

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1499

STATE OF NEW JERSEY

ADOPTED MAY 8, 1997

Sponsored by Senators HAINES, BRYANT and Adler

1 AN ACT concerning the unification of the ports of the Delaware river,
2 supplementing and revising various parts of the statutory law.

3

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

6

7 1. (New section) Sections 2 through 19 of this act shall be known
8 and may be cited as the "Port Unification and Financing Act."

9

10 2. (New section) The Legislature finds and declares:

11 a. The Legislature of the State of New Jersey approved legislation
12 in 1992, concurred in by the Commonwealth of Pennsylvania and
13 approved by the Congress of the United States, amending the Compact
14 creating the Delaware River Port Authority to facilitate the unification
15 of the ports of the Delaware river by authorizing the creation of a
16 subsidiary corporation or corporations and the taking of other
17 measures to effectuate the unification.

18 b. Pursuant to the provisions of the Compact amendments, the
19 merger or unification of port facilities in the State of New Jersey must
20 be done in accordance with State law.

21 c. It is therefore in the public interest, pursuant to existing law, for
22 this Legislature to consent to legislation that will direct that, upon the
23 refunding, refinancing or defeasance of the outstanding bonds of the
24 South Jersey Port Corporation, the port facilities of that corporation,
25 along with its assets, liabilities and obligations, will be transferred to
26 the New Jersey Economic Development Authority for operation and
27 maintenance of all or a portion of the facilities by a subsidiary
28 corporation of the Delaware River Port Authority, with the employees
29 of the South Jersey Port Corporation to be employed by the subsidiary
30 corporation. The subsidiary corporation shall operate pursuant to 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 same principles set forth in R.S.32:3-1 et seq. for the operation of the
2 Delaware River Port Authority.

3

4 3. (New section) As used in this act:

5 "Authority" or "New Jersey Economic Development Authority"
6 means the New Jersey Economic Development Authority created
7 pursuant to section 4 of P.L.1974, c.80 (C.34:1B-4) or a subsidiary
8 corporation of the authority created pursuant to section 16 of this act.

9 "Compact creating the Delaware River Port Authority" or
10 "Compact" means the compact or agreement between the State of
11 New Jersey and the Commonwealth of Pennsylvania entitled
12 "Agreement between the Commonwealth of Pennsylvania and the State
13 of New Jersey creating the Delaware River Joint Commission as a
14 body corporate and politic and defining its powers and duties," as
15 amended and supplemented (R.S.32:3-1 et seq.).

16 "Marine facilities" means port facilities to be used for piers,
17 wharves, docks, bulkheads, slips, basins, vehicular roadways, railroad
18 connections, side tracks, sidings, warehousing, storage or other
19 buildings and structures, facilities or improvements, or other real
20 property, necessary, convenient or accessory to the support, operation,
21 maintenance or accomodation of steamships or other vessels and their
22 cargoes or passengers, as shall be determined by the authority on or
23 before the entering into of the initial agreement provided for in
24 subsection b. of section 4 of this act with respect to the lease,
25 management, or other operation of all or a portion of the port
26 facilities, and upon subsequent changes in use or control of the marine
27 facilities.

28 "Port facility" means a marine terminal or part thereof or any port
29 property or facility. In the case of the port facilities of the South
30 Jersey Port Corporation, the term "port facility" shall include the
31 foregoing and any other real or personal property under the
32 jurisdiction, ownership or control of that corporation and transferred
33 to or acquired by the authority pursuant to this act.

34 "Port Facility Revenue Fund" means the fund created by section 6
35 of this act.

36 "Redevelopment facilities" means port facilities excluding the
37 marine facilities and any personal property.

38 "Salem facility rights" means (1) property owned by the South
39 Jersey Port Corporation and leased to Salem Terminals, Limited
40 Liability Company, an Ohio limited liability company; (2) property
41 owned by the South Jersey Port Corporation and leased to the Mid-
42 Atlantic Shipping and Stevedoring, Inc.; and (3) all rights under the
43 foreign trade zone approved by the United States Department of
44 Commerce-Foreign Trade Zone Board by Order Number 358
45 establishing Foreign Trade Zone 142; provided, however, that the
46 property described in paragraphs (1) and (2) of this definition shall not

1 be deemed to be Salem facility rights at the time such property is no
2 longer subject to the leases described in this definition.

3 "South Jersey Port Corporation" means the South Jersey Port
4 Corporation created pursuant to P.L.1968, c.60 (C.12:11A-1 et seq.).

5 "State contract" means the contract or agreement entered into by
6 the State Treasurer and the authority concerning the payment of the
7 bonds issued pursuant to this act.

8 "Subsidiary" means a subsidiary corporation of the New Jersey
9 Economic Development Authority created pursuant to section 16 of
10 this act.

11 "Subsidiary corporation" means a subsidiary corporation which has
12 been established by the Delaware River Port Authority pursuant to
13 subdivision (m) of Article I of the compact creating the Delaware
14 River Port Authority (R.S.32:3-2).

15 "Transfer date" means the date on which all bonds issued by the
16 South Jersey Port Corporation cease to be outstanding within the
17 meaning of the resolutions pursuant to which those bonds were issued,
18 as certified by the trustee or trustees thereunder.

19

20 4. (New section) a. For the purpose of providing funds for the
21 financing of the establishment, acquisition, construction, rehabilitation,
22 improvement and ownership of port facilities, the authority shall have
23 the power to issue bonds or notes, incur indebtedness, borrow money
24 or incur other obligations secured in whole or in part by the monies in
25 the Port Facility Revenue Fund or by any state contract or both and
26 also to issue such bonds, notes or other indebtedness for the purpose
27 of defeasing, refinancing or refunding the existing bonded and other
28 indebtedness of an authority or corporation having jurisdiction,
29 ownership or control of port facilities. However, the authority shall
30 not issue bonds, notes or other obligations for defeasing, refinancing
31 or refunding the bonds or notes of the South Jersey Port Corporation
32 until a subsidiary corporation has been formally established by the
33 Delaware River Port Authority and the State Treasurer and the
34 authority have approved an agreement pursuant to subsection b. of this
35 section providing for the lease, management or other operation of all
36 or a portion of the port facilities of the South Jersey Port Corporation.
37 The bonds or notes shall be authorized by resolution, which shall
38 stipulate the manner of execution and form of the bonds or notes,
39 whether the bonds or notes are in one or more series, the date of issue,
40 time or times of maturity, which (in the case of bonds) shall not exceed
41 30 years, the rate or rates of interest payable on the bonds or notes,
42 the denomination or denominations in which the bonds or notes are
43 issued, conversion or registration privileges, the sources and medium
44 of payment and place or places of payment and terms of redemption.
45 The bonds or notes may be sold at a public or private sale at a price or
46 prices determined by the authority.

1 b. The authority is hereby authorized to enter into any agreement
2 with a subsidiary corporation with respect to the lease, management
3 or other operation of all or a portion of the port facilities on such
4 terms as the authority shall deem appropriate, such agreement to be
5 subject to the approval of the State Treasurer.

6 The authority shall, however, be authorized to enter into an
7 agreement with a subsidiary corporation under this section where the
8 directors of such subsidiary corporation are required to be residents of
9 the State of New Jersey and one or more other states only on the
10 following conditions: The by-laws of the subsidiary corporation shall
11 provide, and continue to provide, for the exercise of a veto by the
12 Governor of the State of New Jersey with respect to an action of a
13 director of the subsidiary corporation appointed from the State of New
14 Jersey, which exercise is hereby authorized in the same form and
15 manner as provided in P.L.1991, c.516 (C.32:3-4a et seq.) for the veto
16 of an action of a commissioner of the Delaware River Port Authority
17 appointed from the State of New Jersey; the exercise of the veto by
18 the Governor of the State of New Jersey pursuant to this section shall
19 not serve to dissolve the subsidiary corporation; the number of
20 directors of the corporation from the State of New Jersey shall be the
21 same as the number of directors of the corporation from each of the
22 other states; four of the total number of directors of the corporation
23 from the State of New Jersey provided for in the by-laws shall be
24 appointed by the Legislature, two by the President of the Senate and
25 two by the Speaker of the General Assembly; and no action of the
26 corporation shall be binding unless at least a simple majority of the
27 directors from each state and at least a simple majority of the directors
28 from New Jersey shall vote in favor thereof. The provisions of this
29 section shall also be binding on any entity which is a successor to the
30 authority.

31 The authority is hereby authorized also to enter into any agreement
32 with the South Jersey Port Corporation with respect to the defense of
33 litigation against the South Jersey Port Corporation.

34 c. The authority is hereby authorized to convey or reconvey the
35 port facilities to any other entity, including but not limited to the South
36 Jersey Port Corporation, subject to the approval of the State Treasurer
37 and the Legislature. The authority shall submit for approval to the
38 Legislature, on a day when both the General Assembly and the Senate
39 are in session, a plan for conveying or reconveying the port facilities
40 to an entity other than the subsidiary corporation. The date of the
41 submission shall be entered into the Senate Journal and the Minutes of
42 the General Assembly. The Legislature shall be deemed to have
43 approved the plan unless within 45 days of the submission of the plan
44 by the authority to the Legislature, the Legislature adopts by
45 affirmative vote of a majority of the authorized membership of both of
46 the houses a concurrent resolution disapproving the plan. The time

1 period shall commence on the day of submission and expire on the
2 45th day after submission or for a house not meeting on the 45th day,
3 on the next meeting of that house.

4 d. In addition to any other provisions of an agreement, an
5 agreement between the authority and a subsidiary corporation for the
6 lease, management or other operation of port facilities acquired from
7 the South Jersey Port Corporation, except as provided in section 15
8 of this act, shall require, for a period of ten years from the date the
9 agreement is executed, an annual payment to the authority for the
10 rental of the port facilities in New Jersey. The annual payment amount
11 shall equal the average for the three years immediately preceding the
12 year in which the port facilities of the South Jersey Port Corporation
13 are acquired by the authority of revenues realized by the South Jersey
14 Port Corporation in excess of operation expenses. The annual
15 payment shall be deposited into the Port Facility Revenue Fund
16 created by section 6 of this act. Following the ten year period, the
17 agreement between the authority and the subsidiary corporation may
18 continue to provide for such payments.

19

20 5. (New section) The authority may, in any resolution authorizing
21 the issuance of bonds or notes pursuant to this act, pledge the Port
22 Facility Revenue Fund or a portion thereof for payment of the
23 redemption of the bonds or notes, or the principal and interest thereon,
24 and covenant as to the use and disposition of monies in the Port
25 Facility Revenue Fund. All costs associated with the issuance of the
26 bonds or notes by the authority for the purposes set forth in this act
27 may be paid by the authority from the proceeds of bonds or notes or
28 from the Port Facility Revenue Fund, as the authority shall determine,
29 which costs may include, but shall not be limited to, any costs related
30 to the issuance of bonds or notes, operating expenses of the authority
31 attributable to the payment of current and anticipated liabilities and
32 expenses, and costs of, and any payment due under, any agreement,
33 including any agreement entered into pursuant to the provisions of
34 subsection b. of section 7 of this act. Monies in the Port Facility
35 Revenue Fund shall not be used for any other purposes of the authority
36 than those provided in this act.

37

38 6. (New section) There is created within the authority a special
39 nonlapsing fund, to be known as the "Port Facility Revenue Fund."
40 This fund shall consist of:

41 a. Such monies as may be transferred to the fund by the State
42 Treasurer, upon appropriation by the Legislature;

43 b. Such monies as may have been or may be authorized by, or
44 appropriated to, the South Jersey Port Corporation for the payment of
45 debt service with respect to the port facilities of the corporation and
46 which may be transferred to the authority by the corporation on or

1 after the acquisition of the port facilities of the corporation by the
2 authority or which may be transferred to the authority pursuant to
3 section 14 of this act;

4 c. Interest or other income derived from the investment of monies
5 in the fund; and

6 d. Payments received by the authority under subsection d. of
7 section 4 of this act.

8 Monies in the fund shall be managed and invested by the Division
9 of Investment in the Department of the Treasury.

10

11 7. (New section) a. The authority may use monies in the Port
12 Facility Revenue Fund to pay the principal and interest and premium,
13 if any, on the bonds or notes issued by it pursuant to this act and in
14 connection with the lease, management or other operation of the port
15 facilities transferred pursuant to this act as provided in subsection b.
16 of section 4 of this act. The authority may create any other fund or
17 funds by resolution of the authority which it deems necessary to
18 further secure the bonds or notes or otherwise effectuate the purposes
19 of this act, including funds for the deposit of the proceeds from bonds
20 or notes issued pursuant to this act.

21 b. The authority may, in connection with its duties and
22 responsibilities under this act or in connection with any duties and
23 responsibilities provided for in P.L.1974, c.80 (C.34:1B-1 et seq.),
24 enter into any revolving credit agreement, agreement establishing a
25 line of credit or letter of credit, reimbursement agreement, interest rate
26 exchange or other like agreement, forward purchase agreement
27 insurance contract, surety bond, commitment to purchase bonds or
28 notes, purchase or sale agreement or commitments or other contracts
29 or agreements in connection with the authorization, issuance, sale or
30 payment of bonds or notes.

31 c. All bonds or notes issued by the authority are deemed to be
32 issued by a body corporate and politic of the State for an essential
33 governmental purpose, and the interest thereon or to be received by
34 the authority and pledged and available to pay or secure the payment
35 on bonds or notes or pledged or available to pay or secure payment on
36 such bonds or notes or interest thereon shall be exempt from all taxes
37 levied pursuant to the provisions of Title 54 of the Revised Statutes or
38 Title 54A of the New Jersey Statutes, except for transfer, inheritance
39 and estate taxes pursuant to Subtitle 5 of Title 54 of the Revised
40 Statutes.

41

42 8. (New section) Bonds and notes issued by the authority
43 pursuant to the provisions of this act shall be special and limited
44 obligations which are payable only from the sources enumerated in this
45 act. Neither the members of the authority nor any other person
46 executing the bonds or notes issued pursuant to this act shall be liable

1 personally with respect to payment of interest and principal on these
2 bonds, notes, or any other obligations issued pursuant to this act. The
3 bonds, notes, or any other obligations issued pursuant to the
4 provisions of this act shall not be a debt or liability of the State or any
5 agency or instrumentality thereof, either legal, moral or otherwise, and
6 nothing contained in this act shall be construed to authorize the
7 authority to incur any indebtedness on behalf of or in any way to
8 obligate the State or any political subdivision and all debt instruments
9 issued by the authority shall contain a statement to that effect on their
10 face.

11

12 9. (New section) The State hereby pledges and covenants with
13 holders of any bonds, notes or other obligations issued pursuant to this
14 act that it will not limit or alter the rights or powers vested in the
15 authority by this act, nor limit or alter the rights or powers of the State
16 Treasurer in any manner which would jeopardize the interest of the
17 holders or any trustee of such holders, or inhibit or prevent
18 performance or fulfillment by the authority or the State Treasurer with
19 respect to the terms of any agreement made with the holders of these
20 bonds, notes or other obligations. The State also pledges and
21 covenants with the holders of any such bonds, notes or obligations,
22 that it will not act to prevent the authority from obtaining any of the
23 revenues provided for in this act, which shall be sufficient to meet all
24 costs and expenses in connection with the issuance of such obligations,
25 until the bonds, notes or other obligations, together with interest
26 thereon, are fully met and discharged or payment thereof is fully
27 provided for, except that the failure of the State to appropriate monies
28 for any purposes of this act shall not be deemed a violation of this
29 section.

30

31 10. (New section) Notwithstanding the provisions of any other
32 law to the contrary, the State shall indemnify and save harmless the
33 authority, its members or employees from any actions, claims,
34 judgments or awards of any type, arising from or as the result of any
35 act or omission by or on behalf of the South Jersey Port Corporation
36 or the subsidiary corporation or in relation to the port facilities
37 transferred to the authority pursuant to this act or arising from or as
38 the result of the condition of those facilities. The State may, in
39 addition, enter into an agreement with the authority to provide for the
40 payment of liability insurance premiums for the provision of liability
41 insurance coverage for the authority, its members or employees with
42 respect to any such action or claim instituted or asserted after the
43 transfer of the port facilities. The amount and terms of such liability
44 coverage shall be subject to the approval of the State Treasurer. The
45 State shall, in addition, provide for the payment of annual
46 administrative expenses of the authority associated with the ownership

1 and operation of port facilities, in an amount authorized by the State
2 Treasurer.

3
4 11. (New section) Notwithstanding the provisions of any other
5 law to the contrary, the State Treasurer is authorized to enter into an
6 agreement with the South Jersey Port Corporation on or after the
7 transfer of the port facilities of the corporation to the authority, which
8 shall provide that the State shall indemnify and save harmless the
9 South Jersey Port Corporation, its members, or employees from any
10 actions, claims, judgments or awards of any type, arising from or as
11 the result of any act or omission by or on behalf of the South Jersey
12 Port Corporation. Such agreement may, in addition, provide for the
13 payment of liability insurance premiums for the provision of liability
14 insurance coverage for the South Jersey Port Corporation, its
15 members, or employees with respect to any such action or claim
16 instituted or asserted after the transfer of the port facilities to the
17 authority. The amount and terms of any such liability insurance
18 coverage shall be subject to the approval of the State Treasurer.

19
20 12. (New section) Notwithstanding any other provision of law to
21 the contrary, the State Treasurer is authorized to enter into an
22 agreement with the Delaware River Port Authority or the subsidiary
23 corporation, or both, which would provide that the State shall
24 indemnify and save harmless the Delaware River Port Authority or the
25 subsidiary corporation, or both, from any and all claims or causes of
26 action which are based on the condition of the port facilities
27 transferred pursuant to this act. The State Treasurer is not authorized
28 to enter into an agreement which obligates the State to indemnify or
29 save harmless the Delaware River Port Authority or the subsidiary
30 corporation from any damages which directly result from any act or
31 omission by the Delaware River Port Authority or the subsidiary
32 corporation, or both, or any of their agents, servants or employees.

33
34 13. (New section) The State Treasurer and the authority may
35 enter into any agreements as may be necessary to effectuate the
36 provisions of this act, which may include, but not be limited to,
37 procedures for the transfer of monies to the Port Facility Revenue
38 Fund as provided for in section 6 of this act, with respect to the terms
39 and conditions relative to the securing of bonds, notes and other
40 obligations of the authority, the pledge and assignment of any
41 agreement or agreements authorized by this act, or any payments to
42 the trustees of the holders of these bonds. Notwithstanding any
43 provision of P.L.1974, c.80 (C.34:1B-1 et seq.), this act or any
44 regulation of the authority to the contrary, the authority shall be paid
45 only such fees as shall be determined by an agreement entered into
46 pursuant to this section. Any such agreements entered into pursuant

1 to this section shall require that the subsidiary corporation shall
2 indemnify and save harmless the authority, its members or employees
3 from any actions, claims, judgments or awards of any type regarding
4 the lease, operation and management of the port facilities by the
5 subsidiary corporation.

6

7 14. (New section) a. The South Jersey Port Corporation shall
8 cooperate with the authority in the defeasing, refunding or refinancing
9 of the outstanding obligations of the corporation by the authority as
10 authorized by this act and the corporation shall take such steps as are
11 necessary in order to implement such defeasing, refunding or
12 refinancing.

13 b. On the transfer date:

14 (1) All right, title and interest of the South Jersey Port
15 Corporation in its port facilities, except as provided in section 15 of
16 this act, and in any of its records and papers, as well as its assets,
17 funds, obligations and liabilities, are hereby transferred to the
18 authority to be held, used and applied for the purposes of this act.

19 (2) All powers and duties which hitherto were exercised by the
20 corporation with respect to its port facilities transferred pursuant to
21 this section may henceforth be exercised by the authority. The
22 authority may permit the exercise of these powers and duties by the
23 subsidiary corporation as may be necessary or convenient to operate
24 and maintain the port facilities which are the subject of the lease,
25 management or operational agreement between the authority and the
26 subsidiary corporation authorized pursuant to subsection b. of section
27 4 of this act.

28 (3) All monies transferred pursuant to this act shall be deposited
29 in the "Port Facility Revenue Fund" established by section 6 of this
30 act.

31 (4) All creditors of the corporation and persons having claims
32 against or contracts with the corporation of any kind or character may
33 enforce such debts, claims and contracts against the authority in the
34 same manner as they might have had against the corporation, and the
35 rights and remedies of such creditors and persons having claims or
36 contracts shall not be limited or restricted in any manner by this act,
37 except as provided in this section. All debts, liabilities, obligations,
38 agreements and covenants of the corporation, except to the extent
39 otherwise specifically provided or established to the contrary in this
40 act, are hereby imposed upon the authority. In continuing the
41 functions and carrying out the contracts, obligations, powers and
42 duties of the corporation, the authority, or the subsidiary corporation,
43 as the case may be, are authorized to act in their own name or in the
44 name of the corporation as may be convenient or advisable under the
45 circumstances from time to time.

46 (5) The lease, management or operational agreement referred to

1 in paragraph (2) of this subsection shall provide that all officers and
2 employees of the corporation shall be employed by the subsidiary
3 corporation until determined otherwise by that corporation. The
4 employees shall retain all of their rights and benefits under existing
5 collective bargaining agreements or contracts until such time as new
6 or revised agreements or contracts are agreed to or these agreements
7 or contracts shall expire. All existing bargaining agents shall be
8 retained to act on behalf of those employees until such time as the
9 employees shall, pursuant to law, elect to change those agents. The
10 provisions of this paragraph shall not apply to any officer or employee
11 appointed or employed, or any collective bargaining agreement entered
12 into, on or after the effective date of this act.

13 c. As soon as may be practicable after the transfer date, the
14 authority shall notify the Governor, the presiding officers of each
15 house of the Legislature, and the President of the Delaware River Port
16 Authority that the transfer has occurred, the date of the transfer, and
17 any other information concerning the transfer the authority deems
18 appropriate.

19 d. (1) After the transfer date, the subsidiary corporation which
20 has entered into the lease, management or operational agreement shall
21 annually submit to the authority a written report on the carrying out
22 of its responsibilities under the agreement in addition to any other
23 reports as may be required by the agreement. The annual report shall
24 include a financial summary of revenues and expenditures relating to
25 the ports. The report shall also be submitted to the Legislature.

26 (2) In addition to any other reports required to be submitted to the
27 Legislature, the Delaware River Port Authority shall submit to the
28 Legislature, at least 60 days prior to action taken to authorize or
29 adopt, any plan developed by the Delaware River Port Authority to
30 finance any capital project for the construction, reconstruction,
31 development or improvement of the port facilities located in New
32 Jersey that are operated and maintained by the subsidiary corporation
33 pursuant to the provisions of P.L. , c. (C.) (now pending before
34 the Legislature as this bill). Upon the initial submission of such a
35 plan, the authority shall annually thereafter submit written progress
36 reports on the implementaton of the plan with the final progress report
37 submitted upon the completion of projects set forth in the initial plan.
38

39 15. (New section) Notwithstanding the provisions of this act to
40 the contrary, the authority shall not acquire from the South Jersey Port
41 Corporation the former port facilities of the Salem Municipal Port
42 Authority as acquired previously from the Salem Municipal Port
43 Authority by the South Jersey Port Corporation. The South Jersey
44 Port Corporation shall, not later than six months after the effective
45 date of this act, enter into a lease or other agreement with a person
46 other than a public entity to operate and maintain the former port

1 facilities of the Salem Municipal Port Authority previously acquired by
2 the South Jersey Port Corporation including other real property
3 previously acquired by that corporation from the county of Salem or
4 the City of Salem and located in the City of Salem.

5 If the South Jersey Port Corporation fails to enter into such a lease
6 or other agreement within that six month period, the South Jersey Port
7 Corporation shall, at the expiration of that period, transfer all right,
8 title and interest to those facilities to the New Jersey Economic
9 Development Authority. If the South Jersey Port Corporation has
10 entered into such lease or other agreement within the six month
11 period, the South Jersey Port Corporation shall, at the expiration or
12 termination of such lease or other agreement, transfer all right, title
13 and interest to those facilities to the New Jersey Economic
14 Development Authority unless the lessee or operator of those facilities
15 shall have exercised an option to purchase or acquire the facilities
16 pursuant to the lease or agreement. The New Jersey Economic
17 Development Authority shall be authorized to acquire all right, title
18 and interest to those facilities if transferred pursuant to this section.

19 Any agreement entered into pursuant to this section shall be
20 subject to the approval of the State Treasurer and if such an agreement
21 shall result in any payments to the South Jersey Port Corporation such
22 payments shall be remitted to the State Treasurer for deposit in the
23 General Fund less those amounts that the South Jersey Port
24 Corporation is required to pay to other public entities under the terms
25 of leases referred to in paragraphs (1) and (2) of "Salem facility rights"
26 as defined in section 3 of this act.

27
28 16. (New section). a. To effectuate any of its authorized purposes
29 either directly or indirectly, the authority, in addition to any powers
30 granted to it elsewhere in P.L. , c. (C.) (now pending before the
31 Legislature as this bill), shall have the authority to form, purchase or
32 assume control of one or more subsidiaries, in the manner and for the
33 purposes set forth in this section.

34 b. The authority may form a subsidiary by filing with the Secretary
35 of State a certificate of incorporation, which may be amended from
36 time to time and which shall set forth the name of the subsidiary, its
37 duration, the location of its principal office, the joint owners thereof
38 if any such joint owners shall be provided for by an agreement between
39 the authority and the joint owners, and the purposes of the subsidiary.

40 c. The directors of the subsidiary shall be members or employees
41 of the authority, who shall constitute at least a majority, and such
42 other persons representing any joint owner or owners, if any, as may
43 be provided for in the agreement in connection with the incorporation
44 of the subsidiary.

45 d. The subsidiary shall have all the powers vested in the authority
46 which the authority may delegate to it by terms of the agreement

1 entered into pursuant to subsection b. of this section, except that it
2 shall not have the power to contract indebtedness independently of the
3 authority. The subsidiary and any of its properties, functions and
4 activities shall have all the privileges, immunities, tax exemptions and
5 other exemptions as the authority's property, functions and activities.
6 The subsidiary shall also be subject to the restrictions and limitations
7 to which the authority is subject. The subsidiary shall be subject to
8 suit as if it were the authority itself.

9 e. Whenever the State or any municipality, commission, public
10 authority, agency, office, department, board, or division is authorized
11 and empowered for any purposes of P.L. , c. (C.) (now pending
12 before the Legislature as this bill) to cooperate and enter into
13 agreements with the authority or to grant any consent to the authority
14 or to grant, convey, lease or otherwise transfer any property to the
15 authority or to execute any document, the State or such municipality,
16 commission, public authority, agency, officer, department, board, or
17 division shall have the same authorization and power for any of such
18 purposes to cooperate and enter into agreements with the subsidiary,
19 to grant consents to the subsidiary, to grant, convey, lease or
20 otherwise transfer property to the subsidiary and to execute documents
21 for the subsidiary.

22 f. Among the powers that shall be granted to a subsidiary
23 established by the authority, or which may be exercised by the
24 authority itself, are:

25 (1) The power to participate as a co-owner or co-venturer in any
26 activity financed by a loan from the authority;

27 (2) The power to issue its stock and employ the proceeds of such
28 issuance for capital investment in, or other expenses in connection
29 with, the projects of the subsidiary, upon authorization by the
30 authority; and

31 (3) The power to enter into leases, subleases or other conveyances
32 of property, or to grant easements, or licenses for the use of property.

33

34 17. (New section) The authority, or any subsidiary, may enter
35 into agreements with any individual, partnership, trust, association or
36 corporation, or any public agency, under which the authority or
37 subsidiary and such other entity or entities shall undertake a project as
38 a joint venture, with the authority or subsidiary providing such
39 financial assistance, through loans, grants or the acquisition of an
40 ownership interest in the project, and such technical or managerial
41 assistance or advice, as the agreement may provide for.

42

43 18. (New section) When undertaking any construction,
44 reconstruction, or other improvement of property which is part of the
45 marine facilities or redevelopment facilities located in the City of
46 Camden, the authority shall provide the Planning Board of the City of

1 Camden with a written summary, for informational purposes only, or
2 an informational presentation to the Planning Board of the City of
3 Camden which shall describe the proposed development.

4
5 19. (New section) a. The exercise of the powers granted by this
6 act shall constitute the performance of an essential governmental
7 function and the authority shall not be required to pay any taxes or
8 assessments upon or in respect of its port facilities as defined in
9 section 3 of P.L. , c. (C.) (now pending before the Legislature as
10 this bill), or any property or moneys of the authority, and the
11 authority, its port facilities, property and moneys and any bonds and
12 notes issued under the provisions of this act, their transfer and the
13 income there-from, including any profit made on the sale thereof, shall
14 at all times be free from taxation of every kind by the State except for
15 transfer, inheritance and estate taxes and by any political subdivision
16 of the State.

17 b. Notwithstanding the provisions of section 15 of P.L.1974, c.80
18 (C.34:1B-15) to the contrary: (1) any person occupying port facilities
19 of the authority used as redevelopment facilities for commercial
20 purposes, whether as lessee, vendee or otherwise, except a subsidiary
21 corporation as defined in section 3 of P.L. , c. (C.) (now pending
22 before the Legislature as this bill), shall pay to any political subdivision
23 in which such redevelopment facilities are located a payment in lieu of
24 taxes which shall equal the taxes on real and personal property,
25 including water and sewer service charges and assessments, which that
26 person would have been required to pay to the respective political
27 subdivisions had it been the owner of the property during the period
28 for which such payment is made and neither the subsidiary nor the
29 authority nor any of their projects, properties, moneys or bonds and
30 notes shall be obligated, liable or subject to lien of any kind for the
31 enforcement, collection or payment thereof; (2) the State shall make
32 a payment in lieu of taxes on the authority's port facilities used as
33 marine facilities for commercial purposes and occupied by any person
34 as lessee, except a subsidiary corporation as defined in section 3 of
35 P.L. , c. (C.) (now pending before the Legislature as this bill),
36 and neither the subsidiary nor the authority nor any of their projects,
37 properties, moneys, or bonds and notes shall be obligated, liable or
38 subject to lien of any kind for the enforcement, collection or payment
39 thereof. The payment by the State shall be made to the City of
40 Camden, subject to annual appropriation by the Legislature, and shall
41 be equal to 40 percent of the fair market value of the property,
42 determined by the Department of the Treasury at the time of transfer
43 of the facilities to the authority pursuant to this act, multiplied by the
44 local municipal purposes tax rate.

45 c. Payments made pursuant to this section shall be paid to the
46 political subdivision in the fiscal year commencing on July 1 following

1 the year in which the occupancy occurred. Such payments shall only
2 be payable for that portion of the year in which the facilities subject to
3 the payment were actually occupied by a lessee, vendee or otherwise
4 or in the case of paragraph (2) of subsection b. of this section by a
5 lessee.

6 d. Any property transferred to the authority pursuant to the
7 provisions of this act, which is not occupied by a lessee, vendee or
8 otherwise, as provided in this section, shall not be subject to a
9 payment in lieu of taxes.

10 e. In the event that the port facilities of the authority are
11 transferred to another entity which is not subject to taxation, the
12 provisions of this section concerning payments in lieu of taxes shall
13 continue, and any person occupying the transferred redevelopment
14 facilities as a lessee, vendee or otherwise, except a subsidiary
15 corporation defined in section 3 of P.L. , c. (C.) (now pending
16 before the Legislature as this bill), shall make the payments prescribed
17 in paragraph (1) of subsection b. of this section, and the entity to
18 which the marine facilities are transferred, rather than the State, shall
19 continue to make the payments prescribed in paragraph (2) of
20 subsection b. of this section unless the entity and the City of Camden
21 shall enter into an agreement to provide for a different method of
22 determining the amount of payment in lieu of taxes or otherwise to
23 alter the amount of the payment provided for in paragraph (2) of
24 subsection b. of this section.

25 f. Notwithstanding the provisions of this section to the contrary,
26 the governing body of a county or municipality in which the port
27 facilities of the authority used as redevelopment facilities are located
28 may, by resolution or ordinance, as appropriate, provide for the
29 reduction in the amount of the in lieu of tax payment which a vendee,
30 lessee or otherwise is required to pay under paragraph (1) of
31 subsection b. of this section. The reduction in the amount shall be for
32 a term of no greater than 20 years from the date of initial occupancy
33 by the vendee, lessee or otherwise and shall be so structured that the
34 total reduction shall constitute no greater than 75 percent of the in lieu
35 of tax payment required under paragraph (1) of subsection b. of this
36 section over the 20 year or lesser period, and shall only be adopted
37 upon a finding that the reduction would be in the best interest of the
38 county or municipality.

39

40 20. Section 1 of P.L.1968, c.60 (C.12:11A-1) is amended to read
41 as follows:

42 1. The Legislature hereby finds and declares: a. that overlapping
43 jurisdiction and responsibility for port development is not conducive
44 to the provision of adequate port facilities in southern New Jersey;
45 that the South Jersey Port Corporation hereinafter established by this
46 act, should be the sole agency for the port development which is the

1 purpose of this act; that said corporation should be vested with powers
2 and responsibilities sufficient to fulfill not only its port development
3 purposes but its financial obligations to the government and people of
4 the State of New Jersey; that the Camden Marine Terminals, presently
5 operated and maintained by the South Jersey Port Commission, are
6 ideally suited to serve as the basis from which future port development
7 in South Jersey may proceed; that the acquisition of said Camden
8 Marine Terminals by the South Jersey Port Corporation will enable
9 said corporation to accomplish the purposes of this act; that the
10 indebtedness of the South Jersey Port Commission to its creditors and
11 bondholders and to the city of Camden is properly an obligation of the
12 State of New Jersey and a responsibility of the State of New Jersey to
13 repay to the extent and in the manner provided herein; that prior to
14 the disposition of the Camden Marine Terminals the financial
15 obligations of the South Jersey Port Commission to the city of Camden
16 must be discharged; that the State has already recognized its
17 responsibility and taken steps to fulfill its obligation to the city of
18 Camden by virtue of the appropriation of \$1.5 million from the
19 General Treasury of the State of New Jersey to the South Jersey Port
20 Commission, pursuant to chapter 84 of the Laws of 1967, which sum
21 was applied towards the reduction of the indebtedness of the
22 commission to the city of Camden.

23 b. In order to facilitate the unification of the ports of the Delaware
24 river, as provided in subdivision (m) of the Compact creating the
25 Delaware River Port Authority (R.S.32:3-2), it is in the public interest
26 to provide for the transfer of the port facilities of the corporation to
27 the New Jersey Economic Development Authority so that all or a
28 portion of them may be operated by a subsidiary corporation of the
29 Delaware River Port Authority; that the current outstanding bonded
30 indebtedness of the corporation shall be refunded by the issuance of
31 bonds by the New Jersey Economic Development Authority in order
32 to facilitate that transfer; that provision be made for the employees of
33 the corporation who may be employed by the subsidiary corporation;
34 and that other measures be taken to facilitate the transfer.

35 (cf: P.L.1968, c.60, s.1)

36

37 21. Section 6 of P.L.1968, c.60 (C.12:11A-6) is amended to read
38 as follows:

39 6. The corporation shall be a body corporate and politic and shall
40 have perpetual succession and shall have the following powers:

41 (a) To adopt by-laws for the regulation of its affairs and the
42 conduct of its business;

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

44 (c) To maintain an office at such place or places within the district
45 as it may designate;

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

1 (e) To establish, acquire, construct, rehabilitate, improve, own,
2 operate and maintain marine terminals at such locations within the
3 district as it shall determine;

4 (f) To enter into lease agreements with private marine terminal
5 operators for the purpose of operating and maintaining any of the
6 marine terminals established, acquired, owned, constructed,
7 rehabilitated or improved by the corporation;

8 (g) To issue bonds or notes of the corporation for any of its
9 corporate purposes and to provide for the rights of the holders thereof
10 as provided in this act;

11 (h) To fix and revise from time to time and charge and collect
12 rents, tolls, fees and charges for use of the several functions and
13 services of any marine terminal acquired or constructed by it;

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

15 (j) To acquire, hold and dispose of real and personal property in
16 the exercise of its powers and the performance of its duties under this
17 act;

18 (k) To acquire in the name of the corporation by purchase or
19 otherwise, on such terms and conditions and in such manner as it may
20 deem proper, or by the exercise of the power of eminent domain any
21 land and other property which it may determine is reasonably
22 necessary for any marine terminal or for the relocation or
23 reconstruction of any highway by the corporation and any and all
24 rights, title and interest in such land and other property, including
25 public lands, parks, playgrounds, reservations, highways or parkways,
26 owned by or in which any county, city, borough, town, township,
27 village, or other political subdivision of the State of New Jersey has
28 any right, title or interest, or parts thereof or rights therein and any fee
29 simple absolute or any lesser interest in private property, and any fee
30 simple absolute in, easements upon, or the benefit of restrictions upon,
31 abutting property to preserve and protect any marine terminal.

32 Upon the exercise of the power of eminent domain, the
33 compensation to be paid thereunder shall be ascertained and paid in
34 the manner provided in[chapter 1 of Title 20 of the Revised Statutes]
35 the "Eminent Domain Act of 1971," P.L.1971, c.361 (C.20:3-1 et
36 seq.), insofar as the provisions thereof are applicable and not
37 inconsistent with the provisions contained in this act. The
38 corporation may join in separate subdivisions in one petition or
39 complaint the descriptions of any number of tracts or parcels of land
40 or property to be condemned and the names of any number of owners
41 and other parties who may have an interest therein and all such land or
42 property included in said petition or complaint may be condemned in
43 a single proceeding; provided, however, that separate awards be made
44 for each tract or parcel of land or property; and provided further, that
45 each of said tracts or parcels of land or property lies wholly in or has
46 a substantial part of its value lying wholly within the same county.

1 Upon the filing of such petition or complaint or at any time
2 thereafter the corporation may file with the clerk of the county in
3 which such property is located and also with the Clerk of the Superior
4 Court a declaration of taking, signed by the corporation declaring that
5 possession of one or more of the tracts or parcels of land or property
6 described in the petition or complaint is thereby being taken by and for
7 the use of the corporation. The said declaration of taking shall be
8 sufficient if it sets forth (1) a description of each tract or parcel of land
9 or property to be so taken sufficient for the identification thereof to
10 which there shall be attached a plan or map thereof; (2) a statement
11 of the estate or interest in the said land or property being taken; (3) a
12 statement of the sum of money estimated by the corporation by
13 resolution to be just compensation for the taking of the estate or
14 interest in each tract or parcel of land or property described in said
15 declaration; and (4) that, in compliance with the provisions of this act,
16 the corporation has established and is maintaining a trust fund as
17 hereinafter provided.

18 Upon the filing of the said declaration, the corporation shall
19 deposit with the Clerk of the Superior Court the amount of the
20 estimated compensation stated in said declaration. In addition to the
21 said deposits with the Clerk of the Superior Court the corporation at
22 all times shall maintain a special trust fund on deposit with a bank or
23 trust company doing business in this State in an account at least equal
24 to twice the aggregate amount deposited with the Clerk of the
25 Superior Court as estimated compensation for all property described
26 in declarations of taking with respect to which the compensation has
27 not been finally determined and paid to the persons entitled thereto or
28 into court. Said trust fund shall consist of cash or securities readily
29 convertible into cash constituting legal investment for trust funds
30 under the laws of this State. Said trust fund shall be held solely to
31 secure and may be applied to the payment of just compensation for the
32 land or other property described in such declarations of taking. The
33 corporation shall be entitled to withdraw from said trust fund from
34 time to time so much as may then be in excess of twice the aggregate
35 of the amount deposited with the Clerk of the Superior Court as
36 estimated compensation for all property described in declarations of
37 taking with respect to which the compensation has not been finally
38 determined and paid to the persons entitled thereto or into court.

39 Upon the filing of the said declaration as aforesaid and depositing
40 with the Clerk of the Superior Court the amount of the estimated
41 compensation stated in said declaration, the corporation without other
42 process or proceedings, shall be entitled to the exclusive possession
43 and use of each tract of land or property described in said declaration
44 and may forthwith enter into and take possession of said land or
45 property, it being the intent of this provision that the proceedings for
46 compensation or any other proceedings relating to the taking of said

1 land or interest therein or other property shall not delay the taking of
2 possession thereof and the use thereof by the corporation for the
3 purpose or purposes for which the corporation is authorized by law to
4 acquire or condemn such land or other property or interest therein.

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

1 in which the land is located. Such service, mailing or publication shall
2 be made at least 10 days before the date fixed for such hearing.

3 Whenever under [chapter 1 of Title 20 of the Revised Statutes] the
4 "Eminent Domain Act of 1971" the amount of the award may be paid
5 into court, payment may be made into the Superior Court and may be
6 distributed according to law. The corporation shall not abandon any
7 condemnation proceeding subsequent to the date upon which it has
8 taken possession of the land or property as herein provided;

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

12 (m) To appoint such additional officers, who need not be members
13 of the corporation as the corporation deems advisable, and to employ
14 consulting engineers, attorneys, accountants, construction and
15 financial experts, superintendents, managers, and such other employees
16 and agents as may be necessary in its judgment; to fix their
17 compensation; and to promote and discharge such officers, employees
18 and agents; all without regard to the provisions of Title [11 of the
19 Revised Statutes] 11A of the New Jersey Statutes; provided, however
20 that in the hiring of any employees or agents the corporation shall hire
21 any full-time employees of the Camden Marine Terminals or of the
22 South Jersey Port Commission, dissolved as hereinafter provided by
23 this act, who express a desire to be employed by the corporation; and
24 provided further, that the corporation shall provide for the protection
25 and maintenance of any contract, agreement or memorandum of
26 understanding concerning wages, working conditions or benefits of
27 any nature whatsoever between said Camden Marine Terminals or
28 South Jersey Port Commission and such employees or their designated
29 representative, and the corporation shall guarantee any pension rights
30 or benefits, including membership in any State, private or other
31 pension plan, of any such employees of the Camden Marine Terminals
32 or the South Jersey Port Commission.

33 (n) To apply for, receive and accept from any Federal agency,
34 subject to the approval of the Governor, grants for or in aid of the
35 planning or construction of any marine terminal, and to receive and
36 accept aid or contributions from any source, of either money,
37 property, labor or other things of value, to be held, used and applied
38 only for the purposes for which such grants and contributions may be
39 made;

40 (o) To acquire any lands under water in the State of New Jersey
41 for marine terminal, purposes by grant, transfer or conveyance from
42 the Resource Development Council in the Department of Conservation
43 and Economic Development in accordance with the statutes of the
44 State governing the making of riparian grants and leases, upon such
45 terms and conditions as may be determined by said council;

46 (p) To acquire any real property required or used for State

1 highway purposes in the State of New Jersey, by grant, transfer or
2 conveyance from the State Department of Transportation of the State
3 of New Jersey upon such terms and conditions as may be determined
4 by said State Department of Transportation.

5 (q) To promote the use of the port facilities in the district and the
6 use of the Delaware river and bay as a highway of commerce and in
7 furtherance of such promotion to make expenditures in the United
8 States and foreign countries, to pay commissions, and hire or contract
9 with experts and consultants, and otherwise to do indirectly anything
10 which the corporation may do directly;

11 (r) To co-operate with all other bodies interested or concerned
12 with, or affected by the promotion, development or use of the
13 Delaware river and bay and the port district;

14 (s) To enter into contracts and agreements with the Delaware
15 River Port Authority or any other regional agency concerned with
16 marine terminal purposes providing for joint participation by the
17 parties in any undertaking for marine terminal purposes authorized by
18 this act;

19 (t) Subject to the terms of any agreement by the corporation with
20 the holders of bonds and notes and in the interests of promoting and
21 establishing unity of authority in the control, development and over the
22 use of the port facilities of the district, to lend, lease, grant or convey
23 to or merge or consolidate with any other regional agency concerned
24 with marine terminal purposes upon such terms and conditions and
25 with such reservations as the corporation shall deem reasonable and
26 fair, any marine terminal or [port] part thereof or any port facility or
27 property which it owns or controls, provided, however, that the
28 corporation shall not act under this subsection until it has submitted
29 to the Legislature any proposed loan, lease, grant or conveyance to or
30 merger with any other regional agency of any marine terminal or port
31 thereof or any other port facility which it owns or controls, and the
32 Legislature has expressed its approval thereof in the form of a
33 concurrent resolution expressing such approval passed by both houses
34 of the Legislature, provided, however, that no such approval shall be
35 required for any action of the corporation or otherwise, pursuant to
36 the provisions of P.L. , c. (C.)(now before the Legislature as
37 this bill).

38 (u) Subject to the terms of any agreement by the corporation with
39 the holders of bonds and notes, to lend, lease, transfer, grant or
40 convey to the New Jersey Economic Development Authority any port
41 facility, as defined in section 3 of P.L. , c. (C.)(now
42 before the Legislature as this bill), which is under its jurisdiction,
43 ownership or control.

44 [(u)] (v) To do all acts and things necessary or convenient to

1 carry out the powers expressly granted in this act.

2 (cf: P.L.1968, c.60, s.6)

3

4 22. Section 3 of P.L.1974, c.80 (C.34:1B-3) is amended to read
5 as follows:

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

8 a. "Authority" means the New Jersey Economic Development
9 Authority, created by section 4 of this act.

10 b. "Bonds" means bonds or other obligations issued by the
11 authority pursuant to this act or "Economic Recovery Bonds or
12 Notes" issued pursuant to P.L.1992, c.16 (C.34:1B-7.10 et al.).

13 c. "Cost" means the cost of the acquisition, construction,
14 reconstruction, repair, alteration, improvement and extension of any
15 building, structure, facility including water transmission facilities, or
16 other improvement; the cost of machinery and equipment; the cost of
17 acquisition, construction, reconstruction, repair, alteration,
18 improvement and extension of energy saving improvements or
19 pollution control devices, equipment or facilities; the cost of lands,
20 rights-in-lands, easements, privileges, agreements, franchises, utility
21 extensions, disposal facilities, access roads and site development
22 deemed by the authority to be necessary or useful and convenient for
23 any project or in connection therewith; discount on bonds; cost of
24 issuance of bonds; engineering and inspection costs; costs of financial,
25 legal, professional and other estimates and advice; organization,
26 administrative, insurance, operating and other expenses of the
27 authority or any person prior to and during any acquisition or
28 construction, and all such expenses as may be necessary or incident to
29 the financing, acquisition, construction or completion of any project
30 or part thereof, and also such provision for reserves for payment or
31 security of principal of or interest on bonds during or after such
32 acquisition or construction as the authority may determine.

33 d. "County" means any county of any class.

34 e. "Development property" means any real or personal property,
35 interest therein, improvements thereon, appurtenances thereto and air
36 or other rights in connection therewith, including land, buildings,
37 plants, structures, systems, works, machinery and equipment acquired
38 or to be acquired by purchase, gift or otherwise by the authority within
39 an urban growth zone.

40 f. "Person" means any person, including individuals, firms,
41 partnerships, associations, societies, trusts, public or private
42 corporations, or other legal entities, including public or governmental
43 bodies, as well as natural persons. "Person" shall include the plural as
44 well as the singular.

45 g. "Pollution control project" means any device, equipment,
46 improvement, structure or facility, or any land and any building,

1 structure, facility or other improvement thereon, or any combination
2 thereof, whether or not in existence or under construction, or the
3 refinancing thereof in order to facilitate improvements or additions
4 thereto or upgrading thereof, and all real and personal property
5 deemed necessary thereto, having to do with or the end purpose of
6 which is the control, abatement or prevention of land, sewer, water,
7 air, noise or general environmental pollution, including, but not limited
8 to, any air pollution control facility, noise abatement facility, water
9 management facility, thermal pollution control facility, radiation
10 contamination control facility, wastewater collection system,
11 wastewater treatment works, sewage treatment works system, sewage
12 treatment system or solid waste disposal facility or site; provided that
13 the authority shall have received from the Commissioner of the State
14 Department of Environmental Protection or his duly authorized
15 representative a certificate stating the opinion that, based upon
16 information, facts and circumstances available to the State Department
17 of Environmental Protection and any other pertinent data, (1) said
18 pollution control facilities do not conflict with, overlap or duplicate
19 any other planned or existing pollution control facilities undertaken or
20 planned by another public agency or authority within any political
21 subdivision, and (2) that such facilities, as designed, will be a pollution
22 control project as defined in this act and are in furtherance of the
23 purpose of abating or controlling pollution.

24 h. "Project" means: (1) (a) acquisition, construction,
25 reconstruction, repair, alteration, improvement and extension of any
26 building, structure, facility, including water transmission facilities or
27 other improvement, whether or not in existence or under construction,
28 (b) purchase and installation of equipment and machinery,
29 (c) acquisition and improvement of real estate and the extension or
30 provision of utilities, access roads and other appurtenant facilities; and
31 (2) (a) the acquisition, financing, or refinancing of inventory, raw
32 materials, supplies, work in process, or stock in trade, or (b) the
33 financing, refinancing or consolidation of secured or unsecured debt,
34 borrowings, or obligations, or (c) the provision of financing for any
35 other expense incurred in the ordinary course of business; all of which
36 are to be used or occupied by any person in any enterprise promoting
37 employment, either for the manufacturing, processing or assembly of
38 materials or products, or for research or office purposes, including,
39 but not limited to, medical and other professional facilities, or for
40 industrial, recreational, hotel or motel facilities, public utility and
41 warehousing, or for commercial and service purposes, including, but
42 not limited to, retail outlets, retail shopping centers, restaurant and
43 retail food outlets, and any and all other employment promoting
44 enterprises, including, but not limited to, motion picture and television
45 studios and facilities and commercial fishing facilities, commercial
46 facilities for recreational fishermen, fishing vessels, aquaculture

1 facilities and marketing facilities for fish and fish products and
2 (d) acquisition of an equity interest in, including capital stock of, any
3 corporation; or any combination of the above, which the authority
4 determines will: (i) tend to maintain or provide gainful employment
5 opportunities within and for the people of the State, or (ii) aid, assist
6 and encourage the economic development or redevelopment of any
7 political subdivision of the State, or (iii) maintain or increase the tax
8 base of the State or of any political subdivision of the State, or (iv)
9 maintain or diversify and expand employment promoting enterprises
10 within the State; and (3) the cost of acquisition, construction,
11 reconstruction, repair, alteration, improvement and extension of an
12 energy saving improvement or pollution control project which the
13 authority determines will tend to reduce the consumption in a building
14 devoted to industrial or commercial purposes, or in an office building,
15 of nonrenewable sources of energy or to reduce, abate or prevent
16 environmental pollution within the State; and (4) the acquisition,
17 construction, reconstruction, repair, alteration, improvement,
18 extension, development, financing or refinancing of infrastructure and
19 transportation facilities or improvements related to economic
20 development and of cultural, recreational and tourism facilities or
21 improvements related to economic development and of capital facilities
22 for primary and secondary schools and of mixed use projects
23 consisting of housing and commercial development; and (5) the
24 establishment, acquisition, construction, rehabilitation, improvement,
25 and ownership of port facilities as defined in section 3 of P.L. _____,
26 c. (C. _____) (now before the Legislature as this bill). Project may
27 also include: (i) reimbursement to any person for costs in connection
28 with any project, or the refinancing of any project or portion thereof,
29 if determined by the authority as necessary and in the public interest
30 to maintain employment and the tax base of any political subdivision
31 and will facilitate improvements thereto or the completion thereof, and
32 (ii) development property and any construction, reconstruction,
33 improvement, alteration, equipment or maintenance or repair, or
34 planning and designing in connection therewith. For the purpose of
35 carrying out mixed use projects consisting of both housing and
36 commercial development, the authority may enter into agreements with
37 the New Jersey Housing and Mortgage Finance Agency for loan
38 guarantees for any such project in accordance with the provisions of
39 P.L.1995, c.359 (C.55:14K-64 et al.), and for that purpose shall
40 allocate to the New Jersey Housing and Mortgage Finance Agency,
41 under such agreements, funding available pursuant to subsection a. of
42 section 4 of P.L.1992, c.16 (C.34:1B-7.13).

43 i. "Revenues" means receipts, fees, rentals or other payments to
44 be received on account of lease, mortgage, conditional sale, or sale,
45 and payments and any other income derived from the lease, sale or
46 other disposition of a project, moneys in such reserve and insurance

1 funds or accounts or other funds and accounts, and income from the
2 investment thereof, established in connection with the issuance of
3 bonds or notes for a project or projects, and fees, charges or other
4 moneys to be received by the authority in respect of projects and
5 contracts with persons.

6 j. "Resolution" means any resolution adopted or trust agreement
7 executed by the authority, pursuant to which bonds of the authority
8 are authorized to be issued.

9 k. "Energy saving improvement" means the construction, purchase
10 and installation in a building devoted to industrial or commercial
11 purposes of any of the following, designed to reduce the amount of
12 energy from nonrenewable sources needed for heating and cooling that
13 building: insulation, replacement burners, replacement high efficiency
14 heating and air conditioning units, including modular boilers and
15 furnaces, water heaters, central air conditioners with or without heat
16 recovery to make hot water for industrial or commercial purposes or
17 in office buildings, and any solar heating or cooling system
18 improvement, including any system which captures solar radiation to
19 heat a fluid which passes over or through the collector element of that
20 system and then transfers that fluid to a point within the system where
21 the heat is withdrawn from the fluid for direct usage or storage. These
22 systems shall include, but not necessarily be limited to, systems
23 incorporating flat plate, evacuated tube or focusing solar collectors.

24 The foregoing list shall not be construed to be exhaustive, and shall
25 not serve to exclude other improvements consistent with the legislative
26 intent of this amendatory act.

27 l. "Urban growth zone" means any area within a municipality
28 receiving State aid pursuant to the provisions of P.L.1978, c.14
29 (C.52:27D-178 et seq.) or a municipality certified by the
30 Commissioner of Community Affairs to qualify under such law in
31 every respect except population, which area has been so designated
32 pursuant to an ordinance of the governing body of such municipality.
33 (cf: P.L.1995, c.359, s.8)

34
35 23. Section 7 of P.L.1954, c.84 (C.43:15A-7) is amended to read
36 as follows:

37 7. There is hereby established the Public Employees' Retirement
38 System of New Jersey in the Division of Pensions and Benefits of the
39 Department of the Treasury. The membership of the retirement system
40 shall include:

41 a. The members of the former "State Employees' Retirement
42 System of New Jersey" enrolled as such as of December 30, 1954,
43 who shall not have claimed for refund their accumulated deductions in
44 said system as provided in this section;

45 b. Any person becoming an employee of the State or other
46 employer after January 2, 1955 and every veteran, other than a retired

1 member who returns to service pursuant to subsection b. of section 27
2 of P.L.1966, c.217 (C.43:15A-57.2) and other than those whose
3 appointments are seasonal, becoming an employee of the State or
4 other employer after such date, including a temporary employee with
5 at least one year's continuous service; and

6 c. Every employee veteran in the employ of the State or other
7 employer on January 2, 1955, who is not a member of any retirement
8 system supported wholly or partly by the State.

9 d. Membership in the retirement system shall be optional for
10 elected officials other than veterans, and for school crossing guards,
11 who having become eligible for benefits under other pension systems
12 are so employed on a part-time basis. Any such part-time school
13 crossing guard who is eligible for benefits under any other pension
14 system and who was hired as a part-time school crossing guard prior
15 to March 4, 1976, may at any time terminate his membership in the
16 retirement system by making an application in writing to the board of
17 trustees of the retirement system. Upon receiving such application,
18 the board of trustees shall terminate his enrollment in the system and
19 direct the employer to cease accepting contributions from the member
20 or deducting from the compensation paid to the member. State
21 employees who become members of any other retirement system
22 supported wholly or partly by the State as a condition of employment
23 shall not be eligible for membership in this retirement system.
24 Notwithstanding any other law to the contrary, all other persons
25 accepting employment in the service of the State shall be required to
26 enroll in the retirement system as a condition of their employment,
27 regardless of age. No person in employment, office or position, for
28 which the annual salary or remuneration is fixed at less than
29 \$1,500.00, shall be eligible to become a member of the retirement
30 system.

31 e. Membership of any person in the retirement system shall cease
32 if he shall discontinue his service for more than two consecutive years.

33 f. The accumulated deductions of the members of the former
34 "State Employees' Retirement System" which have been set aside in a
35 trust fund designated as Fund A as provided in section 5 of this act
36 and which have not been claimed for refund prior to February 1, 1955
37 shall be transferred from said Fund A to the Annuity Savings Fund of
38 the Retirement System, provided for in section 25 of this act. Each
39 member whose accumulated deductions are so transferred shall receive
40 the same prior service credit, pension credit, and membership credit in
41 the retirement system as he previously had in the former "State
42 Employees' Retirement System" and shall have such accumulated
43 deductions credited to his individual account in the Annuity Savings
44 Fund. Any outstanding obligations of such member shall be continued.

45 g. Any school crossing guard electing to terminate his membership
46 in the retirement system pursuant to subsection d. of this section shall,

1 upon his request, receive a refund of his accumulated deductions as of
2 the date of his appointment to the position of school crossing guard.
3 Such refund of contributions shall serve as a waiver of all benefits
4 payable to the employee, to his dependent or dependents, or to any of
5 his beneficiaries under the retirement system.

6 h. A temporary employee who is employed under the federal Job
7 Training Partnership Act, Pub.L. 97-300 (29 U.S.C. § 1501) shall not
8 be eligible for membership in the system. Membership for temporary
9 employees employed under the federal Job Training Partnership Act,
10 Pub.L. 97-300 (29 U.S.C. § 1501) who are in the system on [the
11 effective date of this 1986 amendatory act] September 19, 1986 shall
12 be terminated, and affected employees shall receive a refund of their
13 accumulated deductions as of the date of commencement of
14 employment in a federal Job Training Partnership Act program. Such
15 refund of contributions shall serve as a waiver of all benefits payable
16 to the employee, to his dependent or dependents, or to any of his
17 beneficiaries under the retirement system.

18 i. Membership in the retirement system shall be optional for a
19 special service employee who is employed under the federal Older
20 American Community Service Employment Act, Pub.L.94-135 (42
21 U.S.C. § 3056). Any special service employee employed under the
22 federal Older American Community Service Employment Act,
23 Pub.L.94-135 (42 U.S.C. § 3056), who is in the retirement system on
24 the effective date of this act, P.L.1996, c.39 (C.43:15A-7), may
25 terminate membership in the retirement system by making an
26 application in writing to the board of trustees of the retirement
27 system. Upon receiving the application, the board shall terminate enrollment
28 in the system and the member shall receive a refund of accumulated
29 deductions as of the date of commencement of employment in a
30 federal Older American Community Service Employment Act program.
31 This refund of contributions shall serve as a waiver of all benefits
32 payable to the employee, to any dependent or dependents, or to any
33 beneficiary under the retirement system.

34 j. An employee of the South Jersey Port Corporation who was
35 employed by the South Jersey Port Corporation as of the effective date
36 of P.L. , c. (C.) (now before the Legislature as this bill) and
37 who shall be re-employed within 365 days of such effective date by a
38 subsidiary corporation or other corporation, which has been
39 established by the Delaware River Port Authority pursuant to
40 subdivision (m) of Article I of the compact creating the Delaware
41 River Port Authority (R.S.32:3-2), as defined in section 3 of P.L. ,
42 c. (C.) (now before the Legislature as this bill), shall be eligible
43 to continue membership while an employee of such subsidiary or other
44 corporation.

45 (cf: P.L.1986, c.139, s.1)

1 24. Section 73 of P.L.1954, c.84 (C.43:15A-73) is amended to
2 read as follows:

3 73. a. The Public Employees' Retirement System is hereby
4 authorized and directed to enroll eligible employees of the New Jersey
5 Turnpike Authority, the New Jersey Highway Authority, Palisades
6 Interstate Park Commission, Interstate Sanitation Commission, the
7 Delaware River Basin Commission and the Delaware River Joint Toll
8 Bridge Commission.

9 In the case of the Delaware River Joint Toll Bridge Commission,
10 the eligible employees shall be only those who are employed on the
11 free bridges across the Delaware river, under the control of said
12 commission, or who are members of the retirement system at the time
13 they begin employment with the commission.

14 The said employees shall be subject to the same membership,
15 contribution and benefit provisions of the retirement system as State
16 employees.

17 b. The State University of New Jersey, as an instrumentality of the
18 State, shall, for all purposes of this act, be deemed an employer and its
19 eligible employees, both veterans and nonveterans, shall be subject to
20 the same membership, contribution and benefit provisions of the
21 retirement system and to the provisions of chapter 3 of Title 43 of the
22 Revised Statutes as are applicable to State employees and for all
23 purposes of this act employment by the State University of New Jersey
24 after April 16, 1945, and for the purposes of chapter 3 of Title 43 of
25 the Revised Statutes any new employment after January 1, 1955, shall
26 be deemed to be and shall be construed as service to and employment
27 by the State of New Jersey.

28 c. The Compensation Rating and Inspection Bureau, created and
29 established pursuant to the provisions of R.S.34:15-89, shall, for all
30 purposes of this act, be deemed an employer and its eligible
31 employees, both veterans and nonveterans, shall be subject to the same
32 membership, contribution and benefit provisions of the retirement
33 system and to the provisions of chapter 3 of Title 43 of the Revised
34 Statutes as both are applicable to State employees.

35 The retirement system shall certify to the Commissioner of
36 Insurance and the Commissioner of Insurance shall direct the
37 Compensation Rating and Inspection Bureau to provide the necessary
38 payments to the retirement system in accordance with procedures
39 established by the retirement system. Such payments shall include (1)
40 the contributions and charges, similar to those paid by other public
41 agency employers, to be paid by the Compensation Rating and
42 Inspection Bureau to the retirement system on behalf of its employee
43 members, and (2) the contributions to be paid by the Compensation
44 Rating and Inspection Bureau to provide the past service credits up to
45 June 30, 1965 for these members, both veterans and nonveterans, who
46 enroll before July 1, 1966.

1 d. The New Jersey Sports and Exposition Authority, created and
2 established pursuant to the "New Jersey Sports and Exposition
3 Authority Law," P.L.1971, c.137 (C.5:10-1 et seq.) shall for all
4 purposes of this act, be deemed an employer and its eligible employees
5 both veterans and nonveterans, shall be subject to the same
6 membership, contribution and benefit provisions of the retirement
7 system and to the provisions of chapter 3 of Title 43 of the Revised
8 Statutes as are applicable to State employees.

9 (1) Eligible employees as used herein shall not include persons
10 who are not classified as salaried, or who are compensated on an
11 hourly or per diem basis, or whose employment is normally covered by
12 other retirement systems to which the authority makes contributions.

13 (2) Eligible employees previously permitted to enroll in the
14 retirement system shall redeposit the contributions previously made by
15 them and all service credit shall then be restored and future
16 contributions made at the date of contribution as originally assigned.
17 The authority shall redeposit the employer payments it had made, with
18 interest to the date of redeposit.

19 e. The New Jersey Transit Corporation created and established
20 pursuant to the "New Jersey Public Transportation Act of 1979,"
21 P.L.1979, c.150 (C.27:25-1 et seq.) shall for all purposes of this act,
22 be deemed an employer and its eligible employees both veterans and
23 nonveterans, shall be subject to the same membership, contribution and
24 benefit provisions of the retirement system and to the provisions of
25 chapter 3 of Title 43 of the Revised Statutes as are applicable to State
26 employees. Eligible employees as used herein means only those
27 individuals who are members of the Public Employees' Retirement
28 System or any other State-administered retirement system immediately
29 prior to their initial employment by the corporation.

30 f. (1) The Casino Reinvestment Development Authority, created
31 and established pursuant to P.L.1984, c.218 (C.5:12-153 et seq.), the
32 New Jersey Urban Development Corporation, created and established
33 pursuant to P.L.1985, c.227 (C.55:19-1 et seq.), the South Jersey
34 Food Distribution Authority, created and established pursuant to
35 P.L.1985, c.383 (C.4:26-1 et seq.), the New Jersey Development
36 Authority for Small Businesses, Minorities and Women's Enterprises,
37 created and established pursuant to P.L.1985, c.386 (C.34:1B-47 et
38 seq.), and the Catastrophic Illness in Children Relief Fund
39 Commission, created and established pursuant to P.L.1987, c.370
40 (C.26:2-148 et seq.) shall each, for all purposes of this act, be deemed
41 an employer and eligible authority, corporation, or commission.
42 Employees, both veterans and nonveterans, shall be subject to the
43 same membership, contribution and benefit provisions of the
44 retirement system and to the provisions of chapter 3 of Title 43 of the
45 Revised Statutes as are applicable to State employees.

46 (2) The current or former employees of the authorities, the

1 corporation, and the commission may purchase credit for all service
2 with the authority, corporation, or commission rendered prior to the
3 effective date of this amendatory and supplementary act, P.L.1990,
4 c.25 (C.43:15A-73.2 et al.), if that service would otherwise be eligible
5 for credit in the retirement system. This purchase shall be made in the
6 same manner and shall be subject to the same terms and conditions
7 provided for the purchase of previous membership service by section
8 8 of P.L.1954, c.84 (C.43:15A-8). The authority, corporation, or
9 commission shall pay the unfunded liability as determined by the
10 actuary for prior service purchased by its employees in accordance
11 with a schedule approved by the actuary. This obligation of the
12 authority, corporation, or commission shall be known as the accrued
13 liability for prior service credit.

14 (3) For any employee of the authorities or of the corporation or
15 commission who is in service with the authority, corporation, or
16 commission on the effective date of this amendatory and
17 supplementary act, P.L.1990, c.25 (C.43:15A-73.2 et al.), the age of
18 enrollment for the purposes of the member contribution rate under
19 section 25 of P.L.1954, c.84 (C.43:15A-25) shall be the age of the
20 employee on the date the continuous service with the authority began.
21 Any employee who was a member of the retirement system on the date
22 continuous service with the authority, corporation, or commission
23 began but whose membership expired before the effective date of
24 participation by the authority, corporation, or commission in the
25 retirement system, and who has not withdrawn the employee
26 contributions from the system, shall participate in the retirement
27 system under the former membership and shall contribute to the system
28 at the rate applicable to the former membership.

29 g. A subsidiary corporation or other corporation established by the
30 Delaware River Port Authority pursuant to subdivision (m) of Article
31 I of the compact creating the authority (R.S.32:3-2), as defined in
32 section 3 of P.L. , c. (C.) (now before the Legislature as this bill),
33 shall, for all purposes of this act, be deemed an employer and its
34 eligible employees, both veterans and nonveterans, shall be subject to
35 the same membership, contribution and benefit provisions of the
36 retirement system and to the provisions of chapter 3 of Title 43 of the
37 Revised Statutes as are applicable to State employees. Employees of
38 the subsidiary or other corporation eligible for participation in the
39 retirement system under this subsection shall include only persons who
40 are employees of the South Jersey Port Corporation on the effective
41 date of P.L. , c. (C.) (now before the Legislature as this bill) and
42 are re-employed by the subsidiary or other corporation within 365
43 days of the effective date.

44 (cf: P.L.1990, c.25, s.1)

45

46 25. Section 2 of P.L.1961, c.49 (C.52:14-17.26) is amended to

1 read as follows:

2 2. As used in this act:

3 (a) The term "State" means the State of New Jersey.

4 (b) The term "commission" means the State Health Benefits
5 Commission, created by section 3 of this act.

6 (c) The term "employee" means an appointive or elective officer
7 or full-time employee of the State of New Jersey. For the purposes of
8 this act an employee of Rutgers, The State University of New Jersey,
9 shall be deemed to be an employee of the State, and an employee of
10 the New Jersey Institute of Technology shall be considered to be an
11 employee of the State during such time as the Trustees of the Institute
12 are party to a contractual agreement with the State Treasurer for the
13 provision of educational services. The term "employee" shall further
14 mean, for purposes of this act, a former employee of the South Jersey
15 Port Corporation, who is employed by a subsidiary corporation or
16 other corporation, which has been established by the Delaware River
17 Port Authority pursuant to subdivision (m) of Article I of the compact
18 creating the Delaware River Port Authority (R.S.32:3-2), as defined
19 in section 3 of P.L. , c. (C.) (now before the Legislature as
20 this bill), and who is eligible for continued membership in the Public
21 Employees' Retirement System pursuant to subsection i. of section 7
22 of P.L.1954, c.84 (C.43:15A-7).

23 For the purposes of this act the term "employee" shall not include
24 persons employed on a short-term, seasonal, intermittent or emergency
25 basis, persons compensated on a fee basis, persons having less than
26 two months of continuous service or persons whose compensation
27 from the State is limited to reimbursement of necessary expenses
28 actually incurred in the discharge of their official duties. An employee
29 paid on a 10-month basis, pursuant to an annual contract, will be
30 deemed to have satisfied the two-month waiting period if the employee
31 begins employment at the beginning of the contract year. The term
32 "employee" shall also not include retired persons who are otherwise
33 eligible for benefits under this act but who, although they meet the age
34 eligibility requirement of Medicare, are not covered by the complete
35 federal program. A determination by the commission that a person is
36 an eligible employee within the meaning of this act shall be final and
37 shall be binding on all parties.

38 (d) The term "dependents" means an employee's spouse and the
39 employee's unmarried children under the age of 23 years who live with
40 the employee in a regular parent-child relationship. "Children" shall
41 include stepchildren, legally adopted children and foster children
42 provided they are reported for coverage and are wholly dependent
43 upon the employee for support and maintenance. A spouse or child
44 enlisting or inducted into military service shall not be considered a
45 dependent during the military service. The term "dependents" shall not
46 include spouses of retired persons who are otherwise eligible for the

1 benefits under this act but who, although they meet the age eligibility
2 requirement of Medicare, are not covered by the complete federal
3 program.

4 (e) The term "carrier" means a voluntary association, corporation
5 or other organization, including a health maintenance organization as
6 defined in section 2 of the "Health Maintenance Organizations Act,"
7 P.L.1973, c.337 (C.26:2J-2), which is lawfully engaged in providing
8 or paying for or reimbursing the cost of, personal health services,
9 including hospitalization, medical and surgical services, under
10 insurance policies or contracts, membership or subscription contracts,
11 or the like, in consideration of premiums or other periodic charges
12 payable to the carrier.

13 (f) The term "hospital" means (1) an institution operated pursuant
14 to law which is primarily engaged in providing on its own premises,
15 for compensation from its patients, medical diagnostic and major
16 surgical facilities for the care and treatment of sick and injured persons
17 on an inpatient basis, and which provides such facilities under the
18 supervision of a staff of physicians and with 24 hour a day nursing
19 service by registered graduate nurses, or (2) an institution not meeting
20 all of the requirements of (1) but which is accredited as a hospital by
21 the Joint Commission on Accreditation of Hospitals. In no event shall
22 the term "hospital" include a convalescent nursing home or any
23 institution or part thereof which is used principally as a convalescent
24 facility, residential center for the treatment and education of children
25 with mental disorders, rest facility, nursing facility or facility for the
26 aged or for the care of drug addicts or alcoholics.

27 (g) The term "State managed care plan" means a health care plan
28 under which comprehensive health care services and supplies are
29 provided to eligible employees, retirees, and dependents: (1) through
30 a group of doctors and other providers employed by the plan; or (2)
31 through an individual practice association, preferred provider
32 organization, or point of service plan under which services and
33 supplies are furnished to plan participants through a network of
34 doctors and other providers under contracts or agreements with the
35 plan on a prepayment or reimbursement basis and which may provide
36 for payment or reimbursement for services and supplies obtained
37 outside the network. The plan may be provided on an insured basis
38 through contracts with carriers or on a self-insured basis, and may be
39 operated and administered by the State or by carriers under contracts
40 with the State.

41 (h) The term "Medicare" means the program established by the
42 "Health Insurance for the Aged Act," Title XVIII of the "Social
43 Security Act," Pub.Law 89-97 (42 U.S.C.1395 et seq.), as amended,
44 or its successor plan or plans.

45 (i) The term "traditional plan" means a health care plan which
46 provides basic benefits, extended basic benefits and major medical

1 expense benefits as set forth in section 5 of P.L.1961, c.49
2 (C.52:14-17.29) by indemnifying eligible employees, retirees, and
3 dependents for expenses for covered health care services and supplies
4 through payments to providers or reimbursements to participants.

5 (cf: P.L.1996, c.8, s.1)

6

7 26. Section 4 of P.L.1964, c.125 (C.52:14-17.34) is amended to
8 read as follows:

9 4. As used in this act and in the act to which this act is a
10 supplement:

11 (a) The term "employer" means a county, municipality, school
12 district, public agency or organization as defined in section 71 of
13 P.L.1954, c. 84, including the New Jersey Turnpike Authority, the
14 New Jersey Highway Authority, the Interstate Sanitation Commission,
15 the Delaware River Basin Commission, New Jersey Housing Finance
16 Agency, New Jersey Educational Facilities Authority, Hackensack
17 Meadowlands Development Commission and the Compensation Rating
18 and Inspection Bureau. The term "employer" shall include a subsidiary
19 corporation or other corporation established by the Delaware River
20 Port Authority pursuant to subdivision (m) of Article I of the compact
21 creating the authority (R.S.32:3-2), as defined in section 3 of P.L. ,
22 c. (C.) (now before the Legislature as this bill), except that only
23 persons who are employees of the South Jersey Port Corporation on
24 the effective date of P.L. , c. (C.)(now before the Legislature as
25 this bill) and are re-employed by the subsidiary or other corporation
26 within 365 days of the effective date are eligible to participate in the
27 program.

28 (b) The term "State Treasury" means the State agency responsible
29 for the administration of the New Jersey State Health Benefits
30 Program Act which is to be located in the Division of Pensions in the
31 Department of the Treasury.

32 (cf: P.L.1972, c.75, s.8)

33

34 27. (New section) A subsidiary corporation or other corporation
35 established by the Delaware River Port Authority which has employees
36 eligible to participate in the State Health Benefits Program as provided
37 in section 4 of P.L.1964, c.125 (C.52:14-17.34) shall participate in the
38 program in accordance with the laws and rules governing the program
39 as long as it has employees participating in the program.

40

41 28. (New section) At any time, the Legislature may express its
42 disapproval of a decision, action or procedure of the subsidiary
43 corporation established by the Delaware River Port Authority pursuant
44 to the provisions of the "Port Unification and Financing Act," P.L. ,
45 c. (C.)(now pending before the Legislature as this bill), by an
46 affirmative vote of a majority of the authorized membership of both

1 houses adopting a concurrent resolution setting forth the Legislature's
2 findings and declarations and expressing the Legislature's disapproval
3 of the matter at issue. Upon adoption, the concurrent resolution shall
4 be transmitted by the Clerk of the General Assembly or the Secretary
5 of the Senate to the Governor, all the directors of the subsidiary
6 corporation from each state, the chairman and executive director of
7 the Delaware River Port Authority, and the chairman and executive
8 director of the New Jersey Economic Development Authority.

9

10 29. This act shall take effect immediately.

11

12

13

14

15 Provides for transfer of facilities of South Jersey Port Corporation to
16 New Jersey Economic Development Authority, issuance of bonds and
17 other measures to facilitate port unification.