreement with holders of its
bonds or notes.

39 [Before the issuance of any bonds or notes under the provisions

1 of this act, each member of the authority shall execute a surety
bond in the penal sum of \$25,000.00. and the] The treasurer shall
3 execute a surety bond in the penal sum of \$50,000.00, [each] such
surety bond to be conditioned upon the faithful performance of
5 the duties of the office of [such member or] treasurer, [as the
case may be.] to be executed by a surety company authorized to
7 transact business in the State of New Jersey as surety and to be
approved by the Attorney General and filed in the office of the
9 Secretary of State.

No resolution or other action of the authority providing for the
11 issuance of bonds, refunding bonds or other obligations or for the
fixing, revising or adjusting of tolls for the use of any highway
13 projects or parts or sections thereof shall be adopted or otherwise
made effective by the authority without the prior approval in
15 writing of the Governor and at least one of the following: the
State Treasurer and the Director of the Division of Budget and
17 Accounting in the Department of the Treasury. The powers
conferred in this section upon the Governor, the State Treasurer
19 and the Director of the Division of Budget and Accounting in the
Department of the Treasury shall be exercised with due regard
21 for the rights of the holders of bonds of the authority at any time
outstanding, and nothing in, or done pursuant to, this section shall
23 in any way limit, restrict or alter the obligation or powers of the
authority or any representative or officer of the authority to
25 carry out and perform in every detail each and every covenant,
agreement or contract at any time made or entered into by or on
27 behalf of the authority with respect to its bonds or for the
benefit, protection or security of the holders thereof.

29 A true copy of the minutes of every meeting of the authority
shall be forthwith delivered by and under the certification of the
31 secretary thereof, to the Governor. No action taken at such
meeting by the authority shall have force or effect until 10 days
33 (Saturdays, Sundays and holidays excepted) after such copy of the
minutes shall have been delivered or the approval thereof by the
35 Governor prior thereto. If, in said 10-day period, the Governor
returns such copy of the minutes with veto of any action, except
37 action to negotiate or execute a collective negotiation agreement
with a certified public employee organization representing
39 employees of the authority, taken by the authority or any

1 member thereof at such meeting, such action shall be null and of
no effect.

3 The members of the authority shall not receive compensation
for their services as members of the authority. Each member
5 shall be reimbursed by the authority for his actual expenses
necessarily incurred in the performance of his duties.
7 Notwithstanding the provisions of any other law, no member shall
be deemed to have forfeited, nor shall the member forfeit, the
9 member's office or employment or any benefits or emoluments
thereof by reason of the member's acceptance of the office of ex
11 officio member of the authority or the member's services therein.

The ex officio member of the authority may designate an
13 employee of his department to represent him at meetings of the
authority. A designee may lawfully vote and otherwise act on
15 behalf of the member for whom he is the designee. The
designation shall be in writing and delivered to the authority and
17 shall be effective until revoked or amended by a writing delivered
to the authority.

19 Notwithstanding any provisions of this section or any other law
to the contrary, the members of the authority appointed by the
21 Governor pursuant section 4 of P.L.1952, c.16 (C.27:12B-4) shall,
after the date of dissolution of the New Jersey Highway
23 Authority as provided by this section, continue to serve until the
expiration of their appointment but the members shall serve
25 exclusively as an advisory body to the members of the New
Jersey Transportation, Toll Road and Trust Fund Authority. Any
27 vacancy occurring in the membership of the advisory body
established by this section, whether by expiration of the term of
29 an advisory member or occurring other than by expiration of
term, shall not be filled and there shall not be an appointment of
31 a member to another term as an advisory member.

On or before the ninetieth day after the effective date of
33 P.L. , c. (C.)(now pending before the Legislature as this
bill), the members shall prepare or cause to be prepared a final
35 and complete audit of the financial accounts and records of the
New Jersey Highway Authority and shall submit same to the
37 Treasurer of the State of New Jersey; provided, however, that
the treasurer in his discretion, may extend the time for the
39 members to submit the audit beyond the 90 days if the extension

1 is necessary to complete the audit. The audit shall contain an
2 appraisal of the value of the facilities of the authority. Upon
3 receipt of the audit, the treasurer shall certify the exact
4 indebtedness of the authority owing to creditors and bondholders
5 as of the effective date of P.L. , c. (C.)(now pending
6 before the Legislature as this bill), and upon such certification
7 the New Jersey Highway Authority is dissolved and the facilities,
8 files, books, papers, records, equipment and other property,
9 including all the rights, title and interest of the authority in any
10 of its records and papers, are hereby transferred to the Parkway
11 Administration established under section 25 of P.L. ,
12 c. (C.)(now pending before the Legislature as this bill), to be
13 held, used and applied for the purposes of the Parkway
14 Administration.

15 (cf: P.L.1988, c.177, s.2)

16 20. Section 5 of P.L.1953, c.164 (C.27:12B-5) is amended to
17 read as follows:

18 5. [The] Except as otherwise may be provided by P.L. ,
19 c. (C.)(now pending before the Legislature as this bill), the
20 authority shall be a body corporate and politic and shall have
21 perpetual succession and shall have the following powers:

22 (a) To adopt bylaws for the regulation of its affairs and the
23 conduct of its business;

24 (b) To adopt an official seal and alter the same at pleasure;

25 (c) To maintain an office at such place or places within or
26 without the State as it may designate;

27 (d) To sue and be sued in its own name;

28 (e) To acquire, construct, maintain, repair and operate
29 projects;

30 (f) To acquire, lease, build, improve, maintain and operate one
31 or more ferry boats and other craft between a point in Cape May
32 county, New Jersey, and a point in Lewes, Delaware, and to
33 transport passengers and freight between said points by means of
34 such boats;

35 (g) To acquire in cooperation with the Department of
36 Environmental Protection limited roadside areas adjoining said
37 projects and transfer any or all of such areas to the Department
38 of Environmental Protection, so that said department may
39 maintain such areas as roadside parks;

1 (h) To issue bonds or notes of the authority and to provide for
the rights of the holders thereof, as provided in this act:

3 (i) In the exercise of any of its powers, to fix and revise from
time to time and charge and collect tolls or other charges for
5 transit over or use of any project acquired or constructed by it:

(j) To establish and enforce rules and regulations for the use of
7 any project:

(k) To acquire, hold and dispose of real and personal property
9 in the exercise of its powers and the performance of its duties
under this act:

11 (l) To acquire in the name of the authority by purchase or
otherwise, on such terms and conditions and in such manner as it
13 may deem proper, or by the exercise of the power of eminent
domain, any land and other property, including land under water
15 and riparian rights, within or without the State of New Jersey,
which it may determine is reasonably necessary for any project or
17 for the relocation or reconstruction of any public highway by the
authority under the provisions of this act or for the construction
19 of any feeder road, which the authority is or may be authorized
to construct and any and all rights, title and interest in such land
21 and other property, including public lands, parks, playgrounds,
reservations, highways or parkways, owned by or in which any
23 county, city, borough, town, township, village, or other political
subdivision of the State of New Jersey has any right, title or
25 interest, or parts thereof or rights therein and any fee simple
absolute or any lesser interest in private property, and any fee
27 simple absolute in, easements upon, or the benefit of restrictions
upon abutting property to preserve and protect projects:

29 (m) To locate and designate, and to establish, limit and control
such points of ingress to and egress from each project as may be
31 necessary or desirable in the judgment of the authority to insure
the proper operation and maintenance of such project, and to
33 prohibit entrance to such project from any point or points not so
designated:

35 (n) To take title or any lesser interest to any land or other
property in the State of Delaware in any manner permitted by the
37 laws of Delaware. Whenever such property located in the State
of Delaware cannot be acquired by the authority in its name or in
39 that of its nominee or trustee by agreement, and the Highway

1 Department of the State of Delaware is willing to condemn such
property for the use of the project, if reimbursed by the authority
3 for the condemnation money or damages awarded in such
condemnation and the expenses thereof, the authority is
5 authorized and empowered to enter into an agreement of
reimbursement with the Highway Department of the State of
7 Delaware for such condemnation money or damages and expenses
and to secure the same by a deposit of cash or otherwise and to
9 reimburse the Highway Department of the State of Delaware or
other proper department or agency of the State of Delaware for
11 all condemnation money or damages and costs legally awarded or
incurred in such condemnation:

13 (o) To make and enter into all contracts and agreements
necessary or incidental to the performance of its duties and the
15 execution of its powers under this act:

(p) To construct, maintain, repair and operate any feeder road
17 or any public highway connecting parts of a project or two or
more projects, which in the opinion of the authority will increase
19 the use of a project or projects, to take over for maintenance,
repair and operation any existing public highway as a feeder road,
21 and to realign any such existing public highway and build
additional sections of road over new alignment in connection with
23 such existing public highway;

(q) To appoint such additional officers (who need not be
25 members of the authority) and employ such consulting engineers,
attorneys, accountants, construction and financial experts,
27 superintendents, managers and other employees and agents as the
authority deems advisable and as may be necessary in its
29 judgment; to fix their compensation; and to promote and
discharge such officers, employees and agents, all without regard
31 to the provisions of Title [11] 11A of the [Revised Statutes] New
Jersey Statutes;

(r) To receive and accept from any federal agency, subject to
33 the approval of the Governor, grants for or in aid of the
35 acquisition or construction of any project, and to receive and
accept aid or contributions, except appropriations by the
37 Legislature, from any source, of either money, property, labor or
other things of value, to be held, used and applied only for the
39 purposes for which such grants and contributions may be made;

1 (s) Subject to the rights and security interest of the holders
3 from time to time of bonds or notes heretofore or hereafter
5 issued by the New Jersey Highway Authority, to enter into
7 contracts with the State or the New Jersey Transportation Trust
9 Fund Authority established by section 4 of the "New Jersey
11 Transportation Trust Fund Authority Act of 1984," P.L.1984, c.73
13 (C.27:1B-4), providing for the payment from the revenues of the
15 Highway Authority or the Parkway Administration established
17 within the New Jersey Transportation, Toll Road and Trust Fund
19 Authority, as the case may be, to the State or to the New Jersey
21 Transportation Trust Fund Authority of the amount or amounts of
23 revenues that may be set forth in or determined in accordance
25 with the contracts. Any contracts authorized pursuant to this
27 section may include conditions and covenants necessary and
29 desirable to facilitate the issuance and sale of bonds, notes and
31 other obligations of the New Jersey Transportation Trust Fund
33 Authority. Any agreements entered into between the State and
35 the Highway Authority pursuant to this subsection shall terminate
37 upon the effective date of any agreement entered into between
39 the New Jersey Transportation Trust Fund Authority and the
41 Highway Authority providing for the payment of revenues of the
43 Highway Authority directly from the Highway Authority to the
45 New Jersey Transportation Trust Fund Authority;

 (t) To do all acts and things necessary or convenient to carry
 out the powers and duties expressly provided in this act; and
 (u) To exercise all of the foregoing powers in the State of
 Delaware insofar as permitted by the laws of that state, and to
 apply to the authorities in the State of Delaware for all
 franchises, permits and licenses necessary to exercise such
 powers.

 Nothing contained in this act shall be construed to authorize or
 empower the authority to acquire State property by the exercise
 of the power of eminent domain.

(cf: P.L.1984, c.73, s.28)

21. Section 3 of P.L.1962, c.10 (C.27:12C-3) is amended to
read as follows:

3. As used in this act, unless a different meaning clearly
appears from the context:

(a) "Authority" means the New Jersey Expressway Authority

- 1 created by this act or where appropriate, the Expressway
2 Administration established under section 25 of P.L. .
3 c. (C.)(now pending before the Legislature as this bill):
4 (b) "Bond" means any bond, and "note" means any note, of the
5 authority authorized pursuant to the provisions of this act or of
6 the Expressway Administration authorized pursuant to P.L. .
7 c. (C.)(now pending before the Legislature as this bill):
8 (c) "Commissioner" means the Commissioner of
9 Transportation;
10 (d) "County" means any county of the State;
11 (e) "Department" means the Department of Transportation;
12 (f) "Feeder road" means any road which in the opinion of the
13 authority is necessary to create or facilitate access to a project
14 and is not more than three miles in length from the point of its
15 connection with the project;
16 (g) "Governing body" means, in the case of a county, the board
17 of chosen freeholders, or, in the case of a school district, the
18 board of education, or, in the case of a municipality or any other
19 governmental subdivision, the commission, council, board or body,
20 by whatever name it may be known, having charge of its finances;
21 (h) "Municipality" means any city, borough, village, town or
22 township of the State but not a county or a school district;
23 (i) "Owner" means and includes any individuals,
24 copartnerships, associations, private or municipal corporations,
25 and counties, municipalities or other governmental subdivisions of
26 the State having any title or interest in any property, rights,
27 easements and interests authorized to be acquired pursuant to
28 this act;
29 (j) "Project" or "expressway project" means any express
30 highway, superhighway or motorway at such locations and
31 between such termini as herein established or as may hereafter
32 be established by law, and acquired or to be acquired or
33 constructed or to be constructed under the provisions of this act
34 by the authority, over which abutters have no easements or rights
35 of light, air or direct access by reason of the fact that their
36 properties abut thereon, and shall include but not be limited to all
37 bridges, tunnels, overpasses, underpasses, interchanges, traffic
38 circles, grade separations, entrance plazas, approaches, toll
39 houses, service areas, stations and facilities, communications

1 facilities, administration, storage and other buildings, and other
2 structures, directly related to the use of the express highway,
3 superhighway or motorway, intersecting highways and bridges and
4 feeder roads which the authority may deem necessary for the
5 operation of such project, together with all property, rights,
6 easements and interests which may be acquired by the authority
7 for the construction or the operation of such project:

8 (k) "Public highway" means and shall include any public
9 highway, road or street in the State, whether maintained by the
10 State or by any county, municipality or other governmental
11 subdivision; and

12 (l) "Real property" means lands within the State, above or
13 below water, and improvements thereof or thereon, or any
14 riparian or other rights or interests therein.

15 (cf: P.L.1988, c.177, s.3)

16 22. Section 5 of P.L.1962, c.10 (C.27:12C-5) is amended to
17 read as follows:

18 5. [The authority shall consist of the following members: the
19 Commissioner of Transportation, ex officio, or his designee; and
20 five members appointed by the Governor, with the advice and
21 consent of the Senate, as follows: one resident each from the
22 counties of Camden, Cape May and Gloucester, and two residents
23 from the county of Atlantic. No more than three of the county
24 representatives shall be members of the same political party.
25 Each appointed member shall have been a qualified voter of the
26 State for at least one year preceding the appointment.

27 Each member of the authority, except the Commissioner of
28 Transportation, shall serve for a term expiring on April 30 of the
29 year ensuing after his appointment which corresponds in number
30 to the number of the members of the authority then authorized;
31 provided, that the terms of the members first appointed shall be
32 so arranged that one of such terms shall expire on April 30 in
33 each successive year ensuing after such appointments. Each
34 member, except the Commissioner of Transportation, shall hold
35 office for the term of his appointment and until his successor
36 shall have been appointed and qualified. Any vacancy among the
37 appointed members shall be filled by appointment only for the
38 unexpired term but such appointment shall not be made sooner
39 than 15 days after the occurrence of such vacancy.]

1 The New Jersey Expressway Authority shall consist of five
3 members, who shall be the persons who from time to time shall
5 hold the office of members of the New Jersey Transportation,
7 Toll Road and Trust Fund Authority. The chairman and the
9 vice-chairman shall be the chairman and vice-chairman,
11 respectively, of the New Jersey Transportation, Toll Road and
13 Trust Fund Authority. The authority shall elect a secretary and a
15 treasurer who need not be members, and the same person may be
17 elected as both secretary and treasurer. The powers of the
19 authority shall be vested in the members thereof from time to
21 time and three members of the authority shall constitute a
23 quorum at any meeting thereof. Action may be taken and
25 motions and resolutions adopted by the authority at any meeting
27 thereof by the affirmative vote of at least a majority of the
29 members present. No vacancy in the membership of the
31 authority shall impair the right of the quorum of the members to
33 exercise all of the powers and perform all of the duties of the
35 authority.

19 Anything herein to the contrary notwithstanding, the authority,
21 or upon its dissolution, the Expressway Administration as
23 successor to the authority, shall retain its separate legal status
25 and corporate existence and continue to exercise all its powers
27 and duties as required by law and by agreement with holders of
29 its bonds or notes.

25 Notwithstanding any provisions of this section or any other law
27 to the contrary, the members of the New Jersey Expressway
29 Authority appointed pursuant to P.L.1962, c.10 (C.27:12C-1 et
31 seq.) may, after the effective date of P.L. , c. (C.)(now
33 pending before the Legislature as this bill), continue to serve
35 until the expiration of their appointment but the members shall
37 serve exclusively as an advisory body to the board of the New
39 Jersey Transportation, Toll Road and Trust Fund Authority. Any
41 vacancy occurring in the membership of the advisory body
43 established by this section, whether by the expiration of the term
45 of an advisory member or occurring other than by expiration of
47 term, shall not be filled and there shall not be an appointment of
49 a member to another term as an advisory member.

39 On or before the ninetieth day after the effective date of
41 P.L. , c. (C.)(now pending before the Legislature as this

1 bill). the members shall prepare or cause to be prepared a final
2 and complete audit of the financial accounts and records of the
3 New Jersey Expressway Authority and shall submit same to the
4 Treasurer of the State of New Jersey; provided, however, that
5 the treasurer in his discretion, may extend the time for the
6 members to submit the audit beyond the 90 days if the extension
7 is necessary to complete the audit. The audit shall contain an
8 appraisal of the value of the facilities of the authority. Upon
9 receipt of the audit, the treasurer shall certify the exact
10 indebtedness of the authority owing to its creditors and
11 bondholders as of the effective date of P.L. . c. (C.)(now
12 pending before the Legislature as this bill), and upon such
13 certification the New Jersey Expressway Authority is dissolved
14 and the facilities, files, books, papers, records, equipment and
15 other property, including all the rights, title and interest of the
16 authority in any of its records and papers, are hereby transferred
17 to the Expressway Administration established within the New
18 Jersey Transportation, Toll Road and Trust Fund Authority, to be
19 held, used and applied for the purposes of the Expressway
20 Administration.

21 (cf: P.L.1988, c.177, s.4)

22 23. Section 7 of P.L.1962, c.10 (C.27:12C-7) is amended to
23 read as follows:

24 7. [The] Except as may otherwise be provided by P.L. .
25 c. (C.)(now pending before the Legislature as this bill), the
26 powers of the authority shall be vested in the members thereof in
27 office from time to time. Four members of the authority shall
28 constitute a quorum and the vote of four members shall be
29 necessary for any action taken by the authority. No vacancy in
30 the membership of the authority shall impair the right of a
31 quorum to exercise all the rights and perform all the duties of the
32 authority.

33 The ex officio member of the authority may designate an
34 employee of his department to represent him at meetings of the
35 authority. A designee may lawfully vote and otherwise act on
36 behalf of the member for whom he constitutes the designee. The
37 designation shall be in writing and delivered to the authority and
38 shall be effective until revoked or amended by a writing delivered
39 to the authority.

(cf: P.L.1988, c.177, s.5)

1 24. Section 11 of P.L.1962, c.10 (C.27:12C-11) is amended to
read as follows:

3 11. [The] Except as may otherwise be provided by P.L. .
c. (C.)(now pending before the Legislature as this bill), the
5 authority shall be a public body corporate and politic and shall
have perpetual succession and shall have the following powers:

7 (a) To adopt bylaws for the regulation of its affairs and the
conduct of its business;

9 (b) To adopt and have an official common seal and alter the
same at pleasure;

11 (c) To maintain an office at such place or places within the
State as it may designate;

13 (d) To sue and be sued;

15 (e) To acquire, construct, maintain, improve, repair and
operate projects;

17 (f) To construct, maintain, improve, repair and operate feeder
roads;

19 (g) To issue bonds or notes of the authority and to provide for
the rights of the holders thereof, as provided in this act;

21 (h) In the exercise of any of its powers, to fix and revise from
time to time and charge and collect tolls or other charges for
transit over or use of any project acquired or constructed by it;

23 (i) To establish rules and regulations for the use of any project;

25 (j) To acquire, lease as lessee, hold and dispose of real and
personal property or any interest therein, in the exercise of its
powers and the performance of its duties under this act;

27 (k) To acquire in the name of the authority by purchase or
otherwise, on such terms and conditions and in such manner as it
29 may deem proper, or by the exercise of the power of eminent
domain, any land and other property which it may determine is
31 reasonably necessary for any project or for the relocation or
reconstruction of any public highway by the authority under the
33 provisions of this act or for the construction of any feeder road,
which the authority is or may be authorized to construct and any
35 and all rights, title and interest in such land and other property,
including public lands, parks, playgrounds, reservations, highways
37 or parkways, owned by or in which any county, municipality or
other governmental subdivision of the State has any right, title or
39 interest, or parts thereof or rights therein, and any fee simple

1 absolute or any lesser interest in private property, and any fee
2 simple absolute in, easements upon, or the benefit of restrictions
3 upon abutting property to preserve and protect projects:

4 (l) To locate and designate, and to establish, limit and control
5 such points of ingress to and egress from each project as may be
6 necessary or desirable in the judgment of the authority to insure
7 the proper operation and maintenance of such project, and to
8 prohibit entrance to such project from any point or points not so
9 designated:

10 (m) Subject to the limitations of this act, to acquire,
11 construct, maintain, improve, repair or operate any public
12 highway connecting with any one or more projects, which in the
13 opinion of the authority will increase the use of a project or
14 projects, to take over for maintenance, improvement, repair or
15 operation any existing public highway as a feeder road, and to
16 realign any such existing public highway and build additional
17 sections of road over new alignment in connection with such
18 existing public highway:

19 (n) To receive and accept from any federal agency, subject to
20 the approval of the Governor, grants for or in aid of the
21 acquisition or construction of any project, and to receive and
22 accept aid or contributions from any other source, of either
23 money, property, labor or other things of value, to be held, used
24 and applied only for the purposes for which such grants and
25 contributions may be made:

26 (o) Subject to the limitations of this act, to determine the
27 location, type and character of any project and all other matters
28 in connection with such project:

29 (p) Subject to the rights and security interests of the holders
30 from time to time of bonds or notes heretofore or hereafter
31 issued by the New Jersey Expressway Authority, to enter into
32 contracts with the State or the Department of Transportation or
33 the New Jersey Transportation Trust Fund Authority established
34 by section 4 of the "New Jersey Transportation Trust Fund
35 Authority Act of 1984," P.L.1984, c.73 (C.27:1B-4), providing for
36 the payment from the revenues of the New Jersey Expressway
37 Authority or the Expressway Administration established within
38 the New Jersey Transportation, Toll Road and Trust Fund
39 Authority, as the case may be, to the State or to the New Jersey

1 Transportation Trust Fund Authority of the amount or amounts of
3 revenues that may be set forth in or determined in accordance
5 with the contracts, provided, that the payments shall be used
7 solely for financing highway and transportation projects in the
9 counties of Ocean, Burlington, Camden, Gloucester, Atlantic,
11 Salem, Cumberland and Cape May, including the payment of
13 principal and interest on any bonds, notes or other obligations
15 issued or entered into by the New Jersey Transportation Trust
17 Fund Authority, the proceeds of which shall be allocated by the
19 New Jersey Transportation Trust Fund Authority to highway and
21 transportation projects within the counties aforesaid; any
23 contracts authorized pursuant to this section may include
25 conditions and covenants necessary and desirable to facilitate the
27 issuance and sale of bonds, notes and other obligations of the New
29 Jersey Transportation Trust Fund Authority. Any agreements
31 entered into between the Department of Transportation and the
33 Expressway Authority or Expressway Administration, pursuant to
35 this subsection shall terminate upon the effective date of any
37 agreement entered into between the Expressway Authority or
39 Expressway Administration and the New Jersey Transportation
Trust Fund Authority providing for payment of revenues of the
Expressway Authority or Expressway Administration directly
from the Expressway Authority or Expressway Administration to
the New Jersey Transportation Trust Fund Authority;

(q) To 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
authority or to carry out any power expressly given in this act.

(cf: P.L.1984, c.73, s.29)

25. (New section) There is hereby established within the
authority three separate and distinct subsidiary administrations
to be known as: the "Turnpike Administration," the "Parkway
Administration" and the "Expressway Administration." Each
such administration is hereby constituted as a political
subdivision and an instrumentality of the State exercising public
and essential governmental functions. Each administration shall
be governed by a board consisting of five members who shall be
the persons who from time to time shall hold the office of
members of the New Jersey Transportation, Toll Road and Trust

1 Fund Authority. The members of the administrations shall not
2 receive compensation for their services as members of the
3 respective administrations. Each member shall be reimbursed by
4 the respective administration for his actual expenses necessarily
5 incurred in the performance of his duties. The responsibilities of
6 the three subsidiary administrations shall be mutually exclusive.

7 The Turnpike Administration shall have the sole responsibility
8 for the financing, construction, enlargement, maintenance,
9 improvement, repair, operation and support of the New Jersey
10 Turnpike and turnpike projects including, but not limited to, the
11 responsibility for issuing bonds, refunding bonds or other
12 obligations for turnpike projects, for fixing, revising or adjusting
13 of tolls, for collecting turnpike revenues and for meeting all debt
14 service and reserve requirements and all other reserves and
15 payments required by the terms of the New Jersey Turnpike
16 Authority's contracts with its bondholders or noteholders. The
17 Turnpike Administration shall be headed by an executive director
18 who shall be a person of recognized ability and experience, who
19 shall be appointed by the members of the New Jersey
20 Transportation, Toll Road and Trust Fund Authority and who shall
21 serve at the pleasure of that authority. The executive director
22 may employ such officers and employees as may be necessary for
23 the proper effectuation of the duties and functions of the
24 Turnpike Administration and may determine the qualifications of
25 such persons; however, the members of the New Jersey
26 Transportation, Toll Road and Trust Fund Authority shall approve
27 such positions and fix compensation for such officers and
28 employees all without regard to the provisions of Title 11A, of
29 the New Jersey Statutes except that such officers and employees
30 appointed or hired by the authority after January 1, 1989 and who
31 are not subject to the "New Jersey Employer-Employee Relations
32 Act," P.L.1941, c.100 (C.34:13A-1 et seq.) shall receive sick and
33 vacation leave only as provided for State employees in Title 11A
34 of the New Jersey Statutes and if supplemental compensation
35 upon retirement is to be paid to those officers and employees, it
36 shall be calculated and limited as in N.J.S.11A:6-19.

37 Except as may otherwise be herein provided, the Turnpike
38 Administration shall be the successor to the New Jersey Turnpike
39 Authority and shall succeed to all rights, obligations, contracts,

1 debts and properties of such a
2 but not limited to, the issuance of bonds or other obligations
3 obligations relating to turnpike projects, the fixing, revising or
4 adjusting of tolls for the use of any turnpike projects or parts or
5 sections thereof, the collection of turnpike revenues and the
6 meeting of all debt service and reserve payments and all other
7 reserves and payments required under the contracts between the
8 New Jersey Turnpike Authority and its bondholders or noteholders.
9 The Parkway Administration shall have sole responsibility for
10 the financing, construction, maintenance, improvement, repair, operation and support of the Garden State
11 Parkway, the Garden State Arts Center and all other parkway
12 projects including, but not limited to, the responsibility for
13 issuing bonds, refunding bonds or other obligations for parkway
14 projects, for fixing, revising or adjusting of tolls, for collecting
15 parkway revenues and for meeting all debt service and reserve
16 requirements and all other reserve and other payments required
17 by the terms of the New Jersey Highway Authority's contracts
18 with its bondholders or noteholders. The Parkway Administration
19 shall be headed by an executive director who shall be a person of
20 recognized ability and experience, who shall be appointed by the
21 members of the New Jersey Transportation, Toll Road and Trust
22 Fund Authority and who shall serve at the pleasure of that
23 authority. The executive director may employ such officers and
24 employees as may be necessary for the proper effectuation of the
25 duties and functions of the Parkway Administration and may
26 determine the qualifications of such persons, however, the
27 members of the New Jersey Transportation, Toll Road and Trust
28 Fund Authority shall approve such positions and fix compensation
29 for such officers and employees all without regard to the
30 provisions of Title 11A, of the New Jersey Statutes except that
31 such officers and employees appointed or hired by the authority
32 after January 1, 1930 and who are not subject to the "New Jersey
33 Employer-Employee Relations Act, P.L.1941, c.100 (C.34:13A-1
34 et seq.) shall receive sick and vacation leave only as provided for
35 State employees in Title 11A of the New Jersey Statutes and if
36 supplemental compensation upon retirement is to be paid to those
37 officers and employees, it shall be calculated and limited as in
38 N.J.S.11A:6-19;

1 debts and properties of such authority relating thereto, including,
but not limited to, the issuance of bonds, refunding bonds or other
3 obligations relating to turnpike projects, the fixing, revising or
adjusting of tolls for the use of any turnpike projects or parts or
5 sections thereof, the collection of turnpike revenues and the
meeting of all debt service and reserve payments and all other
7 reserves and payments required under the contracts between the
New Jersey Turnpike Authority and its bondholders or noteholders.

9 The Parkway Administration shall have sole responsibility for
the financing, construction, enlargement, maintenance,
11 improvement, repair, operation and support of the Garden State
Parkway, the Garden State Arts Center and all other parkway
13 projects including, but not limited to, the responsibility for
issuing bonds, refunding bonds or other obligations for parkway
15 projects, for fixing, revising or adjusting of tolls, for collecting
parkway revenues and for meeting all debt service and reserve
17 requirements and all other reserve and other payments required
by the terms of the New Jersey Highway Authority's contracts
19 with its bondholders or noteholders. The Parkway Administration
shall be headed by an executive director who shall be a person of
21 recognized ability and experience, who shall be appointed by the
members of the New Jersey Transportation, Toll Road and Trust
23 Fund Authority and who shall serve at the pleasure of that
authority. The executive director may employ such officers and
25 employees as may be necessary for the proper effectuation of the
duties and functions of the Parkway Administration and may
27 determine the qualifications of such persons; however, the
members of the New Jersey Transportation, Toll Road and Trust
29 Fund Authority shall approve such positions and fix compensation
for such officers and employees all without regard to the
31 provisions of Title 11A, of the New Jersey Statutes except that
such officers and employees appointed or hired by the authority
33 after January 1, 1989 and who are not subject to the "New Jersey
Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1
35 et seq.) shall receive sick and vacation leave only as provided for
State employees in Title 11A of the New Jersey Statutes and if
37 supplemental compensation upon retirement is to be paid to those
officers and employees, it shall be calculated and limited as in
39 N.J.S.11A:6-19;

1 Except as may otherwise be herein provided, the Parkway
Administration shall be the successor to the New Jersey Highway
3 Authority and shall succeed to all rights, obligations, contracts,
debts and properties of such authority relating thereto, including,
5 but not limited to, the issuance of bonds, refunding bonds or other
obligations relating to parkway projects, the fixing, revising or
7 adjusting of tolls for the use of any parkway projects or parts or
sections thereof, the collection of parkway revenues and the
9 meeting of all debt service and reserve payments and all other
reserve and other payments required under the contracts between
11 the New Jersey Highway Authority and its bondholders or
noteholders.

13 The Expressway Administration shall have sole responsibility
for the financing, construction, enlargement, maintenance,
15 improvement, repair, operation and support of the Atlantic City
Expressway and expressway projects including, but not limited to,
17 the responsibility for issuing bonds, refunding bonds or other
obligations for expressway projects, for fixing, revising or
19 adjusting of tolls, for collecting expressway revenues and for
meeting all debt service and reserve requirements and all other
21 reserves and payments required by the terms of the New Jersey
Expressway Authority's contracts with its bondholders or
23 noteholders. The Expressway Administration shall be headed by
an executive director who shall be a person of recognized ability
25 and experience, who shall be appointed by the members of the
New Jersey Transportation, Toll Road and Trust Fund Authority
27 and who shall serve at the pleasure of that authority. The
executive director may employ such officers and employees as
29 may be necessary for the proper effectuation of the duties and
functions of the Expressway Administration and may determine
31 the qualifications of such persons; however, the members of the
New Jersey Transportation, Toll Road and Trust Fund Authority
33 shall approve such positions and fix compensation for such
officers and employees all without regard to the provisions of
35 Title 11A, of the New Jersey Statutes except that such officers
and employees appointed or hired by the authority after January
37 1, 1989 and who are not subject to the "New Jersey
Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1
39 et seq.) shall receive sick and vacation leave only as provided for

1 State employees in Title 11A of the New Jersey Statutes and if
2 supplemental compensation upon retirement is to be paid to those
3 officers and employees, it shall be calculated and limited as in
4 N.J.S.11A:6-19:

5 Except as may otherwise be herein provided, the Expressway
6 Administration shall be the successor to the New Jersey
7 Expressway Authority and shall succeed to all the rights,
8 obligations, contracts, debts and properties of such authority
9 relating thereto, including, but not limited to, the issuance of
10 bonds, refunding bonds or other obligations relating to expressway
11 projects, the fixing, revising or adjusting of tolls for the use of
12 any expressway projects or parts or sections thereof, the
13 collection of expressway revenues and the meeting of all debt
14 service and reserve payments and all other reserves and payments
15 required under the contracts between the New Jersey Expressway
16 Authority and its bondholders or noteholders.

17 26. (New section) Each such subsidiary administration of the
18 New Jersey Transportation, Toll Road and Trust Fund Authority
19 shall be created as a subsidiary of the authority, shall constitute
20 a public body corporate and politic and an instrumentality of the
21 State, and shall be organized by the authority by executing and
22 filing with the Secretary of State of New Jersey a certificate of
23 incorporation, which may be amended from time to time by
24 similar filing, which shall set forth the name of such subsidiary
25 administration, its duration, the location of its principal office,
26 and the purposes of the incorporation. The members of each such
27 subsidiary administration shall be the same persons holding the
28 offices of members of the New Jersey Transportation, Toll Road
29 and Trust Fund Authority. Each such subsidiary administration
30 and its property, functions and activities shall have all of the
31 privileges, immunities, tax exemptions and other exemptions of
32 the predecessor authority and of the predecessor authority's
33 property, if any. The property, revenues, and assets of the three
34 subsidiary administrations shall be separate and distinct from
35 each other and shall be separate and distinct from the property,
36 revenues, and assets, if any, of the New Jersey Transportation,
37 Toll Road and Trust Fund Authority. Each subsidiary
38 administration shall separately account for its assets, liabilities,
39 revenues and expenses and no one of the administrations shall

1 be responsible for any obligations or debts of the other or for any
obligations or debts of the New Jersey Transportation, Toll Road
3 and Trust Fund Authority. No revenues, funds or other assets of
one administration shall be available for any use whatsoever,
5 directly, contingently or otherwise, by any other administration
or by the New Jersey Transportation, Toll Road and Trust Fund
7 Authority.

Each administration shall ensure that all its revenues derived
9 from toll road operations are dedicated to toll road projects of
that administration or to the payment of debt service obligations
11 or reserve payments or other reserves or payments required under
the contracts between that administration and its bondholders or
13 noteholders, including, but not limited to, the provisions of the
agreements entered into by the predecessor authorities pursuant
15 to subsection (s) of section 5 of P.L.1952, c.16 (C.27:12B-5),
subsection (p) of section 11 of P.L.1962, c.10 (C.27:12C-11), and
17 subsection b. of section 1 of P.L.1966, c.8 (C.27:23-5.8).

A subsidiary administration may be dissolved by resolution of
19 the authority or by act of the Legislature on condition that such
subsidiary administration has no debts or obligations outstanding
21 or that provision has been made for the payment or retirement of
such debts or obligations. Upon any such dissolution of a
23 subsidiary administration, the property, funds and assets thereof
shall pass to and be vested in the State and the toll roads and toll
25 road projects shall become part of the State highway system and
thereafter be operated and maintained by the Department of
27 Transportation as toll roads and toll road projects. The
employees of any such subsidiary administration, except those
29 who are also employees of the authority, shall be deemed
employees of the State.

31 27. (New section) Upon the transfer of the functions, powers
and duties of the predecessor authorities as provided in P.L. .
33 c. (C.) (now pending before the Legislature as this bill), all
projects or facilities of the predecessor authorities shall be
35 transferred to the respective subsidiary administrations and all
toll roads and toll road projects shall thereafter be maintained
37 and operated by the separate subsidiary administrations. The
subsidiary administrations shall cause tolls for the use of the toll
39 road projects to be charged and collected at the same rates as

1 were charged and collected by the predecessor authorities
immediately prior to the transfer of the functions, powers and
3 duties of the predecessor authorities. Notwithstanding any law,
rule or regulation to the contrary, no change or revision shall
5 thereafter be made in those rates by the subsidiary
administrations without the approval of the Governor at least 45
7 days prior to the date on which the change or revision is proposed
to become effective. For the purposes of this section, the
9 approval of the Governor means receipt of written notice from
the Governor advising the administration to proceed with the
11 notice and hearing concerning the adoption of a resolution or
other action necessary to change or revise the rates.

13 28. (New section) Upon the transfer of the functions, powers
and duties of the predecessor authorities to the respective
15 subsidiary administrations as provided for in P.L.
c. (C.)(now pending before the Legislature as this bill), all
17 employees of the predecessor authorities shall be transferred to
their respective subsidiary administrations established under
19 section 25 of this P.L. c. (C.)(now pending before the
Legislature as this bill) and shall become employees of the
21 respective subsidiary administration. All records and property of
the predecessor authorities, except as otherwise provided herein,
23 shall be transferred to the respective subsidiary administrations
and all outstanding obligations and commitments lawfully
25 undertaken or contracted for by the predecessor authorities shall
be assumed and performed by the respective subsidiary
27 administrations.

29 29. (New section) The members of the New Jersey
Transportation, Toll Road and Trust Fund Authority shall ensure
that the authority and subsidiary administrations of the authority
31 have adopted a code of ethics to govern the conduct of State
officers and employees, and special State officers and employees,
33 pursuant to P.L.1971, c.182 (C.52:13D-12 et seq.). The members
shall further ensure that such officers and employees of the
35 authority or the subsidiary administrations of the authority,
receive a copy of the appropriate code of ethics and submit a
37 signed certification to the authority or subsidiary administration,
as the case may be, stating that the officer or employee has
39 reviewed the code of ethics and agrees to be bound by the

1 were charged and collected by the predecessor authorities
2 immediately prior to the transfer of the functions, powers and
3 duties of the predecessor authorities. Notwithstanding any law,
4 rule or regulation to the contrary, no change or revision shall
5 thereafter be made in those rates by the subsidiary
6 administrations without the approval of the Governor at least 45
7 days prior to the date on which the change or revision is proposed
8 to become effective. For the purposes of this section, the
9 approval of the Governor means receipt of written notice from
10 the Governor advising the administration to proceed with the
11 notice and hearing concerning the adoption of a resolution or
12 other action necessary to change or revise the rates.

13 28. (New section) Upon the transfer of the functions, powers
14 and duties of the predecessor authorities to the respective
15 subsidiary administrations as provided for in P.L. .
16 c. (C.)(now pending before the Legislature as this bill), all
17 employees of the predecessor authorities shall be transferred to
18 their respective subsidiary administrations established under
19 section 25 of this P.L. , c. (C.)(now pending before the
20 Legislature as this bill) and shall become employees of the
21 respective subsidiary administration. All records and property of
22 the predecessor authorities, except as otherwise provided herein,
23 shall be transferred to the respective subsidiary administrations
24 and all outstanding obligations and commitments lawfully
25 undertaken or contracted for by the predecessor authorities shall
26 be assumed and performed by the respective subsidiary
27 administrations.

28 29. (New section) The members of the New Jersey
29 Transportation, Toll Road and Trust Fund Authority shall ensure
30 that the authority and subsidiary administrations of the authority
31 have adopted a code of ethics to govern the conduct of State
32 officers and employees, and special State officers and employees,
33 pursuant to P.L.1971, c.182 (C.52:13D-12 et seq.). The members
34 shall further ensure that such officers and employees of the
35 authority or the subsidiary administrations of the authority,
36 receive a copy of the appropriate code of ethics and submit a
37 signed certification to the authority or subsidiary administration,
38 as the case may be, stating that the officer or employee has
39 reviewed the code of ethics and agrees to be bound by the

1 provisions thereof. The signed certifications shall be retained as
2 part of the permanent records of the authority and subsidiary
3 administrations.

4 30. (New section) The chairman of the authority shall
5 establish, in addition to other committees which may be
6 established by the bylaws of the authority, a committee on
7 capital program oversight which shall include the chairman or his
8 designee, the State Treasurer and not less than two members.
9 The capital program oversight committee shall, with respect to
10 any approved or proposed capital program plans of the subsidiary
11 administrations, perform the following functions:

12 a. Monitor the current and future availability of funds to be
13 utilized for such plans approved or proposed by the subsidiary
14 administrations;

15 b. Monitor the contract awards of the subsidiary
16 administrations to insure that such awards are consistent with
17 affirmative action provisions, collective bargaining agreements,
18 State labor laws and State bidding requirements, and any other
19 relevant requirements established by law;

20 c. Monitor the award of contracts to determine if such awards
21 and any change orders related to the awards have been submitted
22 to and approved by the members of the appropriate subsidiary
23 administration and that the actions taken with regard to such
24 awards are specifically enumerated in the minutes of the
25 meetings of that subsidiary administration;

26 d. Review the relationship between capital expenditures
27 pursuant to each such capital program plan and current and
28 future operating budget requirements;

29 e. Monitor the progress of capital elements described in each
30 capital program approved by the subsidiary administrations;

31 f. Monitor the expenditures incurred and to be incurred for
32 each such element; and

33 g. Identify capital elements not progressing on schedule,
34 ascertain responsibility therefor and recommend those actions
35 required or appropriate to accelerate their implementation.

36 The committee shall issue reports of its activities and findings
37 on a quarterly basis, and shall in connection with the preparation
38 of such quarterly reports, consult with the Division of Budget and
39 Accounting in the Department of the Treasury, the State

1 provisions thereof. The signed certifications shall be retained as
part of the permanent records of the authority and subsidiary
3 administrations.

30. (New section) The chairman of the authority shall
5 establish, in addition to other committees which may be
established by the bylaws of the authority, a committee on
7 capital program oversight which shall include the chairman or his
designee, the State Treasurer and not less than two members.
9 The capital program oversight committee shall, with respect to
any approved or proposed capital program plans of the subsidiary
11 administrations, perform the following functions:

a. Monitor the current and future availability of funds to be
13 utilized for such plans approved or proposed by the subsidiary
administrations;

15 b. Monitor the contract awards of the subsidiary
administrations to insure that such awards are consistent with
17 affirmative action provisions, collective bargaining agreements,
State labor laws and State bidding requirements, and any other
19 relevant requirements established by law;

c. Monitor the award of contracts to determine if such awards
21 and any change orders related to the awards have been submitted
to and approved by the members of the appropriate subsidiary
23 administration and that the actions taken with regard to such
awards are specifically enumerated in the minutes of the
25 meetings of that subsidiary administration;

d. Review the relationship between capital expenditures
27 pursuant to each such capital program plan and current and
future operating budget requirements;

29 e. Monitor the progress of capital elements described in each
capital program approved by the subsidiary administrations;

31 f. Monitor the expenditures incurred and to be incurred for
each such element; and

33 g. Identify capital elements not progressing on schedule,
ascertain responsibility therefor and recommend those actions
35 required or appropriate to accelerate their implementation.

The committee shall issue reports of its activities and findings
37 on a quarterly basis, and shall in connection with the preparation
of such quarterly reports, consult with the Division of Budget and
39 Accounting in the Department of the Treasury, the State

1 Department of Transportation and any other group which the
committee deems relevant, including at least annually, a
3 nationally recognized transportation consulting firm. Such
reports shall be made available to the members of the authority,
5 members of the Legislature and the Governor.

31. (New section) In addition to the capital program oversight
7 committee and any other committees which may be formed by
the bylaws of the authority, the chairman shall establish a
9 committee to review the personnel policies and procedures of the
subsidiary administrations. The committee shall consist of the
11 chairman of the authority, or his designee, and at least two other
members of the authority. The purpose of the committee shall be
13 to consider how gains in economy and efficiency may be achieved
in the operations of the subsidiary administrations through
15 reductions in expenditures made possible by certain items,
including but not limited to the following:

- 17 a. Reductions in overtime;
- b. Elimination of consultant fees;
- 19 c. Less temporary help;
- d. Elimination of budgeted positions;
- 21 e. Improved methods of communication;
- f. Improved systems and procedures;
- 23 g. Better deployment and utilization of manpower;
- h. Elimination of unnecessary travel;
- 25 i. Elimination of unnecessary printing and mailing;
- j. Elimination of unnecessary payments of advertising,
27 memberships, dues and subscriptions;
- k. Elimination of waste, duplication, and practices of doubtful
29 value;
- l. Improved space utilization;
- 31 m. Proven cost reduction techniques; and
- n. Any other items considered by the committee as
33 representing true savings.

The committee shall issue a report within one year of the
35 effective date of P.L. . c. (C.)(now pending before the
Legislature as this bill) containing a written description of the
37 changes in personnel practices and procedures or work methods
which it finds will produce gains in the economy and efficiency of
39 the operations of the subsidiary administrations. Such report

1 Department of Transportation and any other group which the
committee deems relevant, including at least annually, a
3 nationally recognized transportation consulting firm. Such
reports shall be made available to the members of the authority,
5 members of the Legislature and the Governor.

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Legislature as this bill) containing a written description of the
37 changes in personnel practices and procedures or work methods
which it finds will produce gains in the economy and efficiency of
39 the operations of the subsidiary administrations. Such report

1 shall be made available to the members of the authority.
members of the Legislature and the Governor.

3 32. (New section) Nothing in P.L. , c. (C.)(now
pending before the Legislature as this bill) shall be deemed or
5 construed so as to limit, alter or impair in any way the rights and
obligations of the New Jersey Turnpike Authority, the New
7 Jersey Highway Authority or the New Jersey Expressway
Authority, or their successors, under the provisions of the
9 contracts made with the holders from time to time of bonds and
notes heretofore or hereafter issued by said authorities or in any
11 way impair the rights and security of such holders under such
contracts.

13 33. (New section) All acts and parts of acts inconsistent with
any of the provisions of P.L. , c. (C.)(now pending before
15 the Legislature as this bill) are to the extent of such
inconsistencies, superseded and shall be deemed inoperative.

17 34. (New section) If any clause, sentence, paragraph, section
or part of P.L. , c. (C.)(now pending before the
19 Legislature as this bill) shall be adjudged by any court of
competent jurisdiction to be invalid, such judgment shall not
21 affect, impair or invalidate the remainder thereof, but shall be
confined in its operation to the clause, sentence, paragraph,
23 section or part thereof directly involved in the controversy in
which such judgment shall have been rendered.

25 35. (New section) a. Whenever in any law, rule, regulation,
order, contract, document, judicial or administrative proceeding
27 or otherwise, reference is made to a predecessor authority, the
same shall mean and refer to a subsidiary administration of the
29 authority.

b. The transfer of the predecessor authorities in accordance
31 with the provisions of P.L. , c. (C.)(now pending before
the Legislature as this bill) shall not affect the orders, rules and
33 regulations heretofore made or promulgated by the predecessor
authorities. These orders, rules and regulations insofar as they
35 are not inconsistent herewith shall continue in effect until
amended or repealed pursuant to law.

37 c. The provisions of P.L.1952, c.16 (C.27:12B-1 et seq.),
P.L.1962, c.10 (C.27:12C-1 et seq.), and P.L.1948, c.454
39 (C.27:23-1 et seq.), insofar as they are not inconsistent with the

1 provisions of P.L. . c. (C.)(now pending before the
Legislature as this bill), shall continue in effect and any
3 reference therein or in any other law to the predecessor
authorities, to the chairman or any member thereof shall be
5 deemed to mean and refer to one of the subsidiary
administrations, or the chairman or member thereof as the case
7 may be.

36. (New section) All transfers directed by this act shall be
9 made in accordance with the "State Agency Transfer Act,"
P.L.1971. c.375 (C.52:14D-1 et seq.). Except as may otherwise
11 be provided by P.L. . c. (C.)(now pending before the
Legislature as this bill), nothing herein shall be construed to
13 deprive employees of their rights, privileges, obligations or status
with respect to any pension or retirement system.

15 37. (New section) a. Upon transferral of the employees of the
predecessor authorities to the subsidiary administrations of the
17 authority, the employees shall retain all of their rights and
benefits under existing labor agreements or contracts until such
19 time as new or revised agreements or contracts are agreed to or
these agreements or contracts shall expire. All existing
21 bargaining agents shall be retained to act on behalf of these
employees until such time as the employees shall, pursuant to
23 law, elect to change such agents.

b. Except as may otherwise be provided by P.L. .
25 c. (C.)(now pending before the Legislature as this bill), all
officers and employees who hold office or are employed by the
27 predecessor authorities and whose functions, powers and duties
have been transferred to the subsidiary administrations of the
29 authority under P.L. . c. (C.)(now pending before the
Legislature as this bill) shall upon the effective date of P.L. .
31 c. (C.)(now pending before the Legislature as this bill) be
transferred from the predecessor authorities to the subsidiary
33 administrations of the authority and shall continue in that or
similar office or employment with the subsidiary administrations,
35 and shall not be dismissed from such office or employment,
except for good cause and after an opportunity to be heard, for
37 one year after the effective date of P.L. . c. (C.)(now
pending before the Legislature as this bill). Except as provided
39 herein, nothing shall affect the civil service status, if any, of

1 those officers or employees or their rights, privileges, obligations
or status with respect to any pension or retirement system. Any
3 collective bargaining agreements entered into by the predecessor
authorities with any of its employees shall continue in effect for
5 the term of the agreement, notwithstanding that the employees
affected by the agreement shall be employees of the subsidiary
7 administrations, but the agreement shall be binding for both the
employees and the subsidiary administrations. The provisions of
9 this section shall not apply to any officer or employee appointed
or employed, or any collective bargaining agreement entered
11 into, on or after the date of enactment of P.L.
c. (C.)(now pending before the Legislature as this bill).

13 38. (New section) a. In hiring employees after the effective
date of P.L. c. (C.)(now pending before the Legislature
15 as this bill), the authority and its subsidiary administrations shall
comply fully with the affirmative action policies and procedures
17 of the State of New Jersey. The authority and its subsidiary
administrations shall ensure equal employment opportunity for all
19 of its employees and applicants seeking employment, including
not limited to recruitment, selection, hiring, training, promotion,
21 transfer, layoff, return from layoff, compensation and fringe
benefits. Equal employment opportunity further includes
23 policies, procedures, and programs for recruitment, employment,
training, promotion, and retention of minorities, women and
25 handicapped persons.

b. The authority shall appoint at least one person with the
27 responsibility for equal employment opportunity as the
affirmative action officer. The authority and its subsidiary
29 administrations shall develop, in consultation with the Division of
Equal Employment Opportunity and Affirmative Action in the
31 Department of Personnel, an affirmative action plan with goals
and timetables and submit quarterly and annual affirmative
33 action reports to the division. The affirmative action plan shall
identify existing inequities in hiring, promotion, and all other
35 conditions of employment and provide specific remedies for those
inequities and establish the time periods for the accomplishment
37 of remedial action.

c. The Division of Equal Employment Opportunity and
39 Affirmative Action in the Department of Personnel shall assist

1 the authority and its subsidiary administrations in developing
affirmative action plans. The division shall notify the Division on
3 Civil Rights in the Department of Law and Public Safety of any
possible violations of the "Law Against Discrimination,"
5 P.L.1945, c.169 (C.10:5-1 et seq.).

39. (New section) In order to assist in the transition to the
7 new structure and responsibilities of the New Jersey
Transportation, Toll Road and Trust Fund Authority set forth in
9 P.L. . c. (C.)(now pending before the Legislature as this
bill), the State Treasurer and the Commissioner of Transportation
11 shall prepare and submit to the members of the authority upon its
organization after the effective date of P.L. . c. (C.)(now
13 pending before the Legislature as this bill) a transition budget to
provide for the continuation of services previously performed by
15 the authority and its subsidiary administrations, and for the
commencement of new responsibilities to be performed by the
17 authority and its subsidiary administrations, which budget shall
govern the financial operations of the authority and its subsidiary
19 administrations until they shall adopt budgets for a full fiscal
year. The State Treasurer and the Commissioner of
21 Transportation shall, in preparing the transition budget, take into
account all revenues, assets and liabilities of the predecessor
23 authorities and any appropriations provided by the Legislature to
the authority. The transition budget shall be submitted as part of
25 the minutes of the authority, along with any amendments or other
changes made by the members of the authority.

27 40. (New section) All officers, departments, boards, agencies,
divisions and commissions of the State are hereby authorized and
29 empowered to render any and all such services to the authority
and its subsidiary administrations as may be within the area of
31 their respective governmental functions as fixed or established by
law, and as may be requested by the authority or any of its
33 subsidiary administrations. The cost and expense of any such
services shall be met and provided for by the authority or its
35 subsidiary administrations.

41. (New section) The State of New Jersey does hereby pledge
37 to and covenant and agree with the holders of any bonds or notes
heretofore or hereafter issued by the predecessor authorities or
39 the subsidiary administrations of the New Jersey Transportation.

1 Toll Road and Trust Fund Authority that the State will not limit
2 or alter the rights or powers hereby vested in the predecessor
3 authorities or the subsidiary administrations of the authority to
4 acquire, construct, maintain, improve, repair and operate its toll
5 roads and toll road projects in any way that would jeopardize the
6 interest of such holders, or to perform and fulfill the terms of
7 any agreement made with the holders of such bonds or notes, or
8 to fix, establish, charge and collect such tolls, rents, fees, rates
9 or other charges as may be convenient or necessary to produce
10 sufficient revenues which, together with other available funds,
11 shall be sufficient to meet all expenses of the predecessor
12 authorities or subsidiary administrations and fulfill the terms of
13 any agreements made with the holders of such bonds or notes,
14 together with interest thereon, with interest on any unpaid
15 installments of interest, and all costs and expenses in connection
16 with any action or proceedings by or on behalf of such holders,
17 until the bonds and notes, together with interest thereon, are
18 fully met and discharged or otherwise provided for.

19 42. (New section) All bondholders and other creditors of the
20 predecessor authorities and persons having claims against or
21 contracts with any predecessor authority of any kind or character
22 may enforce such debts, claims and contracts against the
23 subsidiary administration created as the successor to that
24 predecessor authority on or after the effective date of P.L. ,
25 c. (C.)(now pending before the Legislature as this bill), and
26 the rights and remedies of bondholders, creditors and persons
27 having claims or contracts shall not be limited or restricted in
28 any manner by P.L. , c. (C.)(now pending before the
29 Legislature as this bill).

30 43. (New section) The provisions of P.L. , c. (C.)(now
31 pending before the Legislature as this bill) and any rules and
32 regulations adopted thereunder shall be in all respects subject to
33 the rights and security interests of the holders from time to time
34 of the bonds or notes heretofore or hereafter issued by any of the
35 predecessor authorities or subsidiary administrations of the New
36 Jersey Transportation, Toll Road and Trust Fund Authority.

37 44. This act shall take effect immediately.

STATEMENT

This bill creates three subsidiary administrations within a single successor authority to be known as the New Jersey Transportation, Toll Road and Trust Fund Authority. The bill provides that the three subsidiary administrations shall assume the operational and capital planning functions of the State's three toll road authorities. Under this new organization, the Turnpike Administration would assume these functions for the New Jersey Turnpike Authority, the Parkway Administration would assume these functions for the New Jersey Highway Authority and the Expressway Administration would assume these functions for the New Jersey Expressway Authority.

This bill further provides that the five members of the New Jersey Transportation, Toll Road and Trust Fund Authority would replace the current members of each of the three toll road authorities and would thereby govern and manage the operations and planning for each of the three toll roads as well as for the New Jersey Transportation, Toll Road and Trust Fund Authority. The Commissioner of Transportation, who is designated as the chairman of the New Jersey Transportation, Toll Road and Trust Fund Authority, would also serve as chairman of each of three subsidiary administrations. The officers and employees of the toll road authorities whose duties involve those functions relating to the construction, operation, maintenance, and repair of toll road projects would be transferred to the respective subsidiary administrations. All actions of the authority as well as its subsidiary administrations would remain subject to gubernatorial veto to ensure complete public accountability.

The bill also provides that the toll road authorities would retain their separate legal status as subsidiary administrations of the New Jersey Transportation, Toll Road and Trust Fund Authority and would retain exclusive powers to issue revenue bonds, if needed, for any of their corporate purposes, to refund bonds heretofore or hereafter issued by the administrations, and to fix, revise, charge and collect tolls for transit over the State's three toll roads. The bill further provides that the members of the authority may appoint one executive director for the authority and for the subsidiary administrations of the authority who shall

1 serve at the pleasure of the authority.

3 The purpose of the subsidiary administrations is to exercise
those powers formerly reserved to the authorities to acquire,
5 construct, maintain, repair, improve and operate toll road
projects. In addition, the bill mandates that the administrations
7 shall ensure that all revenues derived from toll road operations
shall be dedicated to toll road purposes and projects of the
8 respective administrations except where existing agreements
9 between the State and the predecessor authorities require
payments to the New Jersey Transportation, Toll Road and Trust
11 Fund Authority. The bill also provides that upon dissolution of
the authority and the administrations, all funds and other
13 properties of the authority shall vest in and be delivered to the
State.

15 The intent and purpose of this bill is to ensure that the
management, operations, maintenance and capital programs
17 affecting the State's three toll roads are subject to greater
accountability by placing the responsibility for these functions
19 within three separate subsidiary corporations under the common
control of the members of the New Jersey Transportation, Toll
21 Road and Trust Fund Authority which includes the Commissioner
of Transportation, to exercise greater oversight, to achieve
23 economies of scale through centralized planning and purchasing
decisions, and to effect greater coordination of the
25 transportation policies and projects for the State, while keeping
the financial structure and borrowing powers of the predecessor
27 authorities intact in the form of subsidiary administrations.

29

AUTHORITIES AND REGIONAL COMMISSIONS

31

Highways and Roads

33 Establishes three subsidiary administrations under the supervision
and control of the New Jersey Transportation, Toll Road and
35 Trust Fund Authority.

ASSEMBLY, No. 4386

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1989

By Assemblywoman CRECCO, Assemblymen SCHUBER
and DeCroce

1 **AN ACT** concerning meetings and records of the independent
 authorities of this State amending and supplementing P.L.1975,
3 c.231.

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

7 1. (New section) The Legislature finds and declares that it is
 the public policy of this State to ensure that State authorities
9 operate in a manner that presents both accountability and
 credibility to the general public, which relies so extensively on
11 the many services that these public bodies provide; in recent
 years these elements of accountability and credibility have been
13 impaired inasmuch as the projects undertaken or policies adopted
 by the independent State authorities have been characterized by
15 inadequate notice to and inadequate involvement of the public in
 the various stages of project planning and policy formulation
17 leading to major decisions by the authorities; the dictates of a
 free and democratic society demand a greater level of
19 conscientiousness on the part of the various independent
 authorities of this State, so that these bodies better fulfill their
21 roles as servants of the general public; and to restore, instill,
 foster and improve the faith and confidence of the public in the
23 integrity and commitment of the independent State authorities,
 the Legislature determines that certain procedural safeguards
25 should be adopted to guarantee that the meetings of these
 authorities are open to the public, that full and accurate records
27 are maintained of all proceedings and that these records are
 made available for public inspection.

29 2. Section 3 of P.L.1975, c.231 (C.10:4-8) is amended to read
 as follows:

31 3. As used in this act:

 a. "Public body" means a commission, authority, board,

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 underlined thus is new matter.

1 council, committee or any other group of two or more persons
2 organized under the laws of this State, and collectively
3 empowered as a voting body to perform a public governmental
4 function affecting the rights, duties, obligations, privileges,
5 benefits, or other legal relations of any person, or collectively
6 authorized to spend public funds including the Legislature, but
7 does not mean or include the judicial branch of the government,
8 any grand or petit jury, any parole board or any agency or body
9 acting in a parole capacity, the State Commission of
10 Investigation, the Apportionment Commission established under
11 Article IV, Section III, of the Constitution, or any political party
12 committee organized under Title 19 of the Revised Statutes.

13 b. "Meeting" means and includes any gathering whether
14 corporeal or by means of communication equipment, which is
15 attended by, or open to, all of the members of a public body, held
16 with the intent, on the part of the members of the body present,
17 to discuss or act as a unit upon the specific public business of
18 that body. Meeting does not mean or include any such gathering
19 (1) attended by less than an effective majority of the members of
20 a public body, or (2) attended by or open to all the members of
21 three or more similar public bodies at a convention or similar
22 gathering.

23 c. "Public business" means and includes all matters which
24 relate in any way, directly or indirectly, to the performance of
25 the public body's functions or the conduct of its business. With
26 respect to an independent State authority, "public business"
27 includes, but is not limited to, all matters which relate in any
28 way, directly or indirectly, to the performance of the functions
29 or the conduct of the business of the authority, including, but not
30 limited to, the subject of toll increases, project financing, and
31 any expressway, highway or turnpike project authorized by
32 P.L.1962, c.10 (C.27:12C-1 et seq.), P.L.1952, c.16 (C.27:12B-1
33 et seq.), or P.L.1948, c.454 (C.27:23-1 et seq.).

34 d. "Adequate notice" means written advance notice of at least
35 48 hours, giving the time, date, location and, to the extent
36 known, the agenda of any regular, special or rescheduled meeting,
37 which notice shall accurately state whether formal action may or
38 may not be taken and which shall be (1) prominently posted in at
39 least one public place reserved for such or similar

1 announcements, (2) mailed, telephoned, telegrammed, or hand
delivered to at least two newspapers which newspapers shall be
3 designated by the public body to receive such notices because
they have the greatest likelihood of informing the public within
5 the area of jurisdiction of the public body of such meetings, one
of which shall be the official newspaper, where any such has been
7 designated by the public body or if the public body has failed to
so designate, where any has been designated by the governing
9 body of the political subdivision whose geographic boundaries are
coextensive with that of the public body and (3) filed with the
11 clerk of the municipality when the public body's geographic
boundaries are coextensive with that of a single municipality,
13 with the clerk of the county when the public body's geographic
boundaries are coextensive with that of a single county, and with
15 the Secretary of State if the public body has Statewide
jurisdiction. For any other public body the filing shall be with the
17 clerk or chief administrative officer of such other public body
and each municipal or county clerk of each municipality or
19 county encompassed within the jurisdiction of such public body.
Where annual notice or revisions thereof in compliance with
21 section 13 of this act set forth the location of any meeting, no
further notice shall be required for such meeting.

23 e. "Independent State authority" means an authority, board,
bureau, office, commission, committee, council, instrumentality
25 or agency of the State, which is a public body corporate and
politic established by the Legislature, having the power to sue
27 and be sued and to issue bonds.

(cf: P.L.1981, c.176, s.2)

29 3. Section 10 of P.L.1975, c.231 (C.10:4-15) is amended to
read as follows:

31 10. a. Any action taken by a public body at a meeting which
does not conform with the provisions of this act shall be voidable
33 in a proceeding in lieu of prerogative writ in the Superior Court,
which proceeding may be brought by any person within 45 days
35 after the action sought to be voided has been made public;
provided, however, that a public body may take corrective or
37 remedial action by acting de novo at a public meeting held in
conformity with this act and other applicable law regarding any
39 action which may otherwise be voidable pursuant to this section;

1 and provided further that any action for which advance published
notice of at least 48 hours is provided as required by law shall not
3 be voidable solely for failure to conform with any notice required
in this act.

5 b. Any party, including any member of the public, may
institute a proceeding in lieu of prerogative writ in the Superior
7 Court to challenge any action taken by a public body on the
grounds that such action is void for the reasons stated in
9 subsection a. of this section, and if the court shall find that the
action was taken at a meeting which does not conform to the
provisions of this act, the court shall declare such action void.

11 c. A public body which is an independent State authority shall
13 conduct any corrective or remedial action it undertakes pursuant
to subsection a. of this section in the following manner:

15 (1) The independent State authority shall hold the public
meeting at which the authority intends to act de novo not later
17 than 30 days after the date on which a violation of the "Open
Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.), is
19 discovered, or should have been discovered through the exercise
of reasonable diligence.

21 (2) The notice for a de novo public meeting shall include a
description of the action to be reconsidered, a clear statement
23 that an independent State authority proposes to reconsider a prior
action which was taken in violation of the provisions of the "Open
25 Public Meetings Act" and information on the manner in which the
public may obtain a detailed written description of the action to
27 be reconsidered.

(3) The independent State authority shall make available to
29 the public a detailed written description of the action to be
reconsidered and all deliberations, consultations, minutes, and
31 decisions concerning the prior action, made by the members of
the independent State authority to the prior action, and are
33 required to be made available to the public pursuant to the laws
of this State. The written description also shall be included as
35 part of the minutes of the de novo meeting.

(4) The independent State authority shall make available to
37 the public the notice and detailed written description required by
this subsection at least 72 hours in advance of the de novo public
39 meeting, in addition to the adequate notice requirements of this
act.

ASSEMBLY, No. 4387

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1989

By Assemblymen SCHUBER and DeCROCE

1 **AN ACT** concerning certain policies of and concerning the toll
2 road authorities and amending P.L.1948, c.454, P.L.1952, c.16,
3 and P.L.1962, c.10 and supplementing Title 27 of the Revised
4 Statutes.

5

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

8 1. (New section) The Legislature finds and declares that the
9 State has created three independent toll road authorities as an
10 efficient means to carry out the planning, construction,
11 maintenance and rehabilitation of the State's toll roads; these
12 authorities hold a fiduciary relationship to the citizens of this
13 State; the State relies on the competent execution of those goals
14 delegated to it as well as the careful management of the not
15 inconsiderable financial means available to these authorities; the
16 toll road authorities have recently been criticized for not fully
17 incorporating certain policies of State government into their
18 operations, which criticisms include the lack of a comprehensive,
19 coordinated Statewide approach to transportation and capital
20 improvement planning, insufficient internal procedures to ensure
21 financially sound decisions by the authorities, the lack of
22 compliance with the spirit, as well as the letter of the Open
23 Public Meetings Act, the failure to fully develop affirmative
24 action programs, the lack of conflict of interest limitations on
25 employees, and the misuse of credit cards issued to the
26 authorities; notwithstanding the delegation of power to the toll
27 road authorities, State government holds, in the public trust, the
28 responsibility to assure that the policies of the State are carried
29 out by the toll road authorities; to that end, the Legislature must
30 seek ways of requiring the toll road authorities to comply with
31 the policies of State government in a manner which does not
32 interfere with the financial integrity of the toll road authorities;
33 and it is in the best interest of the public to enhance and limit

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 underlined thus is new matter.

1 the powers of the toll road authorities, as the case may be, to
2 ensure that these independent governmental entities carry out
3 the public policies of the State.

4 2. (New section) As used in sections 1 through 14 of this 1989
5 amendatory and supplementary act:

6 "Authority" or "toll road authority" means the New Jersey
7 Highway Authority created pursuant to P.L.1952, c.16
(C.27:12B-1 et seq.), the New Jersey Turnpike Authority created
8 pursuant to P.L.1948, c.454 (C.27:23-1 et seq.), and the New
9 Jersey Expressway Authority created pursuant to P.L.1962, c.10
10 (C.27:12C-1 et seq.);

11 "Cardholder" means the person or organization named on the
12 face of a credit card to whom or for whose benefit the credit
13 card is issued by an issuer;

14 "Commissioner" means the Commissioner of Transportation;

15 "Credit card" means any instrument or device, whether known
16 as a credit card, credit plate, or by any other name, issued with
17 or without fee by an issuer for the use of the cardholder in
18 obtaining money, goods, services or anything else of value on
19 credit;

20 "Issuer" means the business organization or financial
21 institution, or the duly authorized agent thereof, which issues a
22 credit card; and

23 3. a. (New section) There is created a panel to be known as
24 the Transportation Coordination Panel which shall consist of the
25 Commissioner of Transportation who shall serve as its chairman,
26 the Chairman of the New Jersey Turnpike Authority, the
27 Chairman of the New Jersey Highway Authority and the
28 Chairman of the New Jersey Expressway Authority, or their
29 designees.

30 b. The panel shall meet formally at least four times a year at
31 the call of its Chairman. The panel shall report annually to the
32 Governor and the Legislature as to the activities of the panel.

33 c. It shall be the duty of the panel to coordinate the planning
34 and operations of the New Jersey Turnpike Authority, the New
35 Jersey Highway Authority, the New Jersey Expressway Authority
36 and the Department of Transportation, in conformance with the
37 State's comprehensive transportation master plan, in order to
38 utilize the resources of the authorities to more effectively meet
39

1 State and regional transportation needs and to further advance
the State's overall transportation goals.

3 4. (New section) a. Each toll road authority shall annually
5 submit a budget, including the revenues of the authority for each
6 fiscal year, its projected operational expenditures for the fiscal
7 year and a projection of anticipated revenues and expenditures
8 for a period five years beyond the fiscal year in question as well
9 as its capital construction program and a five-year projection
10 thereof, to the commissioner and the State Treasurer 45 days
11 prior to its adoption thereof. The budget shall comply with the
12 terms and provisions of any bond resolutions, and shall be in such
13 form and detail as to items of revenue, expenditure and other
14 content as required under the provisions of this 1989 amendatory
15 and supplementary act and the rules and regulations adopted
16 hereunder, pursuant to the "Administrative Procedure Act,"
P.L.1968, c.410 (C.52:14B-1 et seq.), by the State Treasurer.

17 b. The State Treasurer shall, pursuant to the "Administrative
18 Procedure Act," and consistent with the enabling law creating
19 the authority, the terms and provisions of any bond resolutions,
20 and with the provisions of sections 4 through 7 of this 1989
21 amendatory and supplementary act, adopt rules and regulations
22 necessary to carry out the provisions of this 1989 amendatory and
23 supplementary act, which rules and regulations shall include the
24 procedures and requirements for execution of any budget after
25 adoption, and for the administration of the financial affairs of
the toll road authorities.

27 5. (New section) No authority budget shall be adopted until
the State Treasurer has approved it, or approved it with
29 conditions. In granting the approval, the State Treasurer shall
consider, at a minimum, the following:

31 a. All estimates of revenue are reasonable, accurate and
correctly stated;

33 b. All items of appropriation have been properly set forth;

35 c. In itemization, form and content, the budget permits the
exercise of the comptroller function within the authority;

37 d. The schedule of tolls, fees and charges then in effect and
anticipated over a five-year period produces sufficient revenues,
together with all other anticipated revenues, to satisfy all
39 obligations to the holders of bonds of the authority, to meet

1 operating expenses, capital outlays, debt service requirements,
and to provide for such reserves, all as may be required by law,
3 regulation or terms of contracts and agreements;

e. The commissioner has approved the annual capital
5 construction program of the authority, consistent with the
provisions of section 6 of this 1989 amendatory and
7 supplementary act.

The commissioner and State Treasurer may require such
9 documentation, records and other information, and undertake any
audit or investigation, as may be necessary in connection with the
11 review of the budget.

The State Treasurer shall, upon a finding that all requirements
13 of law and the rules and regulations have been met, and within 45
days of receipt of the budget, approve, or approve with
15 conditions, the budget of the authority. If the State Treasurer
does not approve, or approve with conditions, the budget of the
17 authority within the 45-day period, the budget of the authority
shall be deemed approved.

19 6. (New section) The commissioner shall review and approve,
or approve with conditions, the capital construction program of
21 the toll road authorities submitted in each budget thereof
pursuant to section 4 of this 1989 amendatory and supplementary
23 act. In reviewing the budgets of the toll road authorities, the
commissioner shall:

25 a. Compare the relationship between the capital construction
program of the authority with other intersecting roadways to
27 assure network continuity;

b. Review design standard and cost estimate reliability
29 utilizing industry models, such as the American Association of
State Highway and Transportation Officials (AASHTO) standards;

31 c. Determine that the capital construction program is
consistent with Statewide growth and transportation policies, and
33 these policies are the basis for the development of a
comprehensive traffic study justifying capacity improvements
35 over a five-year period;

d. Determine that the capital construction program include
37 only those projects as authorized by the enabling law of the
authority and are reasonably justifiable over a five-year period.

39 Upon completion, the commissioner shall forward the review to

1 the State Treasurer along with any written recommendations for
changes deemed necessary to provide for the sound financial
3 conduct of the capital program.

7. (New section) a. Within 45 days of receipt of the budget
5 from the authority and after the receipt by the State Treasurer
of the recommendations of the commissioner, the State Treasurer
7 shall return the proposed budget, along with any written
recommendation for changes to the budget, made by either the
9 commissioner or the State Treasurer, to the authority.

b. Upon receipt of the budget and the recommendations, if
11 any, of the commissioner and the State Treasurer, the authority
may proceed to adopt by resolution the budget for the ensuing
13 fiscal year. The recommendations of the commissioner and the
State Treasurer shall be placed in the public minutes of the
15 authority, and the authority shall take action to adopt, or not,
each recommendation so that each such action appears in the
17 public minutes of the authority. The budget shall be deemed
finally adopted only upon completion of the Governor's review
19 and approval of the minutes of the authority pursuant to law.

8. a. (New section) Each authority shall ensure equality of
21 opportunity for all of its employees and applicants seeking
employment. Equal employment opportunity includes, but is not
23 limited to the following areas, recruitment, selection, hiring,
training, promotion, transfer, layoff, return from layoff,
25 compensation and fringe benefits. Equal employment opportunity
further includes policies, procedures, and programs for
27 recruitment, employment, training, promotion, and retention of
minorities, women and handicapped persons.

b. Each authority shall appoint at least one person with the
29 responsibility for equal employment opportunity as the
affirmative action officer.
31

c. Each authority shall develop, in consultation with the
33 Division of Equal Employment Opportunity and Affirmative
Action in the Department of Personnel, an affirmative action
35 plan with goals and timetables and submit quarterly and annual
affirmative action reports to the division. The affirmative action
37 plan shall identify existing inequities in hiring, promotion, and all
other conditions of employment and provide specific remedies for
39 those inequities and establish the time periods for the

1 accomplishment of remedial action.

3 d. The Division of Equal Employment Opportunity and
Affirmative Action in the Department of Personnel shall assist
the toll road authorities in developing affirmative actions plans.
5 The division will review periodic reports submitted by the
authorities and recommend appropriate sanctions for
7 noncompliance to the Governor. The division shall notify the
Division on Civil Rights in the Department of Law and Public
9 Safety of any possible violations of the "Law Against
Discrimination," P.L.1945, c.169 (C.10:5-1 et seq.).

11 9. (New section) a. No special State officers or employees
holding an office with or employed by a toll road authority shall
13 knowingly himself, or by his partners or through any corporation
which he controls or in which he owns or controls more than 1%
15 of the stock, or by any other person for his use or benefit or on
his account, undertake or execute, in whole or in part, any
17 contract, agreement, sale or purchase of the value of \$25.00 or
more, made, entered into, awarded or granted by the authority in
19 which he holds office or is employed, except as provided in
subsection b. of this section.

21 b. The provisions of subsection a. of this section shall not
apply to (a) purchases, contracts, agreements or sales which (1)
23 are made or let after public notice and competitive bidding or
which (2), pursuant to section 5 of chapter 48 of the laws of 1954
25 (C.52:34-10) or other similar provisions contained in the public
bidding laws or regulations applicable to other State agencies,
27 may be made, negotiated or awarded without public advertising
for bids, or (b) any contract of insurance entered into by the
29 Director of the Division of Purchase and Property pursuant to
section 10 of article 6 of chapter 112 of the laws of 1944
31 (C.52:27B-62), if the purchases, contracts or agreements,
including change orders and amendments thereto, shall receive
33 prior approval the Executive Commission on Ethical Standards if
a special State officer or employee holding an office with or
35 employed by a toll road authority has an interest therein.

10. (New section) a. After the effective date of this 1989
37 amendatory and supplementary act, an authority shall not supply,
or authorize or arrange, through contract with an issuer or
39 otherwise, for the issuance of, a new credit card to a member or

1 employee of the authority for purposes of enabling the member or
employee to charge authority business expenses or any other
3 expenses thereon. If this type of credit card was issued prior to
the effective date of this 1989 amendatory and supplementary
5 act, and, on the effective date of this 1989 amendatory and
supplementary act, is a valid account or is an account no longer
7 open for active use, but sums remain due thereon, the authority
shall pay the balance on, and thereafter, close the credit card
9 account as soon as practicable after the date on which this 1989
amendatory and supplementary act takes effect. Not later than
11 seven days after the date on which this 1989 amendatory and
supplementary act takes effect, each member or employee with
13 this type of credit card shall return the card to the authority, and
any new amount charged to the card by a member or employee
15 after the date on which this 1989 amendatory and supplementary
act takes effect shall be paid by the member or employee;
17 however, a member or employee required to pay charges incurred
after the effective date of this 1989 amendatory and
19 supplementary act may apply for reimbursement therefor in
accordance with provisions of this section. An interest or other
21 finance or late charge on the outstanding balance of a card is not
a "new amount" for purposes of this 1989 amendatory and
23 supplementary act.

b. After the effective date of this 1989 amendatory and
25 supplementary act, a member or employee of an authority may
apply to the authority for reimbursement of authority business
27 expenses in accordance with the provisions of this section;
however, an authority shall reimburse a member or employee only
29 for those expenses eligible for reimbursement under the enabling
law of the authority. Reimbursement shall be made by an
31 authority only after a written statement has been submitted to,
and approved by, the authority in accordance with this section. A
33 member or employee of an authority who incurs expenses in the
performance of duties for the authority and requests
35 reimbursement therefor, or who expects to incur these expenses
and requests an advance payment therefor, shall submit to the
37 authority a written statement, signed by the member or
employee, listing for each expense incurred or to be incurred, the
39 date the expense was or will be incurred, the amount of the

1 expense, and the reason for the expense. If a member or
employee of an authority receives an advance payment for
3 expenses expected to be incurred, the member or employee shall
submit a final written statement to the authority after having
5 actually incurred the expenses, listing the date each expense was
incurred; the amount of each expense; the reason for each
7 expense; the amount of the advance payment; and, if the advance
payment did not equal the actual expenses, the amount, if any, to
9 be reimbursed by the authority to the member or employee if the
advance payment was insufficient to cover the entire
11 expenditure, or the amount, if any, to be reimbursed by the
member or employee to the authority if the advance payment was
13 in excess of the actual amount expended. The authority shall
consider each written statement submitted thereto, and shall
15 approve only those statements which are accurate and truthful
descriptions of expenses permitted to be reimbursed under the
17 enabling law of that authority. This section shall not apply to
salaries earned by employees of authorities.

19 11. (New section) a. Notwithstanding any law, rule or
regulation to the contrary, every meeting at which public
21 business, as defined by the "Open Public Meetings Act,"
P.L.1975, c.231 (C.10:4-6 et seq.), of a toll road authority is
23 discussed or acted upon by the authority shall be recorded either
stenographically or by electronic means, and the minutes of the
25 meeting shall thereafter be transcribed into printed form and be
made available to the members of the authority for their review
27 and comment.

b. Each member shall complete his review of the printed
29 minutes within 20 days following the date of receipt of the
minutes and shall immediately thereafter submit his copy to the
31 toll road authority together with a signed certification stating
that the member has reviewed the minutes of the meeting. Upon
33 receipt of the signed certifications of all the members present at
a meeting, the toll road authority shall cause the minutes and any
35 comments submitted by the members to be printed, bound and
made available for distribution to the general public.

37 12. (New section) a. It shall be the duty of each of the toll
road authorities to contact the Office of the Attorney General in
39 the Department of Law and Public Safety to ensure that a

1 representative of the Attorney General is present at each
meeting of the toll road authorities. The representative
3 designated by the Attorney General shall be knowledgeable
concerning, and experienced in the interpretation and application
5 of the "Open Public Meetings Act."

b. The Attorney General's representative shall advise and
7 assist the toll road authorities in the interpretation and
application of the provisions of the "Open Public Meetings Act."
9 In particular, if an authority needs to meet in an executive
session from which the public will be excluded, the authority shall
11 first consult with the Attorney General's representative as to the
propriety of discussing each subject in private and shall request
13 an explanation of the exception under which the authority deems
itself empowered to discuss the subject in an executive session.
15 Any advice or opinion given to the authority pursuant to this
section shall be included in the minutes of the meeting.

17 13. (New section) a. The commissioners of each of the toll
road authorities shall appoint a public records information officer
19 who shall be responsible for receiving and processing requests
from the public for minutes of the meetings.

21 b. Whenever a public records information officer receives a
request to inspect, examine or obtain a copy of the minutes of a
23 meeting of a toll road authority, the officer shall make every
reasonable effort to promptly comply with the request.

25 c. Whenever any official or employee of a toll road authority,
other than the public records information officer, receives a
27 request for information or records of a meeting, he shall make
every reasonable effort to direct the requester to the proper
29 information officer in charge of the information or records.

d. Records or minutes of meetings shall be made available for
31 copying under the supervision of the public records information
officer or other official acting upon his behalf. The toll road
33 authorities also shall make copies of records or minutes available
to the public, and may charge a fee therefor, not to exceed the
35 cost of producing the copies.

14. (New section) Any official or employee of a toll road
37 authority who knowingly engages in a pattern of violating the
provisions of sections 11 through 13 of this 1989 amendatory and
39 supplementary act shall be subject to removal from his office or

1 employment.

15. Section 5 of P.L.1948, c.454 (C.27:23-5) is amended to
3 read as follows:

5 5. The authority shall be a body corporate and politic and shall
have perpetual succession and shall have the following powers as
limited and supplemented by P.L....., c..... (C.....) (Now pending
7 before the Legislature as this bill.):

(a) To adopt bylaws for the regulation of its affairs and the
9 conduct of its business;

(b) To adopt an official seal and alter the same at pleasure;

11 (c) To maintain an office at such place or places within the
State as it may designate;

13 (d) To sue and be sued in its own name;

(e) To construct, maintain, repair and operate turnpike
15 projects at such locations as shall be established by law;

(f) To issue turnpike revenue bonds of the authority, for any of
17 its corporate purposes, payable solely from the tolls, other
revenues and proceeds of such bonds, and to refund its bonds, all
19 as provided in this act;

(g) In the exercise of any of its powers, to fix and revise from
21 time to time and charge and collect tolls for transit over each
turnpike project constructed by it;

23 (h) To establish rules and regulations for the use of any project;

(i) To acquire, hold and dispose of real and personal property in
25 the exercise of its powers and the performance of its duties under
this act;

27 (j) To acquire in the name of the authority by purchase or
otherwise, on such terms and conditions and in such manner as it
29 may deem proper, or by the exercise of the power of eminent
domain, any land and other property which it may determine is
31 reasonably necessary for any turnpike project or for the
relocation or reconstruction of any highway by the authority
33 under the provisions of this act or for the construction of any
feeder road, which the authority is or may be authorized to
35 construct and any and all rights, title and interest in such land
and other property, including public lands, parks, playgrounds,
37 reservations, highways or parkways, owned by or in which any
county, city, borough, town, township, village, or other political
39 subdivision of the State of New Jersey has any right, title or

1 interest, or parts thereof or rights therein and any fee simple
absolute or any lesser interest in private property, and any fee
3 simple absolute in, easements upon, or the benefit of restrictions
upon, abutting property to preserve and protect turnpike projects.

5 Upon the exercise of the power of eminent domain, the
compensation to be paid thereunder shall be ascertained and paid
7 in the manner provided in chapter one of Title 20 of the Revised
Statutes insofar as the provisions thereof are applicable and not
9 inconsistent with the provisions contained in this act. The
authority may join in separate subdivisions in one petition or
11 complaint the descriptions of any number of tracts or parcels of
land or property to be condemned and the names of any number
13 of owners and other parties who may have an interest therein and
all such land or property included in said petition or complaint
15 may be condemned in a single proceeding; provided, however,
that separate awards be made for each tract or parcel of land or
17 property; and provided, further, that each of said tracts or
parcels of land or property lies wholly in or has a substantial part
19 of its value lying wholly within the same county.

Upon the filing of such petition or complaint or at any time
21 thereafter the authority may file with the clerk of the county in
which such property is located and also with the Clerk of the
23 Superior Court a declaration of taking, signed by the authority,
declaring that possession of one or more of the tracts or parcels
25 of land or property described in the petition or complaint is
thereby being taken by and for the use of the authority. The said
27 declaration of taking shall be sufficient if it sets forth: (1) a
description of each tract or parcel of land or property to be so
29 taken sufficient for the identification thereof, to which there
may or may not be attached a plan or map thereof; (2) a
31 statement of the estate or interest in the said land or property
being taken; (3) a statement of the sum of money estimated by
33 the authority by resolution to be just compensation for the taking
of the estate or interest in each tract or parcel of land or
35 property described in said declaration; and (4) that, in compliance
with the provisions of this act, the authority has established and
37 is maintaining a trust fund as hereinafter provided.

Upon the filing of the said declaration, the authority shall
39 deposit with the Clerk of the Superior Court the amount of the

1 estimated compensation stated in said declaration. In addition to
the said deposits with the Clerk of the Superior Court, the
3 authority at all times shall maintain a special trust fund on
deposit with a bank or trust company doing business in this State,
5 in an amount at least equal to twice the aggregate amount
deposited with the Clerk of the Superior Court, as estimated
7 compensation for all property described in declaration of taking
with respect to which the compensation has not been finally
9 determined and paid to the persons entitled thereto or into
court. Said trust fund shall consist of cash or securities readily
11 convertible into cash, constituting legal investments for trust
funds under the laws of this State. Said trust fund shall be held
13 solely to secure and may be applied to the payment of just
compensation for the land or other property described in such
15 declarations of taking. The authority shall be entitled to
withdraw from said trust fund from time to time so much as may
17 then be in excess of twice the aggregate of the amount deposited
with the Clerk of the Superior Court, as estimated compensation
19 for all property described in declarations of taking with respect
to which the compensation has not been finally determined and
21 paid to the persons entitled thereto or into court.

Upon the filing of the said declaration as aforesaid and
23 depositing with the Clerk of the Superior court the amount of the
estimated compensation stated in said declaration, the authority,
25 without other process or proceedings, shall be entitled to the
exclusive possession and use of each tract of land or property
27 described in said declaration and may forthwith enter into and
take possession of said land or property, it being the intent of this
29 provision that the proceedings for compensation or any other
proceedings relating to the taking of said land or interest therein
31 or other property shall not delay the taking of possession thereof
and the use thereof by the authority for the purpose or purposes
33 for which the authority is authorized by law to acquire or
condemn such land or other property or interest therein.

35 The authority shall cause notice of the filing of said
declaration and the making of said deposit to be served upon each
37 party in interest named in the petition residing in this State,
either personally or by leaving a copy thereof at his residence, if
39 known, and upon each party in interest residing out of the State,

1 by mailing a copy thereof to him at his residence, if known. In
the event that the residence of any such party or the name of
3 such party is unknown, such notice shall be published at least
once in a newspaper published or circulating in the county or
5 counties in which the land is located. Such service, mailing or
publication shall be made within 10 days after filing such
7 declaration. Upon the application of any party in interest and
after notice to other parties in interest, including the authority,
9 any judge of the Superior Court assigned to sit for said county
may order that the money deposited with the Clerk of the
11 Superior Court or any part thereof be paid forthwith to the
person or persons entitled thereto for or on account of the just
13 compensation to be awarded in said proceeding; provided, that
each such person shall have filed with the Clerk of the Superior
15 Court a consent in writing that, in the event the award in the
condemnation proceeding shall be less than the amount deposited,
17 the court, after notice as herein provided and hearing, may
determine his liability, if any, for the return of such difference or
19 any part thereof and enter judgment therefor. If the amount of
the award as finally determined shall exceed the amount so
21 deposited, the person or persons to whom the award is payable
shall be entitled to recover from the authority the difference
23 between the amount of the deposit and the amount of the award,
with interest at the rate of six per centum (6%) per annum
25 thereon from the date of making the deposit. If the amount of
the award shall be less than the amount so deposited, the Clerk of
27 the Superior Court shall return the difference between the
amount of the award and the deposit to the authority, unless the
29 amount of the deposit or any part thereof shall have theretofore
been distributed, in which event the court, on petition of the
31 authority and notice to all persons interested in the award and
affording them an opportunity to be heard, shall enter judgment
33 in favor of the authority for such difference against the party or
parties liable for the return thereof. The authority shall cause
35 notice of the date fixed for such hearing to be served upon each
party thereto residing in this State, either personally or by
37 leaving a copy thereof at his residence, if known, and upon each
party residing out of the State, by mailing a copy to him at his
39 residence, if known. In the event that the residence of any

1 party or the name of such party is unknown, such notice shall be
published at least once in a newspaper published or circulating in
3 the county or counties in which the land is located. Such service,
mailing or publication shall be made at least 10 days before the
5 date fixed for such hearing.

Whenever under chapter one of Title 20 of the Revised Statutes
7 the amount of the award may be paid into court, payment may be
made into the Superior Court and may be distributed according to
9 law. The authority shall not abandon any condemnation
proceeding subsequent to the date upon which it has taken
11 possession of the land or property as herein provided;

(k) To designate the locations, and establish, limit and control
13 such points of ingress to and egress from each turnpike project as
may be necessary or desirable in the judgment of the authority to
15 insure the proper operation and maintenance of such project, and
to prohibit entrance to such project from any point or points not
17 so designated;

(l) To make and enter into all contracts and agreements
19 necessary or incidental to the performance of its duties and the
execution of its powers under this act;

(m) To appoint such additional officers, who need not be
21 members of the authority, as the authority deems advisable, and
to employ consulting engineers, attorneys, accountants,
23 construction and financial experts, superintendents, managers,
25 and such other employees and agents as may be necessary in its
judgment; to fix their compensation; and to promote and
27 discharge such officers, employees and agents, all without regard
to the provisions of Title [11 of the Revised Statutes] 11A of the
29 New Jersey Statutes;

(n) To receive and accept from any federal agency, subject to
31 the approval of the Governor, grants for or in aid of the
construction of any turnpike project, and to receive and accept
33 aid or contributions, except appropriations by the Legislature,
from any source, of either money, property, labor or other things
35 of value, to be held, used and applied only for the purposes for
which such grants and contributions may be made; and

(o) To do all acts and things necessary or convenient to carry
37 out the powers expressly granted in this act.

39 (cf: P.L.1984, c.73, s.41)

1 16. Section 5 of P.L.1952, c.16 (C.27:12B-5) is amended to
read as follows:

3 5. The authority shall be a body corporate and politic and shall
have perpetual succession and shall have the following powers as
5 limited and supplemented by P.L....., c..... (C.....) (Now pending
before the Legislature as this bill.):

7 (a) To adopt bylaws for the regulation of its affairs and the
conduct of its business;

9 (b) To adopt an official seal and alter the same at pleasure;

11 (c) To maintain an office at such place or places within or
without the State as it may designate;

13 (d) To sue and be sued in its own name;

15 (e) To acquire, construct, maintain, repair and operate
projects;

17 (f) To acquire, lease, build, improve, maintain and operate one
or more ferry boats and other craft between a point in Cape May
county, New Jersey, and a point in Lewes, Delaware, and to
transport passengers and freight between said points by means of
such boats;

19 (g) To acquire in cooperation with the Department of
21 Environmental Protection limited roadside areas adjoining said
projects and transfer any or all of such areas to the Department
23 of Environmental Protection, so that said department may
maintain such areas as roadside parks;

25 (h) To issue bonds or notes of the authority and to provide for
the rights of the holders thereof, as provided in this act;

27 (i) In the exercise of any of its powers, to fix and revise from
time to time and charge and collect tolls or other charges for
29 transit over or use of any project acquired or constructed by it;

31 (j) To establish and enforce rules and regulations for the use of
any project;

33 (k) To acquire, hold and dispose of real and personal property
in the exercise of its powers and the performance of its duties
under this act;

35 (l) To acquire in the name of the authority by purchase or
otherwise, on such terms and conditions and in such manner as it
37 may deem proper, or by the exercise of the power of eminent
domain, any land and other property, including land under water
39 and riparian rights, within or without the State of New Jersey,

1 which it may determine is reasonably necessary for any project or
2 for the relocation or reconstruction of any public highway by the
3 authority under the provisions of this act or for the construction
4 of any feeder road, which the authority is or may be authorized
5 to construct and any and all rights, title and interest in such land
6 and other property, including public lands, parks, playgrounds,
7 reservations, highways or parkways, owned by or in which any
8 county, city, borough, town, township, village, or other political
9 subdivision of the State of New Jersey has any right, title or
10 interest, or parts thereof or rights therein and any fee simple
11 absolute or any lesser interest in private property, and any fee
12 simple absolute in, easements upon, or the benefit of restrictions
13 upon abutting property to preserve and protect projects;

14 (m) To locate and designate, and to establish, limit and control
15 such points of ingress to and egress from each project as may be
16 necessary or desirable in the judgment of the authority to insure
17 the proper operation and maintenance of such project, and to
18 prohibit entrance to such project from any point or points not so
19 designated;

20 (n) To take title or any lesser interest to any land or other
21 property in the State of Delaware in any manner permitted by the
22 laws of Delaware. Whenever such property located in the State
23 of Delaware cannot be acquired by the authority in its name or in
24 that of its nominee or trustee by agreement, and the Highway
25 Department of the State of Delaware is willing to condemn such
26 property for the use of the project, if reimbursed by the authority
27 for the condemnation money or damages awarded in such
28 condemnation and the expenses thereof, the authority is
29 authorized and empowered to enter into an agreement of
30 reimbursement with the Highway Department of the State of
31 Delaware for such condemnation money or damages and expenses
32 and to secure the same by a deposit of cash or otherwise and to
33 reimburse the Highway Department of the State of Delaware or
34 other proper department or agency of the State of Delaware for
35 all condemnation money or damages and costs legally awarded or
36 incurred in such condemnation;

37 (o) To make and enter into all contracts and agreements
38 necessary or incidental to the performance of its duties and the

1 execution of its powers under this act;

3 (p) To construct, maintain, repair and operate any feeder road
or any public highway connecting parts of a project or two or
5 more projects, which in the opinion of the authority will increase
the use of a project or projects, to take over for maintenance,
7 repair and operation any existing public highway as a feeder road,
and to realign any such existing public highway and build
9 additional sections of road over new alignment in connection with
such existing public highway;

11 (q) To appoint such additional officers (who need not be
members of the authority) and employ such consulting engineers,
13 attorneys, accountants, construction and financial experts,
superintendents, managers and other employees and agents as the
authority deems advisable and as may be necessary in its
15 judgment; to fix their compensation; and to promote and
discharge such officers, employees and agents, all without regard
17 to the provisions of Title [11 of the Revised Statutes] 11A of the
New Jersey Statutes;

19 (r) To receive and accept from any federal agency, subject to
the approval of the Governor, grants for or in aid of the
21 acquisition or construction of any project, and to receive and
accept aid or contributions, except appropriations by the
23 Legislature, from any source, of either money, property, labor or
other things of value, to be held, used and applied only for the
25 purposes for which such grants and contributions may be made;

(s) Subject to the rights and security interest of the holders
27 from time to time of bonds or notes heretofore or hereafter
issued by the New Jersey Highway Authority, to enter into
29 contracts with the State or the New Jersey Transportation Trust
Fund Authority established by section 4 of the "New Jersey
31 Transportation Trust Fund Authority Act of 1984," P.L.1984, c.73
(C.27:1B-4), providing for the payment from the revenues of the
33 Highway Authority to the State or to the New Jersey
Transportation Trust Fund Authority of the amount or amounts of
35 revenues that may be set forth in or determined in accordance
with the contracts. Any contracts authorized pursuant to this
37 section may include conditions and covenants necessary and
desirable to facilitate the issuance and sale of bonds, notes and
39 other obligations of the New Jersey Transportation Trust

1 Fund Authority. Any agreements entered into between the State
and the Highway Authority pursuant to this subsection shall
3 terminate upon the effective date of any agreement entered into
between the New Jersey Transportation Trust Fund Authority and
5 the Highway Authority providing for the payment of revenues of
the Highway Authority directly from the Highway Authority to
7 the New Jersey Transportation Trust Fund Authority;

(t) To do all acts and things necessary or convenient to carry
9 out the powers and duties expressly provided in this act; and

(u) To exercise all of the foregoing powers in the State of
11 Delaware insofar as permitted by the laws of that state, and to
apply to the authorities in the State of Delaware for all
13 franchises, permits and licenses necessary to exercise such
powers.

15 Nothing contained in this act shall be construed to authorize or
empower the authority to acquire State property by the exercise
17 of the power of eminent domain.

(cf: P.L.1984, c.73, s.28)

19 17. Section 11 of P.L.1962, c.10 (C.27:12C-11) is amended to
read as follows;

21 11. The authority shall be a public body corporate and politic
and shall have perpetual succession and shall have the following
23 powers as limited and supplemented by P.L....., c.... (C.....) (Now
pending before the Legislature as this bill.):

25 (a) To adopt bylaws for the regulation of its affairs and the
conduct of its business;

27 (b) To adopt and have an official common seal and alter the
same at pleasure;

29 (c) To maintain an office at such place or places within the
State as it may designate;

31 (d) To sue and be sued;

(e) To acquire, construct, maintain, improve, repair and
33 operate projects;

(f) To construct, maintain, improve, repair and operate feeder
35 roads;

(g) To issue bonds or notes of the authority and to provide for
37 the rights of the holders thereof, as provided in this act;

(h) In the exercise of any of its powers, to fix and revise from
39 time to time and charge and collect tolls or other charges for

1 transit over or use of any project acquired or constructed by it;

(i) To establish rules and regulations for the use of any project;

3 (j) To acquire, lease as lessee, hold and dispose of real and
personal property or any interest therein, in the exercise of its
5 powers and the performance of its duties under this act;

(k) To acquire in the name of the authority by purchase or
7 otherwise, on such terms and conditions and in such manner as it
may deem proper, or by the exercise of the power of eminent
9 domain, any land and other property which it may determine is
reasonably necessary for any project or for the relocation or
11 reconstruction of any public highway by the authority under the
provisions of this act or for the construction of any feeder road,
13 which the authority is or may be authorized to construct and any
and all rights, title and interest in such land and other property,
15 including public lands, parks, playgrounds, reservations, highways
or parkways, owned by or in which any county, municipality or
17 other governmental subdivision of the State has any right, title or
interest, or parts thereof or rights therein, and any fee simple
19 absolute or any lesser interest in private property, and any fee
simple absolute in, easements upon, or the benefit of restrictions
21 upon abutting property to preserve and protect projects;

(l) To locate and designate, and to establish, limit and control
23 such points of ingress to and egress from each project as may be
necessary or desirable in the judgment of the authority to insure
25 the proper operation and maintenance of such project, and to
prohibit entrance to such project from any point or points not so
27 designated;

(m) Subject to the limitations of this act, to acquire,
29 construct, maintain, improve, repair or operate any public
highway connecting with any one or more projects, which in the
31 opinion of the authority will increase the use of a project or
projects, to take over for maintenance, improvement, repair or
33 operation any existing public highway as a feeder road, and to
realign any such existing public highway and build additional
35 sections of road over new alignment in connection with such
existing public highway;

37 (n) To receive and accept from any federal agency, subject to
the approval of the Governor, grants for or in aid of the
39 acquisition or construction of any project, and to receive and

1 accept aid or contributions from any other source, of either
money, property, labor or other things of value, to be held, used
3 and applied only for the purposes for which such grants and
contributions may be made;

5 (o) Subject to the limitations of this act, to determine the
location, type and character of any project and all other matters
7 in connection with such project;

(p) Subject to the rights and security interests of the holders
9 from time to time of bonds or notes heretofore or hereafter
issued by the New Jersey Expressway Authority, to enter into
11 contracts with the State or the Department of Transportation or
the New Jersey Transportation Trust Fund Authority established
13 by section 4 of the "New Jersey Transportation Trust Fund
Authority Act of 1984," P.L.1984, c.73 (C.27:1B-4), providing for
15 the payment from the revenues of the New Jersey Expressway
Authority to the State or to the New Jersey Transportation Trust
17 Fund Authority of the amount or amounts of revenues that may
be set forth in or determined in accordance with the contracts,
19 provided, that the payments shall be used solely for financing
highway and transportation projects in the counties of Ocean,
21 Burlington, Camden, Gloucester, Atlantic, Salem, Cumberland
and Cape May, including the payment of principal and interest on
23 any bonds, notes or other obligations issued or entered into by the
New Jersey Transportation Trust Fund Authority, the proceeds of
25 which shall be allocated by the New Jersey Transportation Trust
Fund Authority to highway and transportation projects within the
27 counties aforesaid; any contracts authorized pursuant to this
section may include conditions and covenants necessary and
29 desirable to facilitate the issuance and sale of bonds, notes and
other obligations of the New Jersey Transportation Trust Fund
31 Authority. Any agreements entered into between the Department
of Transportation and the Expressway Authority pursuant to this
33 subsection shall terminate upon the effective date of any
agreement entered into between the Expressway Authority and
35 the New Jersey Transportation Trust Fund Authority providing
for payment of revenues of the Expressway Authority directly
37 from the Expressway Authority to the New Jersey Transportation
Trust Fund Authority;

39 (q) To enter into any and all agreements or contracts, execute

1 any and all instruments, and do and perform any and all acts or
things necessary, convenient or desirable for the purposes of the
3 authority or to carry out any power expressly given in this act.

(cf: P.L.1984, c.73, s.29)

5 18. This act shall take effect immediately.

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STATEMENT

This bill would require the toll road authorities, the New Jersey
Highway Authority, the New Jersey Turnpike Authority, and the
New Jersey Expressway Authority, to adopt certain policies to
conform with those of the State government.

Recently, the toll road authorities have been criticized for not
fully incorporating the policies of State government into their
operations. In particular, there has been concern that the
authorities lack a comprehensive, coordinated Statewide
approach to transportation and capital improvement planning in
conformity with the State's comprehensive transportation master
plan; there are insufficient internal procedures to ensure
financially sound decisions by the authorities, the authorities
have failed to comply with the spirit as well as the letter of the
Open Public Meetings Act, the authorities have not fully
developed affirmative action programs, the authorities lack
conflict of interest limitations on employees, and there has been
misuse of credit cards issued by or on behalf of the authorities.

This bill would supplement each authority's enabling laws to
require the following:

1. The creation of a Transportation Coordination Panel which
would consist of the Commissioner of Transportation and the
chairmen of the three toll road authorities. The panel would
meet at least four times a year to coordinate the planning and
operations of the toll road authorities and the Department of
Transportation in conformance with the State's comprehensive
transportation master plan.

2. The establishment of a procedure for the review of
operation and capital expenditures of the toll road authorities by
the Commissioner of Transportation and the State Treasurer.

The Commissioner of Transportation would have the principal

1 responsibility of reconciling the capital construction program of
the toll road authorities with the overall transportation and
3 growth policies of the State. The State Treasurer would be
responsible for assuring overall budgetary integrity. The
5 authorities would be required to address each of the
recommendations, if any, of the commissioner and the State
7 Treasurer, on an item by item basis to be recorded in the minutes
of the authority meeting at which the budget is adopted. The
9 budget would not be finally adopted until the Governor has
approved the minutes of the meeting at which the budget was
11 adopted by the authority pursuant to law.

3. The development of an affirmative action plan by each
13 authority to ensure that the authorities are offering equal
employment opportunities.

15 The affirmative actions plans would identify existing inequities
in hiring, promotion, and all other conditions of employment and
17 provide specific remedies for those inequities and establish the
time periods for the accomplishment of remedial action.

19 The bill would require the authorities to develop the
affirmative actions plans in consultation with the Division of
21 Equal Employment Opportunity and Affirmative Action in the
Department of Personnel. The authorities would submit quarterly
23 and annual affirmative action reports to the division. The
division would recommend appropriate sanctions for
25 noncompliance to the Governor and notify the Division on Civil
Rights in the Department of Law and Public Safety of any
27 possible violations of the "Law Against Discrimination,"
P.L.1946, c.169 (C.10:5-1 et seq.).

29 4. The bill would add a conflict of interest provision for
special State officers or other employees of the toll road
31 authorities. The bill would preclude all special State officers or
employees of the toll road authorities from or executing any
33 contract, agreement, sale or purchase of anything with a value of
\$25.00 or more personally, through a partner or other person or
35 through a corporation in which he controls or owns more than 1%
of the stock.

37 5. The bill would prohibit the toll road authorities from
supplying or authorizing or arranging, through various banking or
39 financial institutions, for the issuance of, new credit cards to

1 their members and employees. This bill also would require the
members and employees of these authorities to stop using the
3 cards they already have, and to turn the cards over to the
authority. After the effective date of this bill, any new amount
5 charged to the cards would be payable personally by the members
or employees making the charges; however, they could be
7 reimbursed for eligible expenses. The authorities would have as
long as necessary to pay the outstanding balances on the cards.
9 All members and employees of authorities who seek
reimbursement for their business expenses shall be required to
11 submit written statements to the authority documenting these
expenses.

13 6. The institution of certain procedural changes by the
authorities with regard to the conduct of their business
15 meetings. The changes include the requirement that every
meeting of the toll road authorities at which public business is
17 discussed or acted upon must be recorded, transcribed and printed
for review by the members thereof; that each of the toll road
19 authorities must contact the Office of Attorney General to insure
that a representative designated by the Attorney General is
21 present at each meeting of the authority to advise the authority
with regard to the provisions of the "Open Public Meetings Act;"
23 and that each of the toll road authorities appoint a public records
information officer to whom requests for public records may be
25 presented and to be primarily responsible for compliance by these
authorities in regard to requests for information about board
27 meetings by the public.

The bill also amends each authority's enabling law to include
29 reference to the limitations to and supplements of the general
powers of each authority made by this bill.

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33 AUTHORITIES AND REGIONAL COMMISSIONS
Transportation

35

Requires toll road authorities to comply with certain State
37 policies.



WILLIAM P. SCHUBER
CHAIRMAN
JOE CRECCO
E-CHAIRWOMAN

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LOUIS J. GILL
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New Jersey State Legislature
ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE

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M E M O R A N D U M

April 18, 1989

TO: MEMBERS OF THE ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE

FROM: ASSEMBLYMAN WILLIAM P. SCHUBER, CHAIRMAN

SUBJECT: COMMITTEE MEETING - MONDAY, APRIL 24, 1989

(Address comments and questions to Edward Westreich, Committee Aide, at 609-984-7381.)

The Assembly Independent Authorities Committee will meet on Monday, April 24, 1989 at 1:00 p.m. in Room 341, State House Annex, Trenton, to consider the following bills:

Bills for Consideration

A-712 Mazur/ Karcher	Provides for the abolishment of toll road authorities and transferral to DOT.
A-713 Mazur/ Bryant	Authorizes \$3,000,000,000 sale of bonds to retire outstanding bonded indebtedness of toll road authorities.
A-3787 Kamin	Increases harness race parimutuel pool funding of Sire Stakes Program.
A-4171 Crecco/ Zecker	Abolishes New Jersey Highway Authority and transfers to DOT.
A-4289 Stuhltrager/ Collins	Authorizes municipalities to issue certain bingo licenses.
A-4385 Schuber	Establishes 3 subsidiary administrations under the New Jersey Transportation, Toll Road and Trust Fund Authority.
A-4386 Crecco/ Schuber	Directs State authorities to implement changes in "Open Public Meeting Act."
A-4387 Schuber/ DeCroce	Requires toll road authorities to comply with certain State policies.

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ASSEMBLYMAN WILLIAM "PAT" SCHUBER (Chairman):
Good afternoon, everybody. Sorry for the delay. This is a regularly scheduled meeting of the Assembly Committee. Assemblyman DeCroce is sitting in at the tail end of the Housing Committee meeting and will be down with us shortly.

With me today is Assemblywoman Crecco, the Vice Chair of the Committee, and Assemblyman Gill. I'm going to take up all the toll road bills at one time, but we have two bills I want to do first. (private discussion among the members)

Let's go on to toll road authorities. We have a series of bills today. Let me just preface the statements, if I might, with a brief statement. This Committee, over the time period, has been -- over the last year-and-a-half -- concerned with the issue of the independence of some of our independent authorities.

Quite frankly, we have focused in on the issue of the toll road authority. We've taken a tremendous amount of testimony. There have been a number of bills that have been put in to deal with the issue. And, basically, we have found that, without being repetitive of what we said in this Committee before, these enterprises have been established over the years to have single purposes and accomplish them for various and sundry reasons. Very rarely have they come under public scrutiny or public review. Very rarely has the State come forth with any potential reform of these types of entities, other than to slap wrists here and there, or make some statements with regard to their operations, whether they be right or they be wrong.

What we're hoping to do, as a result of this -- considering that the proposals are coming from all sides of the Legislature and the State -- is to, as a result of the next several hearings, bring forth, as a result of

what we have on the board today, a series of reform authority measures that deal with the highway authorities in particular, so that once and for all the Legislature will have the opportunity to provide for meaningful reform for these entities that may stretch from a number of different aspects.

It may stretch from the concept of Mr. Mazur and Mr. Karcher to abolish them altogether, or from the point of view of Ms. Crecco to abolish the highway authorities and give their operations to the Department of Transportation, or that of myself, which is to try -- which is to bring them all together under one entity -- to be shared by the Department of Transportation.

I think, with all of the concepts that are here, there is the possibility of a meaningful reform of the authorities for the first time in a number of years, and we intend to do that as a result of the hearings that we're about to open.

With that, I'm not going to be repetitive. I'd like to take the testimony. Why don't we do this: Let's run them down very quickly. Mr. Westreich, I want you to tell what each bill is about.

MR. WESTREICH (Committee Aide): A-712, abolishment of transferral of functioning powers and duties to the Department of Transportation. The companion bill to that is A-713, which provides for the authorization of \$3 billion in bonds to be issued by the State to retire bond debt of three toll road authorities.

A-4385 would provide for the creation of three separate subsidiary administrations, and a newly constituted New Jersey Transportation Toll Road and Trust Fund Authority. The bill would provide that five members of the Trust Fund Authority would be placed as current members of each of the three toll road authorities.

A-4386 provides for stricter controls over the requirement for de novo remedial actions under the Open Public Meetings Act and would apply stricter actions to each of the toll authorities.

A-4387 provides for a transportation coordination panel to review the capital budget and affirmative action plans, conflict of interest, and on the issuance of certain credit cards and procedural changes in connection with the Open Public Meetings Act.

ASSEMBLYMAN SCHUBER: I would indicate to the members of the audience, these are in addition to the bill that was released by this Committee prior to that which is awaiting floor action, which would curtail the severance benefits of the employees of the different authorities, for whatever legislation is the result of these hearings for a floor action in the future.

What I'm going to do-- Assemblyman Mazur, I understand, wanted to be here, but he is in the hospital, unfortunately. We wish him a speedy recovery. I hope to have him here at the next meeting. He is the co-sponsor of that legislation.

Mr. Karcher is here and would like to testify.

A S S E M B L Y M A N A L A N J. K A R C H E R:
Thank you, Mr. Chairman. Good afternoon, everybody.

ASSEMBLYMAN SCHUBER: Good afternoon.

ASSEMBLYMAN KARCHER: Let me begin by saying that Assemblyman Mazur and I, our interest goes back a number of years. Both of us, speaking for him, are delighted that this Committee has now undertaken this comprehensive review of the entire authority situation.

Let me also say that on behalf of Ben and myself we don't claim to have any monopoly on wisdom, but we think the problem is such that it certainly requires a

captious and careful look at how we've been doing business. And there is -- and I don't want to go into a professorial mode, or talk about ancient history.

We all understand that at one time there may have been some very compelling fiscal reasons to take -- to pursue in the 1950s, to pursue the authorities, and to use that particular vehicle or instrument as a way of improving transportation, needed transportation, at that time.

But now, I think, a little retrospect is in order as to whether or not they have fulfilled their responsibility. Certainly they have assumed their original mandate, and the question becomes a rigorous analysis of what their function is within the structure of State government: It is, having performed that, what are they doing, why are they doing it, how are they doing it, under what mandate or authority are they presently doing it? Are they participating in what has always been identified in academia as serving the problem within the authorities, that there is this tendency for dynasty building, or tendency for self-perpetualization, and there is a tendency for growth just for growth's sake?

Moving more rapidly up that time scale, in 1985 I was a lame duck Speaker at the time the New Jersey Turnpike Authority announced its -- as you know, I'm well-known for my bluntness -- egregious and outrageous plan to have a \$2 billion expansion, which was probably one of the most ill-conceived and ill-thought-out proposals ever made in this State; something that had not only no justification at the time, but, also, was an acceleration, a catalyst and acceleration, for some of the tendency that we most abhor in the State, just a method of concreting over and asphaltting over more of the State.

I happen to represent a district which I think

holds the record. We have more asphalt and concrete where the Turnpike intersects than any other area in the free world, which is particularly of concern to us, Ben and I, in working out our proposal.

And, of course, I have to mention that when I said before about taking too professorial a tone, of course, Ben is a professor and deserves the bulk of the credit for having thought this through and coming up with a proposal that he and I are co-sponsors on.

I remember well, at the time we introduced it, we pointed out that, the present construction in New Jersey -- what's on the table now with the authorities and their expansion plans and growth plans for asphaltting over the State -- the same amount of money would build a two-way highway that would stretch around the world perhaps maybe two times.

The question really before us now is not just a question in the abstract but, to some extent, it takes us back to our textbook discussions about how government should function. To go back to the questions that were originally posed: How, what, and why are they functioning in this way?

The proposal we put forth is the consolidation of all of the functions of the Authority. Eliminating what they do, the strongest one is to provide and to bring into control -- full rein in -- to bridle what is now an unbridled and unfettered act of these independent authorities to issue bonds and raise tolls with no accountability whatsoever to the voters, and with no accountability to the Legislature, and very, very minimal accountability even to the executive branch.

What we're suggesting is that, as a matter of good government, when we get into these extraordinarily large expenditures, and decisions that have enormous consequences -- some of them unforeseen when they were

originally undertaken -- that is, a decision that should be made there should not be merely oversight, but input by those people and by that branch of government that is most directly responsible to the people.

So, the legislation that we propose does exactly that. It finally reins in and bridles in and brings them under the umbrella of the Department of Transportation, and makes the decision-making process and makes them accountable, the same decision-making process and accountability process of other branches of government.

Let me phrase that differently: We will be assured that we will never again see what we have seen over the last four years with the Turnpike Authority and the Garden State Parkway, the Highway Authority.

Let me also say, finally, I have no qualms about the maintenance and the level at which they are operated and the way they are maintained and repaired. The question is, truly, is there anything that they are doing, or anything State government cannot do? Is there any justification? That is the bottom line question we can't get away from. Is there any rationale or any reason, compelling or otherwise, that they should operate outside the purview of the normal channels of State government?

I would submit, on behalf of Mr. Mazur and myself, that there is none. When there is no longer a reason, then things ought to change and they should be brought within the control of the Legislature. They should be brought within the Executive Department of the government, so we will never again see the horrors of what we've seen over the last four, or three-and-a-half years, with the dynasty built, growth for growth's sake, acceleration of suburban sprawl, concreting over and asphaltting over our State, all without people to speak

out, the people who have control. Hopefully, this would be the very first step.

I would conclude with this, and mention this: In light of what has happened, just starting, commencing Sunday before last, this is necessary. And many people talk about our aspiration to remove tolls that are not necessary, to remove barrier tolls that are a menace to traffic, a menace to the environment, and, of course, no longer needed. Legislation of this type would be absolutely essential as a condition precedent to taking that action. Commissioners show no likelihood of doing that on their own. In order for the Legislature to get a grip, so that the will of the people can be worked, can be realized, legislation of this type would be necessary.

ASSEMBLYMAN SCHUBER: Are there any questions?
(no response) Thank you, Mr. Karcher. I appreciate it.

Senator Cardinale indicated he would like to testify on this also.

S E N A T O R G E R A L D C A R D I N A L E: As a Committee, I compliment you for holding this meeting today. I'm here particularly with respect to Marion Crecco's bill. I have sponsored the identical bill in the other house.

I think the will of the people is clear. I, and some others, have been on the Garden State Parkway, along the side of the road this past week from time to time, and the will of the people who ride that Parkway is being very dramatically expressed by those who honk their horns, by those who open their car windows and shout, "Yeah, get rid of the toll barriers." And that doesn't make much difference whether you're all the way up in Bergen County or whether you're down at milepost 13 in Cape May, or anywhere in-between. The will of the people is being made extremely clear.

But, I'd like to make known to this Committee that yesterday, at the Asbury Park tolls, I became aware for the first time that the Gestapo has come to New Jersey. I say those words with great deliberation. Because, you see, we're in a public place and there's someone who's taking photographs of me. And I don't object to that, because that's the way our society works. We have an open society. But, in the presence of a reporter from the Asbury Park Press, I was told that the Garden State Parkway Authority requires that no photographs be taken of anything there, unless one has their prior permission.

Now, you know, I can understand that if they are building a new, secret, supersonic bomber. But I cannot understand that in a free and open society that we have come to appreciate in this country. It is an Authority and it's gone absolutely wild and out of control, and has no longer any sense of its mission.

Let me tell you why I wanted to take the photos. On Monday, at 6:30 in the morning, I was leaving Bergen County on the way in my car to the Union toll plaza. And I heard on the radio on every one of the news stations -- I switched from one to the other; I heard it on all of them -- paid ads by the Garden State Parkway Authority. I don't know why, what virtue of what public service they were doing with those paid ads, and I'd like to know what they cost. I heard that there were no toll delays anywhere; that there were no delays; everything was moving freely. But that the only delay was at Union, where Senator Cardinale was holding a demonstration. And we hadn't gotten there yet. We hadn't gotten there yet. It was on the radio already.

And somehow, I think, you know-- I've run for public office. I know there's a little lag time when you make an ad and reproduce it, and when you get it to the

stations. I just wonder how they got it all there so quickly ahead of time. They must have a time machine. They must have gone back in time in some way.

And, you see, I wanted to take pictures because my staff has been monitoring the Garden State Parkway from Monday until Friday, and has found barrier after barrier at various times of the day where there, in fact, are miles of backup. And, on Sunday, the day before we did our first demonstration at the Essex tolls, I was stuck in about a five-mile backup going southbound. And if my aide didn't drive on the shoulder of the road, which he did, I would not have made it to my next stop until long after that event was completed.

I got a few people angry at me. I'm sorry I had to do that. I thought there was a purpose behind my doing that. Most people don't do that and most people sit silently and allow themselves to be victimized by this Authority. And I think it's got to stop.

And, you see, one of the other reasons I wanted to take those pictures, was because Mr. Zilocchi and my good friend, and your good friend, Hazel Gluck, went on the radio, gave interviews, and said, "Oh, the only delays are the delays that are being caused by this terrible, terrible Senator Cardinale." That's a lie, and I wanted to put an end to the lie by taking photographs. And they will not allow photographs to be taken. They said they would arrest me if we took the photographs.

And another reason I wanted to take pictures was something that I witnessed, and something everybody who's taken that Parkway in the last several days has witnessed, that not only do we have tolltakers in the regularly manned lanes, we also have tolltakers at the baskets, at the machines, and we have them in-between some of the places.

Now, I think it would be very interesting if this Committee were to ask the Garden State Parkway Authority what public purpose is being served by that extra help that they have put out there? What public purpose is being served by continuing to sell rolls of toll tokens for 25 cents a token if you buy them in a roll, when they've made the fare 35 cents? What public purpose is being served, except to train the people of the State of New Jersey to all use tokens?

And, you see, once they've got that done, they can make the toll anything with very little difficulty. It can go to 50 cents. It can go to a dollar. It can go to any number. And that's important, because if you look at the Brooklyn Battery Tunnel, when I was a young man, that was 35 cents. It was the most expensive crossing around, except for the George Washington Bridge, which was 50 cents. But that 35-cent toll, I'm informed, by the beginning of next month, is going to be \$2.50.

And that's one of the things we ought to be concerned about in the Legislature, what's happening in the future, because they've shown themselves capable of putting marble floors in clubhouse facilities without anybody in the public being able to take advantage -- not many, unless you're one of their close friends -- being able to take advantage of those lush facilities. Well, we all know that. That's yesterday's news.

But it needs to be kept before the attention of everybody when we're talking about what this autonomous authority is doing. I think you should request the daily time sheets to see whether or not they are, in fact, having a lot of extra help there in an attempt to confuse the public, help that's not going to be there in the future.

But they have done that in an attempt to convince the public that they're right and that the

public, which has expressed its will so clearly, is wrong.

Now, I think we have a larger issue, and we have a larger issue than the Authority and its Nazi-like behavior. I think we have the issue of whether we should have tolls on that road, or not have tolls on that road. And I'd like to give an analogy.

If you could buy yourself a TV set for \$180 -- saw \$180 for a nice color TV set -- 21-inch screen -- you won't find that in many stores, but you might find a special sale somewhere where it would say \$180. You turn it on, and then you know why, suddenly, it's \$180. It's \$180 because there's a little snow on the screen, a a fuzzy picture. You can see what's being portrayed, but you can't see it very clearly. There's a little barrier in the way.

And you might decide, if that's all you had to spend, that you'd accept that. But then when you turned around and looked across that room and saw on the other shelf the same size television set for \$60, and you went over and turned that one on, you found a good, clear picture, no barrier-- Is there anyone on this Committee or anyone out in the public, who would not make the decision to take the \$60 in their own private lives? I doubt it. I doubt it. I've asked that question to literally thousands of people in the State of New Jersey in the last several weeks, and I haven't had one person say they would buy the \$180 set.

The Garden State Parkway Authority is making that choice for the people in the State of New Jersey. They are buying a road that's going to cost more than that. I'm understating the price. With the 35-cent toll, it's going to cost the people of this State at least \$180 million a year for that road to keep barriers on it. And we can do it for approximately \$60 million a year, if we take the

barriers away. However, we may differ on how you can finance that.

I have a way I want to finance it. You may have another way, but that isn't the issue. The issue is, why should we pay three times as much, so that they can have a clubhouse, so they can walk around with a puffed chest, "I am on an Authority. That makes me an important person"? Is that what we're doing? Is that what we're charging the people of our State \$120 million a year for? I think it is.

That's why I'm here. Is it so Mr. Zilocchi can make more money than he ever did at any other time in his life? Is it so tolltakers have to go to legislators' offices to say they approve the hiring of so and so?

I was absolutely astounded when I got elected to the Senate and the first person came to my office and said, "Would you please give me a letter of endorsement so I can get a job taking tolls on the Garden State Parkway?" I have gotten half a dozen or so of those requests. I looked into it. Gee, it's not written down anywhere. But, that's the practice. And I've instructed my staff-- And I want you to know what I've done about it. Maybe it's only Senators. It never happened when I was in the Assembly. I have instructed my staff, "Don't even tell me it has occurred. Give them the letter." Because this is a terrible system. It's a system that reeks, and you shouldn't allow it. People should be hired on the basis of whether or not they can do the job, and not because they have a friend in government.

Well, on the issue of tolls versus no tolls, let me add a few factors -- tourism. Our tourist industry at the shore has suffered for two consecutive years. It has suffered very dramatically. And when I go down to Cape May or Wildwood or Point Pleasant, where I was last night, I

hear from those people how much they have suffered; how many people have gone out of business because they've had two consecutive bad seasons; how many people can't sell their homes down there because no one wants to buy them because of the bad publicity.

We have to do something about the tourist problem. And, yes, I think we're going to spend some money. The Governor announced he's going to go into a program promoting tourism at the shore. Well, I'm sure you've all shared with me the experience of being down on Long Beach Island, and having to take five hours to get home on the Garden State Parkway, of getting off one toll line because you paid the toll and getting on the next one for the next barrier. I've had that experience and I've had to take five hours.

My wife-- On Thursday of this week, there were no demonstrations anywhere. There were none from Monday until Friday. My wife went down to Monmouth County and gave a surrogate speech on my behalf. And it took her from a little after 2:00 until after 5:30 to get back to Fort Lee, New Jersey, where my daughter, who was with her, had parked her car. And it was toll delay after toll delay. And that was in the middle of the afternoon. And that was not even-- Most of the beginning of that trip was not in rush hour.

Accidents? I spoke before a group of insurance agents. That's where I was on Thursday. When I was down in Monmouth County, I heard about accidents at the toll barriers. They all said -- and these were all Bergen County insurance agents -- that many of their clients, and one of them has had two clients, have been involved in fatal accidents at toll barriers in the last two years, one on the Turnpike, and another on the Garden State Parkway.

Delays, we've talked about. But air pollution,

that's a very significant factor. The gas is being consumed, and the exhaust fumes are coming out, and we all know there's a lot more air pollution when you have to wait on these lines to get through a barrier. And, you see, when we talk about these delays, and this air pollution, and so forth, sometimes people say, "Well, gee, you know, there are times of the day when there is no delay at a barrier." Well, any fool, who's not a member of the Authority, can tell you that if a car is going 55 miles an hour and there is no one else on the road, it's the only car on the road, and it has to decelerate to throw a token in a basket, and then re-accelerate, and it has to do that several times along its trip, even under the most ideal conditions there is a delay in that trip.

And, you see, the Authority is going to come here before you and say, "We can widen the road and fix our bridges, and we need to do all of these things. We really need this extra money. Where are we going to get this extra money from? We really need it."

I want you to know they spend two-and-a-half times per mile on maintenance than the Department of Transportation spends on maintenance -- two-and-a-half times per lane mile. If they aren't maintaining that road, if they have delayed maintenance that's necessary, there's something wrong with them. It's not the amount of money.

And, you see, I've heard from many engineers, traffic engineers -- and you can hear from them too, if you like; you just have to consult with them -- that if the toll barriers were removed, you wouldn't need to expand the Parkway. You wouldn't need to make it wider. You'd carry 30 to 60% more traffic with the same number of lanes we now have, if you just removed the toll barriers. And that's a fact. There doesn't seem to be any reason, any public purpose, to allow that Authority to continue to exist.

And, yes, there are a few small problems like, what to do with this Authority. Take it away from them. That's the most obvious answer we could have had. Privatize it, rent it out to a private operator, and use that money to defray some of these bonds. There isn't a private operator in the world that would take a facility like that and rent it and not make money. The capital expense that they have put into that Garden State Arts Center-- It's amazing that it isn't throwing off millions and millions of dollars instead of being a consumer of money.

And I'd like to close by telling you that I think it would be a very dangerous idea to confuse the Garden State Parkway with the Turnpike and the Atlantic City Expressway, because the conditions are very different on all three of those roads, and I have not suggested we take tolls off the Turnpike; either has Marion. I have not suggested we take them off the Atlantic City Expressway, because there are some observations that I've made.

When I'm out there at toll demonstrations, I look at license plates. On the Garden State Parkway, they are almost all -- not all, but they are almost all -- New Jerseyans. But, when I go on the Atlantic City Expressway, I see an awful lot of Pennsylvania cars. When I go on the Turnpike, I see cars from just about every State in the Union. And, of course, the toll barrier situation on those roads is much different. It is much less of a barrier problem, because on the Turnpike you go from one end to the other and you stop to get a ticket and stop to pay your toll at the other end. And it's not a problem. Atlantic City Expressway, yes, they have a few ramp tolls. But they have two toll barriers the length of that Expressway. They

don't seem to have tremendous backups. It doesn't cause as much of a problem. In any event, most of those people are from Philadelphia. I'm not here to represent the people of Philadelphia. I'm glad they are going to Atlantic City and spending their money there. Frankly, I don't think we owe them the same thing that we owe the people of the State of New Jersey.

I would like to encourage this Committee to stop studying this issue and to report Marion's bill today, even though there are three of you here, so that we can have action beginning on what is obvious, and must be obvious to each and every one of us: What it is our obligation to do, and that is, to do the will of the people of the State of New Jersey. And that's what we're all here to do.

We're not here to defend the Garden State Parkway Authority. We're here to do the will of the people of the State of New Jersey. And that will is to report Marion's bill and, again, Mr. Chairman, I would compliment you for putting it on the agenda today, for allowing me to speak. I'm sorry I can't stay for the rest of your meeting. I'm going to have to go and cast some votes in the other house. Thank you for your consideration.

ASSEMBLYMAN SCHUBER: We have a representative of the Department of Transportation.

C A R O L Y N S. M c C A L L U M: Are we speaking on these, or all the bills?

ASSEMBLYMAN SCHUBER: We're talking on all the bills.

MS. McCALLUM: I am Carolyn McCallum, from the Department of Transportation. On the bills that would put them under the Department of Transportation, it gives us extra roadway without the needed funding. So, we do

oppose those bills. And it means that they would also have to compete for the Federal funding, and we're limited to the amount of mileage we're permitted to file for. It would be competing with all our other projects.

Basically, on those issues-- Assistant Commissioner Little is here to speak particularly on your bill that sets up the--

ASSEMBLYMAN SCHUBER: Why don't you have Mr. Little come up and testify?

ASST. COMM. A L V I N R. L I T T L E: Alvin R. Little, Assistant Commissioner, New Jersey Department of Transportation.

I'm here to speak on two bills in particular, A-4385 and 4387 which set up the panel.

ASSEMBLYMAN SCHUBER: They are both bills in the same package.

ASSISTANT COMMISSIONER LITTLE: Basically, Mr. Chairman, I'm here to echo the remarks that the Commissioner has made consistently about bills like yours; which are, in essence, that we have called the effort, and recognize the effort that's gone forth to come up with the omnibus bill in particular. And we think that it is generally consistent with the Department's intention that there be efforts toward establishing a coordinated, efficient, and balanced transportation system within the State. It's been our charge, and we think bills like this move toward that goal.

Notwithstanding that, however, we have recently, as you know, had the Commissioner made one of the board members on each of the three toll road authorities. Our experience has been one of about three months' total for each of the authorities; that is, that are sitting as a voting member. We have just begun to get an opportunity to

exchange information, to understand the workings of the authorities more fully.

In essence, we are saying, we would like to see an effort like this go forward, should the present activities of the Commissioner with respect to her seat on the board not prove to be fruitful. At this point, we think we've had too limited an experience to say whether, in fact, our position as voting members of each of the boards is going to be able to accomplish some of the things you would like to have done under each of your two bills.

However, we have had some positive feedback from at least two of the authorities in terms of information exchange, interaction between the various engineering staffs, even with regard to the panel bill which calls for things like increased affirmative action efforts. We've seen that with respect to the Expressway Authority, for example, that their affirmative action officer and the Department's Civil Rights Office and Contract Compliance Offices have worked fairly closely so far, and we've been very instrumental in commenting and helping them develop new policies and embark on new initiatives to achieve some of the goals that are part of the 4387 package.

There are generally a number of things that we think we will be able to accomplish in the not too distant future, which will give us a better idea as to whether we want to push you even further on those two bills.

And that's basically what I have to offer to the Committee today. I'm happy to answer any questions you have on our position.

ASSEMBLYMAN SCHUBER: Okay, fine. Thank you, Mr. Little.

Mr. Perelli from the Taxpayers Association

SAMUEL PERELLI: I am Samuel Perelli, State Chairman of the United Taxpayers of New Jersey. Thank you

for the opportunity of presenting our feelings on the subject of authorities in the State of New Jersey.

First of all, let me put the credentials of United Taxpayers of New Jersey right on the table. We have been in the forefront of a movement in this State for quite a few years to allow the public to place important agenda before the State Legislature by petitions. And the State Legislature would have six months to deal with it, or it would be dealt with by the public at a November election.

And we only involve ourselves, ladies and gentlemen, in issues where we can show conclusively what is happening in the State of New Jersey, because we don't have citizen petitions' rights. If we did, I wouldn't be here right now. I would be presenting the signatures of about 300,000 people saying, "To hell with the New Jersey Highway Authority. Damn them and their arrogance and their greed." And let the Legislature deal with the bills that the public would present.

So, we're forced here today to come before the Committee system, and not force the issue. Today, we're talking about arrogance and we're talking about greed. We're talking about 173 miles of political patronage.

And what we have here now is the beginnings of tearing down a system in this State that has gone absolutely wild, out of control.

I want to associate my remarks with those of Senator Cardinale, those of Alan Karcher, who ironically has been an outspoken opponent of the citizens having that right. I think Alan Karcher's bill would be one of the ones that citizens would accept. So much for Mr. Alan Karcher. I hope he's changed his mind on the citizens having the right to do this.

If it wasn't for United Taxpayers of New

Jersey, their credibility and their ability to get the media attention, anybody who took that road today would have been paying 50 cents and not 35 cents. Because if it wasn't for our activities in November of 1987, where we brought the media attention to the fact that for 16 months we had lawbreakers as Commissioners, for 16 months -- holding secret meetings -- arrogance, greed--

And over this period of time, I have yet to see one legislator, or anyone, take the book out with the binding agreements that have been made with these two little unions, these sweetheart contracts that the State of New Jersey employees would love to have. You've got two standards here: You've got lowly people who work for the State of New Jersey doing the same damned jobs that are being done at the New Jersey Highway Authority, and nobody watched this ship. Nobody paid attention to what was going on in the State. And, all of a sudden, you have political plum jobs getting some nice benefits, some of the finest benefits of anyone in the State of New Jersey.

Do I object to benefits? Absolutely not. I happen to be a private business individual, and if I decide to settle for benefits like that, and if they put me out of business because of that, that's my problem.

Here we have this quasi-public body that has gone totally out of control, that made all these agreements, and we have Committees like yours which, for some reason or other, never watched what was going on. I hope that we've learned a lesson, and said, "Let's start taking these building blocks, these gigantic marble blocks, that they spent so much money for, and let's start taking them apart. Let's give this road back to the people of the great State of New Jersey, and not to this little fiefdom that they have."

I do agree we must not compare the Turnpike. We must not compare it to the Atlantic City Expressway. And I'll give you another little fact, folks, and anyone in this room, I challenge them to check this fact out, and check our credentials. New Jersey has more of these authorities -- sewer, water, toll, bridges, tunnels -- than any state in the nation. What does that say about us?

What does that say about us? That we've abdicated our responsibility as a State Legislature. Nobody knows what the hell is going on. Port of New York Authority has a bigger budget than some countries. We have policemen making \$100,000 a year. We should be in a state of shock. We should act. And I must tell you that I've been involved in many activities in the State, and I never, never had an activity that someone took the time to write a song about.

And I'm just going to leave you and I hope you will allow me for about a minute to play the song that is a copyrighted song by a taxpayer in the State of New Jersey. I just want you to hear this song that's copyrighted, and I hope I don't beat the copyright laws by letting you hear this song. (plays cassette tape) Thank you for your time.

ASSEMBLYMAN GILL: Who is the singer?

MR. PERELLI: I don't know the gentleman's name. It's called "Talking Dog Records," or something like that. But I commend the gentleman.

ASSEMBLYMAN SCHUBER: Elizabeth Rosenthal, Department of Personnel. Is she here? (no response) Steven Johnson, New Jersey Expressway Authority.

STEVEN K. JOHNSON, ESQ.: Mr. Chairman, I am Steven Johnson from the office of Gruccio, Pepper, Giovinazzi & DeSanto. We're General Counsel to the New Jersey Expressway Authority.

From the tone of your comments, it appears you're going to have further hearings. We did not receive notice until the 18th, and we would like, on behalf of Commissioner Braithwaite and Executive Director Vincent Leonetti, an opportunity to give you a formal statement subsequent to this hearing.

ASSEMBLYMAN SCHUBER: You'll have that opportunity. Anybody out there wish to testify today?

A L A N M A R C U S: I am Alan Marcus. I would just like to say that representatives of the New Jersey Turnpike Authority are here available to respond to questions from the Committee.

ASSEMBLYMAN SCHUBER: Thank you. The Committee has been notified that the Parkway -- New Jersey Highway Authority, will be testifying at the hearing on May 8, I think.

Anyone else wish to testify? (no response)
Thank you. This meeting is adjourned.

ASSEMBLYWOMAN CRECCO: I wanted to make a statement on behalf of the bill -- well, my bill. I thought we were going to bring it up today. A lot has been said about it. I want to thank-- It's so frustrating working with this bill.

I want to thank Mr. Perelli. He just relaxed the atmosphere here, and it was very good.

I developed, insofar as my bill is concerned, what I believe might be a feasible plan for the removal of the tolls from the Garden State Parkway. By cutting the budgets in five departments and eliminating the tolls department, approximately \$40 million can be cut from the \$100 million 1989 budget.

Senator Cardinale said the budget could go down

to \$60,000. The way we figured it out, it could possibly go down to about -- he's close -- \$58,000. And the cost to remove the tolls, if we followed Connecticut, would be \$100 million.

In 1982, Connecticut paid \$30 million to remove eight plazas. We have twenty-nine plazas. I'm proposing we eliminate them over a five-year period. Twenty-some plazas. Four can be removed, and then six, and so on. We can utilize the gas tax, and we have an amendment in to sell the Arts Center -- I think this is what we should do -- for an estimated \$100 million. With the cost of the original building of it, with the increase, we can pay off the \$140 million in outstanding Parkway bonds over five years, \$52.2 million from gas tax monies that are not now dedicated so the roads can be used. That's about a dollar and a quarter.

This gas tax money will also be used to maintain the road while the tolls are being removed before we receive Federal funding. Sixty million dollars of this gas tax money going to the General Fund, which will help maintain the roads while the tolls are being removed and the monies left over can be held in a surplus fund in the event we have any future Federal funding shortfalls.

The \$100 million Arts Center selling price, as I said before, is based on the amortized price of the \$285 million bond, which we had in 1952, and we figured out what it would cost for that Center. We received \$280 million in Federal highway funds in 1987, and \$266 million in 1988.

With the tolls off, we'll be able to receive additional funds by signing a Section 105 Agreement with the Federal government. This will help accumulate the approximate \$58 million per year that we need to maintain the toll fund. And this is from the proposed gas tax fund which will be established to finance the maintenance

of the road tolls while they are being removed over this five-year period. Half of the money is not needed to fund the road, because the Parkway will still be receiving some toll revenues held over in surplus in anticipation of future Federal shortfalls.

The other half will be divided as follows: Half will be directed to the municipalities. I say this because a lot of taxpayers in certain municipalities will say, "We never use the toll Parkway." They can be compensated for the gas tax. And the same will hold true for the \$40 million cut in the budget when the road is toll free. This money is from the operating budget of the Parkway and is used on tolls, and these cuts will be gradually starting at \$8 million the first year and progressing each year thereafter.

Most of it has been said and repeated, so I'm not going to go through this entire statement. I'll just say I can go on endlessly. We have it figured out insofar as how it can be paid for.

The main thing -- this is very brief -- that I'm proposing now is, it is feasible and time to remove the tolls and the Highway Authority. I would like to see this come up for a vote. It's very important to the taxpayers of the State of New Jersey, and it has a tremendous amount of support from a majority of the taxpayers.

ASSEMBLYMAN SCHUBER: I appreciate that. You have a series of-- Why don't you provide that to the Authority? Mr. Powers is here.

ASSEMBLYWOMAN CRECCO: I have that, and I will give that to Mr. Powers.

ASSEMBLYMAN SCHUBER: This meeting is adjourned and we will reconvene on May 8.

(MEETING CONCLUDED)