ASSEMBLY, No. 1790

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblywoman NANCY F. MUNOZ
District 21 (Morris, Somerset and Union)
Assemblywoman BETTYLOU DECROCE
District 26 (Essex, Morris and Passaic)
Assemblyman DANIEL R. BENSON
District 14 (Mercer and Middlesex)

SYNOPSIS

Changes reporting date and certain data requirements for NJT annual report; establishes penalty for failure to issue report in timely manner; and establishes quarterly reporting requirements.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

(Sponsorship Updated As Of: 4/13/2020)

AN ACT concerning reports issued by the New Jersey Transit Corporation and amending P.L.1979, c.150.

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

1. Section 20 of P.L.1979, c.150 (C.27:25-20) is amended to read as follows:

20. a. The corporation shall, **[**by October 31 of**]** on or before the 90th day following the end of each fiscal year, file with the Commissioner of Transportation a report in such format and detail as the Commissioner may require setting forth the actual, operational, capital, and financial results of the previous fiscal year, the operational, capital, and financial plan for the current fiscal year and a proposed operational, capital, and financial plan for the next ensuing fiscal year.

b. On or before **[**October 31 of**]** the 90th day following the end of each fiscal year, the corporation shall **[**make**]** submit an annual report of its activities for the preceding fiscal year to the Governor, the President of the Senate, the Speaker of the General Assembly, and the Assembly Transportation and Independent Authorities Committee and the Senate Transportation Committee, or their successor committees. Each such report shall set forth a complete operating and financial statement covering its operations and capital projects during the year. The report shall also include an account of the on-time performance of rail passenger service, including light rail service, operated by, or under contract to, the corporation, including data for each such passenger line and organized in such a manner to indicate separate on-time performance metrics for peak and off-peak time periods and for weekday and weekend performance. The report shall provide a detailed discussion of the methodology used by the corporation in measuring on-time performance. The report shall include information from the customer advocate, as required by section 16 of P.L.2018, c.162 (C.27:25-5.27). The report shall include certain personnel information of employees of the corporation, including the average salary, number of employees in management positions, and number of employees that are not in management positions in key demographic groups, which shall include, at minimum, race, ethnicity, and gender. The report shall include certain accident information for reportable accidents that occurred during the previous year which involved a rail passenger vehicle or motorbus operated by, or under contract to, the corporation, including the total number of accidents and any fines, penalties, or judgments levied against the corporation related to any such accident. 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.

report shall also include information regarding any safety violations for which the corporation received a notice of violation in the previous year, including the total number of safety violations and any fines or penalties levied against the corporation related to any such safety violation. For the purposes of this subsection, "reportable accidents" shall be defined in accordance with applicable federal reporting criteria.

If the corporation fails to submit the report by the 90th day following the end of the corporation's fiscal year, the corporation's board of directors shall not vote or act on any agenda item until the report is submitted to the appropriate officials in accordance with this subsection. If, by the 120th day following the end of the corporation's fiscal year, the corporation has not submitted a report in accordance with this subsection, the executive director of the corporation shall convene public hearings throughout the State, one to be held in each county, for the purposes of providing an explanation to the public for the failure to submit the report and for the executive director to receive public input concerning the corporation and its services. The executive director shall physically attend each public hearing required pursuant to this subsection. If the executive director fails to comply with the public hearing requirements of this subsection by the 150th day following the end of the corporation's fiscal year, the executive director shall immediately forfeit the office of executive director.

c. All records of minutes, accounts, bills, vouchers, contracts or other papers connected with or used or filed with the corporation or with any officer or employee acting on its behalf are hereby declared to be government records and shall be open to public inspection in accordance with P.L.1963, c.73 (C.47:1A-1 et seq.) and regulations prescribed by the corporation.

d. The corporation shall cause an audit of its books and accounts to be made at least once each year by certified public accountants and the cost thereof may be treated as a cost of operation. The audit shall be filed within four months after the close of the fiscal year of the corporation and a certified duplicate copy thereof shall be filed with the Division of Budget and Accounting in the Department of the Treasury.

e. Notwithstanding the provisions of any law to the contrary, the State Auditor or a legally authorized representative may examine the accounts and books of the corporation.

f. On or before October 1 of each year, the board shall approve and the corporation shall transmit to the Commissioner of Transportation and to the President of the Senate, the Speaker of the General Assembly, and the Assembly Transportation and Independent Authorities Committee and the Senate Transportation Committee, or their successor committees, a report containing: a list of each parcel of real property owned by the corporation; the most recent appraised value of that real property only if the corporation

has obtained an appraisal during the three years immediately preceding the report; the purpose for which the corporation holds the real property; any revenue the corporation receives that arises out of the real property; and any real property sold or otherwise disposed of, including the amount of money received by the corporation for that sale or disposition, during the one year period immediately preceding the report and including an accompanying explanation for any real property disposed of for less than market value and any real property acquired for more than market value.

g. On or before April 1 of each year, the board shall approve and the corporation shall transmit to the Commissioner of Transportation and to the President of the Senate, the Speaker of the General Assembly, and the Assembly Transportation and Independent Authorities Committee and the Senate Transportation Committee, or their successor committees, an annual proposed budget recommendation. The budget document shall be a two-year budget which covers the most recent completed fiscal year, estimated results for the fiscal year in progress, a recommendation for the fiscal year to commence, and estimated needs and projections for the following fiscal year. At a minimum, the budget shall provide detailed information in the following areas:

(1) An executive summary outlining the highlights of the budget document;

(2) A profile describing the history of the corporation and the services it provides;

(3) An analysis of regional and agency transportation trends, including a detailed ridership analysis;

(4) A synopsis of the current corporation business plan;

(5) A list of key performance indicators;

(6) A statement of current budget year assumptions regarding funding and ridership;

(7) A summary of the internal corporation budgeting process and its interaction with the Statewide budgeting process;

(8) A description of the current corporation organizational structure;

(9) Detailed operating revenue and expense projections for each division within the corporation, with 10 year revenue and expense trends and five year revenue and expense projections;

(10) A detailed headcount analysis by department or unit, which includes actual employee count, funded headcount, actual salary and fringe expenses, and recent employment trends; and

(11) A summary of the capital program and analysis of current capital projects for which capital funds have already been appropriated, but where the project is not yet complete, which includes the years of appropriation, amounts expended, future appropriations required to complete the project, and a brief analysis of project progress.

h. On or before January 31, April 30, July 31, and October 31 of each year, the corporation shall submit a quarterly report of its activities for the preceding quarter to the Governor, the President of the Senate, the Speaker of the General Assembly, and the Assembly Transportation and Independent Authorities Committee and the Senate Transportation Committee, or their successor committees. Each such report shall set forth a complete operating and financial statement covering its operations and capital projects during the quarter. The report shall also include an account of the on-time performance of rail passenger service, including light rail service, operated by, or under contract to, the corporation, including data for each such passenger line and organized in such a manner to indicate separate on-time performance metrics for peak and off-peak time periods and for weekday and weekend performance. The report shall provide a detailed discussion of the methodology used by the corporation in measuring on-time performance. The report may include information from the customer advocate that are consistent with the customer advocate's duties as provided by section 16 of P.L.2018, c.162 (C.27:25-5.27). The report shall include certain personnel information of employees of the corporation, including the average salary, number of employees in management positions, and number of employees that are not in management positions in key demographic groups, which shall include, at minimum, race, ethnicity, and gender. The report shall include certain accident information for reportable accidents that occurred during the previous quarter which involved a rail passenger vehicle or motorbus operated by, or under contract to, the corporation, including the total number of accidents and any fines, penalties, or judgments levied against the corporation related to any such accident. The report shall also include information regarding any safety violations for which the corporation received a notice of violation in the previous quarter, including the total number of safety violations and any fines or penalties levied against the corporation related to any such safety violation. For the purposes of this subsection, "reportable accidents" shall be defined in accordance with applicable federal reporting criteria.

(cf: P.L.2018, c.162, s.9)

2. This act shall take effect immediately.

STATEMENT

This bill changes the reporting date for the New Jersey Transit Corporation's (NJ Transit) annual report and financial statements to the 90th day following adoption of the NJ Transit budget. The bill also requires the annual report to include on-time performance data of rail passenger service for both peak and non-peak hours.

The bill provides that if NJ Transit does not comply with the deadline for the annual report, the NJ Transit board of directors is prohibited from voting or acting on any agenda item until the report is submitted. If NJ Transit is more than 90 days late in submitting the report, the bill requires the executive director of NJ Transit to convene public hearings throughout the State. The bill requires that one public hearing be held in each county for a minimum requirement of 21 public hearings. The executive director is required to physically attend each public hearing. If the executive director fails to comply with the public hearing requirements by the 150th day following the adoption of the NJ Transit budget, the bill provides that the executive director thereby forfeits the office of executive director.

The bill also requires NJ Transit to submit quarterly reports to the Governor and the Legislature that provide the same data and information that is required to be included in the annual report.