

ASSEMBLY, No. 5550

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED JUNE 5, 2023

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

SYNOPSIS

Establishes Commuter and Transit Bus Relief Program in EDA to provide financial assistance to certain private bus carriers and local government units; appropriates \$60 million.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/15/2023)

1 AN ACT establishing the Commuter and Transit Bus Relief Program,
2 supplementing P.L.1974, c.80 (C.34:1B-1 et seq.), and making an
3 appropriation.
4

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

8 1. As used in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 “Authority” means the New Jersey Economic Development
11 Authority, established by section 4 of P.L.1974, c.80 (C.34:1B-4).

12 “Charter service” means a vehicle hired for exclusive use that does
13 not operate over a regular route, on a regular schedule, and is not
14 available to the general public.

15 “Commuter bus service” means the same as the term is defined in
16 section 2 of P.L.1963, c.44 (C.54:39A-2).

17 “Fixed route bus service” means the operation of any motorbus or
18 motorbuses on streets, public highways, or other facilities, over a
19 fixed route and between fixed termini on a regular schedule for the
20 purpose of carrying passengers for hire or otherwise, in this State or
21 between points in this State and points in other states, except that the
22 term does not include charter service.

23 “Grant program” means the Commuter and Transit Bus Relief
24 Program, established pursuant to section 2 of P.L. , c. (C.)
25 (pending before the Legislature as this bill).

26 “Local government unit” means a municipality, county, or county
27 transit agency.

28 “Relief fund” means the Commuter and Transit Bus Relief Fund,
29 established pursuant to section 5 of P.L. , c. (C.) (pending
30 before the Legislature as this bill).

31 “State of emergency” means a natural or man-made disaster or
32 emergency for which a state of emergency has been declared by the
33 President of the United States or the Governor, including, but not
34 limited to, the COVID-19 pandemic.

35 “Vehicle revenue miles” means the total miles that all vehicles of
36 a private carrier bus operator are scheduled to, or actually, travel
37 while in revenue service for commuter bus service or fixed route bus
38 service, including layover and recovery time, but not including
39 deadhead, operator training, vehicle maintenance testing, and other
40 non-revenue uses of vehicles, as such miles are reported directly to
41 the Federal Transit Administration or indirectly through the New
42 Jersey Transit Corporation for inclusion in the National Transit
43 Database.
44

45 2. a. The authority shall establish and administer the Commuter
46 and Transit Bus Relief Program to provide financial assistance to
47 support the provision of commuter bus service and fixed route bus

1 services by private carrier bus operators and local government units,
2 respectively.

3 b. The grant program shall consist of two program components,
4 including:

5 (1) the issuance of non-competitive grants to private carrier bus
6 operators pursuant to section 3 of P.L. , c. (C.) (pending
7 before the Legislature as this bill); and

8 (2) the issuance of discretionary grants to local government units
9 pursuant to section 4 of P.L. , c. (C.) (pending before the
10 Legislature as this bill).

11 c. Subject to the availability of funds in the Commuter and
12 Transit Bus Relief Fund, established pursuant to section 5 of P.L. ,
13 c. (C.) (pending before the Legislature as this bill), the
14 authority may allocate funding to each component of the grant
15 program in such amounts as the authority deems appropriate.
16

17 3. a. The grant program shall include the issuance of non-
18 competitive grants to eligible private carrier bus operators. The
19 grants issued under this section shall offset revenue losses that
20 occurred as a result of a state of emergency and shall be used by each
21 private carrier bus operator to support the operation of commuter bus
22 service or fixed route bus service.

23 b. To qualify for the grant program, a private carrier bus operator
24 shall demonstrate to the authority that the private carrier bus
25 operator:

26 (1) provided commuter bus service or fixed route bus service in
27 this State before the declaration of the state of emergency;

28 (2) reported greater than zero vehicle revenue miles during the
29 year immediately preceding the date of application;

30 (3) experiences revenue losses associated with the provision of
31 commuter bus service or fixed route bus service in this State as a
32 result of the state of emergency, which revenue losses shall be
33 calculated as the difference between the revenues collected in the
34 year immediately preceding the state of emergency and the revenues
35 collected in the year immediately preceding the application for the
36 grant program, including any sources of public and private funding
37 received during such year;

38 (4) is in substantial good standing with the Department of
39 Environmental Protection, the Department of Labor and Workforce
40 Development, and the Department of the Treasury, or has entered
41 into an agreement with the respective department that includes a
42 practical corrective action plan; and

43 (5) meets any other eligibility criteria that the authority deems
44 appropriate.

45 c. As a condition of receiving a grant under this section, the
46 private carrier bus operator shall not reduce or eliminate any
47 commuter bus service or fixed route bus service in this State during
48 the period beginning on the date of application for the grant program

1 and concluding six months after the end of the state of emergency or
2 one year after the receipt of the grant, whichever occurs later.

3 d. A private carrier bus operator that seeks assistance under the
4 grant program shall submit an application to the authority in a form
5 and manner prescribed by the authority. In addition to any other
6 information that the authority may deem appropriate, the application
7 shall require the applicant to submit information:

8 (1) demonstrating that the private carrier bus operator meets the
9 eligibility criteria established pursuant to subsection b. of this
10 section;

11 (2) certifying that the private carrier bus operator acknowledges
12 the conditions and limitations provided under subsection c. of this
13 section;

14 (3) certifying the total vehicle revenue miles of the private carrier
15 bus operator for the year immediately preceding the date of
16 application; and

17 (4) outlining the anticipated uses of the grant proceeds.

18 e. (1) The authority shall approve all eligible applications under
19 this section on a non-competitive basis, subject to the availability of
20 funds from the relief fund for the program component.

21 (2) Upon approval of each application, the authority shall provide
22 a grant to each private carrier bus operator in a total amount equal to
23 the sum of:

24 (a) a base amount not more than \$500,000, as determined by the
25 authority, which amount shall be allocated equally to each private
26 carrier bus operator; and

27 (b) a pro-rata amount, as determined by the authority from the
28 remaining funds available for the program component, based on each
29 private carrier bus operator's proportional share of the total vehicle
30 revenue miles reported by all approved private carrier bus operators.

31 (3) Notwithstanding any provision of paragraph (2) of this
32 subsection to the contrary, the total amount of the grant issued to a
33 private carrier bus operator shall not exceed the amount of the
34 revenue loss experienced by the private carrier bus operator, as
35 calculated pursuant paragraph (3) of subsection b. of this section.

36 f. After receiving a grant pursuant to this section, if a private
37 bus carrier operator fails to comply with the conditions and
38 limitations set forth in subsection c. of this section, the total amount
39 of the grant shall be converted into a loan and repaid to the authority,
40 with interest, in such allotments and at such times as the authority
41 deems appropriate. All repayments received by the authority shall
42 be deposited into the Commuter and Transit Bus Relief Fund,
43 established pursuant to section 5 of P.L. , c. (C.) (pending
44 before the Legislature as this bill).

45 g. The authority shall establish an appeal process through which
46 a private carrier bus operator may dispute any determination of the
47 authority concerning the private carrier bus operator's application to
48 or participation in the program, which disputes may include, but shall

1 not be limited to, the determination of eligibility, grant award
2 amount, loan conversion, or loan repayment terms.

3 h. A private carrier bus operator that receives a grant under the
4 grant program shall submit an annual report to the authority, in a form
5 and manner prescribed by the authority, until such time as the full
6 balance of the grant has been expended or until the full balance of a
7 converted loan has been repaid to the authority, whichever occurs
8 later. In addition to any other information that the authority may
9 deem appropriate, the report shall:

10 (1) detail the actual uses of the grant proceeds; and

11 (2) assess the private carrier bus operator's ability to provide
12 commuter bus service or fixed route bus service at existing levels
13 after grant proceeds have been exhausted.

14

15 4. a. The grant program shall include the issuance of
16 discretionary grants to eligible local government units. The grants
17 provided under this section shall be used by a local government unit
18 to make available commuter bus service or fixed route bus service to
19 members of the public in response to an actual or anticipated
20 reduction in commuter bus service or fixed route bus service by one
21 or more private carrier bus operators.

22 b. To qualify for the grant program, the local government unit
23 shall demonstrate to the authority that:

24 (1) one or more private carrier bus operators have, or are expected
25 to, reduce the level of commuter bus service or fixed route bus
26 service provided within the local government unit;

27 (2) the local government unit intends to make available, either
28 directly or indirectly through contract, commuter bus service or fixed
29 route bus service to members of the public; and

30 (3) the local government meets any other eligibility criteria that
31 the authority deems appropriate.

32 c. A local government unit that seeks assistance under the grant
33 program shall submit an application to the authority in a form and
34 manner prescribed by the authority. In addition to any other
35 information that the authority may deem appropriate, the application
36 shall require the applicant to submit information:

37 (1) demonstrating that the local government unit meets the
38 eligibility criteria established pursuant to subsection b. of this
39 section;

40 (2) detailing the magnitude of the actual or anticipated reduction
41 in commuter bus service or fixed route bus service; and

42 (3) indicating the amount of the requested grant and outlining the
43 anticipated use of the grant proceeds.

44 d. (1) The authority may approve applications under this section
45 on a discretionary basis, subject to the availability of funds from the
46 relief fund for the program component. In reviewing the
47 applications, the authority may prioritize applications based on the

1 magnitude of the actual or anticipated reduction in commuter bus
2 service or fixed route bus service.

3 (2) Upon approving an application under this section, the
4 authority shall issue a grant to the local government unit, from the
5 Commuter and Transit Bus Relief Fund, in such amount as the
6 authority deems appropriate.

7 e. A local government unit that receives a grant under the grant
8 program shall submit an annual report to the authority, in a form and
9 manner prescribed by the authority, until such time as the full balance
10 of the grant has been expended. In addition to any other information
11 that the authority may deem appropriate, the report shall:

12 (1) detail the actual uses of the grant proceeds; and

13 (2) assess the local government unit's ability to provide
14 continued commuter bus service or fixed route bus service after grant
15 proceeds have been exhausted.

16

17 5. a. The authority shall establish and maintain a non-lapsing
18 revolving fund, known as the Commuter and Transit Bus Relief Fund,
19 which shall serve as the repository of all monies used to support the
20 grant program.

21 b. All grants provided under sections 3 and 4 of P.L. ,
22 c. (C. and C.) (pending before the Legislature as this bill)
23 shall be issued from monies held in the Commuter and Transit Bus
24 Relief Fund. All monies received by the authority from the
25 repayment of a converted program loan, as provided under subsection
26 f. of section 3 of P.L. , c. (C.) (pending before the
27 Legislature as this bill), shall be deposited into the Commuter and
28 Transit Bus Relief Grant Fund.

29 c. The authority shall use no more than 2.5 percent of the monies
30 available in the relief fund to defray the administrative costs of the
31 grant program.

32

33 6. a. Beginning one year after the effective date of P.L. ,
34 c. (C.) (pending before the Legislature as this bill), and each
35 year thereafter, the authority shall submit a report to the Governor
36 and to the Legislature, pursuant to section 2 of P.L.1991, c.164
37 (C.52:14-19.1), detailing the operations of the grant program.

38 b. In addition to any other information deemed appropriate by
39 the authority, the report shall indicate:

40 (1) the amount of funding made available during the previous
41 year for each component of the grant program, respectively;

42 (2) the number of applications submitted during the previous year
43 for each component of the grant program, respectively;

44 (3) the number of applications approved during the previous year
45 for each component of the grant program, respectively, including the
46 amounts awarded to each grant recipient; and

47 (4) the number of grants that were converted to loans pursuant to
48 subsection f. of section 3 of P.L. , c. (C.) (pending before

1 the Legislature as this bill) during the previous year, including the
2 total amount of each loan conversion, the cause for loan conversion,
3 and the amounts repaid by the private carrier bus operator.

4
5 7. Notwithstanding any provision of the “Administrative
6 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) or any other
7 law to the contrary, the authority may adopt, immediately upon filing
8 with the Office of Administrative Law and no later than the 90th day
9 after the effective date of this act, such rules and regulations as the
10 authority deems necessary to implement the provisions of this act,
11 which regulations shall be effective for a period not to exceed 12
12 months. The regulations shall, at a minimum, set forth the
13 requirements for application submissions, the criteria for application
14 selections, and the permitted uses of grant proceeds. The regulations
15 shall thereafter be amended, adopted, or readopted by the authority
16 in accordance with the provisions of the “Administrative Procedure
17 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

18
19 8. There is appropriated the sum of \$60,000,000 from the
20 General Fund for deposit into the Commuter and Transit Bus Relief
21 Fund, established pursuant to section 5 of P.L. , c. (C.)
22 (pending before the Legislature as this bill).

23
24 9. This act shall take effect immediately.

25 26 27 STATEMENT

28
29 This bill establishes the Commuter and Transit Bus Relief
30 Program (grant program), administered by the New Jersey Economic
31 Development Authority (EDA), to support the provision of commuter
32 bus service and fixed route bus service by certain private bus carriers
33 and local government units. The bill also appropriates \$60 million
34 from the General Fund to support the grant program.

35 Under the bill, the grant program would consist of two program
36 components, including: (1) the issuance of non-competitive grants to
37 private carrier bus operators that experience revenue losses as a result
38 of a designated state of emergency, including, but not limited to, the
39 COVID-19 pandemic; and (2) the issuance of discretionary grants to
40 local government units, including municipalities, counties, and
41 county transit agencies, that make available commuter bus service or
42 fixed route bus service to members of the public in response to an
43 actual or anticipated reduction in service by a private carrier bus
44 operator. The bill provides that the EDA may allocate such amounts
45 of funding as it deems appropriate to each program component.

46 In order for a private carrier bus operator to qualify for a non-
47 competitive grant under the grant program, a private carrier bus
48 operator would be required to: (1) have provided commuter bus

1 service or fixed route bus service within the State before the
2 declaration of a state of emergency; (2) experience a revenue loss as
3 a result of the state of emergency; and (3) meet certain other
4 requirements set forth in the bill. A private carrier bus operator that
5 seeks assistance under the grant program would be required to submit
6 an application to the EDA. Subject to the availability of funds, the
7 bill requires the EDA to approve all applications submitted by
8 eligible private carrier bus operators. Specifically, the amount of the
9 grant awarded to each private carrier bus operator would be based on
10 the private carrier bus operator's proportional share of all vehicle
11 revenue miles reported by approved operators, except that the grant
12 may not exceed the actual revenue losses experienced by the private
13 carrier bus operator as a result of the state of emergency.

14 Under the bill, each private carrier bus operator is required to use
15 the grant to support the operation of commuter bus service or fixed
16 route bus service. As a condition of receiving the grant, the bill
17 prohibits each private carrier bus operator from reducing or
18 eliminating any commuter bus service or fixed route bus service in
19 this State during the period beginning on the date of application for
20 the grant program and concluding six months after the end of the state
21 of emergency or one year after the receipt of the grant, whichever
22 occurs later. If a private carrier bus operator fails to comply with
23 these conditions, the bill requires the total amount of the grant to be
24 converted into a loan and repaid to the EDA, with interest, in such
25 allotments and at such times as the EDA deems appropriate.

26 In order for a local government unit to qualify for a discretionary
27 grant under the grant program, a local government unit would be
28 required to demonstrate, at a minimum, that: (1) one or more private
29 carrier bus operators have, or are expected to, reduce the level of
30 commuter bus service or fixed route bus service provided within the
31 local government unit; and (2) the local government unit intends to
32 make available, either directly or indirectly through contract,
33 commuter bus service or fixed route bus service to members of the
34 public. A local government unit that seeks assistance under the grant
35 program would be required to submit an application to the EDA,
36 which application would be required to detail the magnitude of the
37 actual or anticipated reduction in commuter bus service or fixed route
38 bus service and outline the anticipated uses of the grant, among other
39 requirements.

40 Thereafter, the bill permits the EDA to approve applications
41 submitted by local government units on a discretionary basis and
42 award grants in such amounts as the EDA deems appropriate, subject
43 to the availability of funds. In reviewing the applications, the bill
44 also permits the EDA to prioritize applications based on the
45 magnitude of the actual or anticipated reduction in commuter bus
46 service or fixed route bus service within the local government unit.

47 Under the bill, the EDA would be required to establish and
48 maintain a non-lapsing fund, known as the Commuter and Transit

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1 Bus Relief Fund, to serve as the repository of funds for the grant
2 program. The bill also prohibits the EDA from using more than 2.5
3 percent of the monies available in this fund for the administrative
4 costs of the grant program.