

RULE PROPOSALS

INTERESTED PERSONS

Interested persons may submit comments, information or arguments concerning any of the rule proposals in this issue until the date indicated in the proposal. Submissions and any inquiries about submissions should be addressed to the agency officer specified for a particular proposal.

The required minimum period for comment concerning a proposal is 30 days. A proposing agency may extend the 30-day comment period to accommodate public hearings or to elicit greater public response to a proposed new rule or amendment. Most notices of proposal include a 60-day comment period, in order to qualify the notice for an exception to the rulemaking calendar requirements of N.J.S.A. 52:14B-3. An extended comment deadline will be noted in the heading of a proposal or appear in subsequent notice in the Register.

At the close of the period for comments, the proposing agency may thereafter adopt a proposal, without change, or with changes not in violation of the rulemaking procedures at N.J.A.C. 1:30-6.3. The adoption becomes effective upon publication in the Register of a notice of adoption, unless otherwise indicated in the adoption notice. Promulgation in the New Jersey Register establishes a new or amended rule as an official part of the New Jersey Administrative Code.

TRANSPORTATION

(a)

MOTOR VEHICLE COMMISSION REGULATORY AFFAIRS (COMMERCIAL PASSENGER TRANSPORTATION)

Zone of Rate Freedom

Proposed Amendment: N.J.A.C. 16:53D-1.1

Authorized By: Motor Vehicle Commission, Latrecia Littles-Floyd,
Acting Chair and Chief Administrator.

Authority: N.J.S.A. 39:2-3, 39:2A-21, 39:2A-28, 48:4-2.21, and
48:4-2.25.

Calendar Reference: See Summary below for explanation of
exception to calendar requirement.

Proposal Number: PRN 2025-144.

Submit written comments by January 2, 2026, to:

JoAnne Sutkin, APO
Attn: Legal Affairs
Motor Vehicle Commission
225 East State Street
PO Box 162
Trenton, NJ 08666-0162
or through email to: MVC.rulecomments@mvc.nj.gov.

The agency proposal follows:

Summary

The Motor Vehicle Commission (Commission) proposes to amend the provisions at N.J.A.C. 16:53D, Zone of Rate Freedom, to fulfill its statutory responsibility to establish an annual Zone of Rate Freedom (ZORF) for regular route private autobus carriers providing service within the State, pursuant to N.J.S.A. 48:4-2.21. The ZORF is the maximum permitted percentage increase adjustment and the maximum permitted percentage decrease adjustment that a private autobus carrier may make to its rate, fare, or charge for intrastate regular route service without first having to petition the Commission for approval. If the autobus carrier's fare adjustments remain within the designated ZORF percentage range, the carrier need only give notice to the Commission and the bus-riding public of the rate, fare, or charge adjustment. However, should a regular route private autobus carrier seek a percentage fare adjustment other than that allowed by the ZORF, the carrier is required to file a petition with the Commission and comply with the notice procedures set forth at N.J.A.C. 16:51-3.10 and 3.11. In proposing the ZORF for calendar year 2026, the Commission considered several factors relevant to changes in the average costs of operating bus services, fares charged by public transportation, and the interests of the public who use private regular route bus services.

Amongst other sources, the Commission obtained data from the American Automobile Association, the New Jersey Department of Banking and Insurance, the New Jersey Department of Labor and Workforce Development, indeed.com, and the United States Social Security Administration. According to the historical data available, the average price per gallon of diesel fuel has decreased by approximately 8.28 percent since 2024. Rates for commercial automobile insurance policies providing coverage to commercial vehicles, including autobuses, increased in New Jersey on average by approximately 13.25 percent within the last year. The average salary for bus drivers in New Jersey, including those employed by private autobus carriers, has increased on average by approximately six and four-tenths percent from 2024 to 2025. As reflected by the Social Security Administration, the national average in the cost of living reflects an increase or decrease in general costs over the last year, with the most recent increase of approximately seven-tenths of a percent taking place in 2025. Health care costs represent an important area of concern for autobus companies, impacting both small and large employers, as costs have increased by approximately 11 and seven-tenths percent in 2025.

In addition to changes in the average costs of operating private regular route bus services, the Commission reviewed the history of fare increases implemented by New Jersey Transit and the potential effect of fare changes on the public. New Jersey Transit's fares will increase by three percent in 2025. While New Jersey Transit is not subject to the fare increase or decrease rules that private regular route bus carriers are, as it has a different funding mechanism than private regular route bus service, public transportation fare increases or decreases are nonetheless informative for comparative purposes.

The Commission further notes that it has only received three requests in the last six years from private autobus carriers seeking rate increases or decreases greater than the 10 percent adjustment allowed by the established ZORF.

Thus, in balancing the significant increases in operating a private bus service, and the interests of the public in being able to absorb modest fare increases, the Commission has determined that maintaining the 10 percent ZORF for 2026 is reasonable.

The ZORF percentage limitations set forth at N.J.A.C. 16:53D-1.1 apply only to regular route private autobus carriers. N.J.S.A. 48:4-2.25 authorizes the Commission to exempt rates, fares, and charges for regular routes in the nature of casino, bus operations charter, and special autobus operations from this rule, so long as carriers engaged in such operations file rate schedules annually with the Commission, pursuant to N.J.A.C. 16:53D-1.3.

The public comment period for this notice of proposal will be 60 days, since the notice is not listed in an agency rulemaking calendar. This notice of proposal is, therefore, excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The Commission anticipates that the proposed 10 percent ZORF will have a positive social impact in that this range will enable private autobus carriers to increase or decrease regular route fares marginally within established limits, without the necessity of having to file costly, time-consuming, complex, formal tariff petitions with the Commission. The ZORF-controlled fare increases also encourage private autobus carriers to invest in new buses and in the servicing and maintenance of their existing fleet of buses, while at the same time protecting the public from unreasonable fare increases. The ZORF percentage limit for fare decreases discourages predatory fare-reducing tactics designed to reduce or eliminate competition.

Economic Impact

The proposed amendments offer privately owned autobus companies a measure of flexibility in effectuating marginal adjustments to their regular route fares. Such companies can avoid the time-consuming and costly rate increase or decrease petition process, provided the fare adjustment remains within the percentage limits set forth in the rules. Although the ZORF provides a mechanism for regular route private autobus carriers to increase rates, fares, or charges, any adverse impact of such fare increases on the public will be mitigated by the percentage limitations set forth at N.J.A.C. 16:53D-1.1. The ZORF percentage limitations are intended to ensure reasonable rate, fare, or charge adjustments. The exemption of charter, casino, and special bus operations from the ZORF rules will have no adverse economic impact on the public because the competitive nature of these markets is due, in large part, to their elastic demand, which protects consumers from unreasonable rate, fare, or charge adjustments.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendments are dictated by State statutes and are not subject to Federal requirements or standards.

Jobs Impact

The proposed amendments are not expected to have any impact on the number of jobs that are generated or lost if the proposed rule takes effect.

Agriculture Industry Impact

The proposed amendments will have no impact on the agriculture industry in New Jersey.

Regulatory Flexibility Statement

Some private autobus carriers may be considered small businesses within the meaning of the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., in that they employ fewer than 100 full-time employees. The Commission is not required to, and does not, maintain a record of the number of private autobus carriers in the State that are small businesses employing less than 100 people. The proposed amendments do not impose new reporting, recordkeeping, or compliance requirements on private autobus carriers, and are not likely to require the carriers to retain additional professional services to comply with such requirements. Rather, the proposed amendments allow private autobus carriers to impose marginal adjustments to their fares within the 10 percent range allowed by ZORF, as long as the carrier complies with the existing notice procedures set forth at N.J.A.C. 16:53D-1.2, which require the carrier to notify the Commission by filing a complete schedule of current fares and fares to be adjusted, at least 30 days prior to the effective date of the new fare adjustment. The carriers must also post a public notice in all autobuses providing service on the regular routes to be affected by the adjusted fares and in all bus terminals served by those autobuses, at least 30 days prior to the effective date of the new fare adjustment. In accordance with N.J.A.C. 16:53D-1.2, the carrier is specifically required to file a copy of the public notice with the Commission, along with an affidavit certifying that it has posted such notice in the applicable autobuses, as prescribed by the rule. Any annual compliance costs

generated by these requirements, such as printing the public notices to be posted and the postage required to file a notice and report compliance to the Commission, would be minimal. Additionally, the Commission does not anticipate that the proposed amendments will impose initial capital costs upon private autobus carriers that may be considered small businesses.

The proposed rules are specifically designed to minimize the economic impact on small businesses that are seeking a fare adjustment within the ZORF percentage limits, as they allow private autobus carriers to avoid the costly, formal petition process that would otherwise be required pursuant to N.J.A.C. 16:51-3.10 and 3.11.

Housing Affordability Impact Analysis

The proposed amendments will have no impact on the affordability of housing and there is an extreme unlikelihood that the proposed amendments would evoke a change in the average costs associated with housing, since the proposed amendments pertain to the maximum permitted percentage adjustment that a private autobus carrier may make to its rate, fare, or charge for intrastate regular route service.

Smart Growth Development Impact Analysis

The Commission does not anticipate that the proposed amendments will have an impact on smart growth as there is an extreme unlikelihood that they would evoke a change in the housing production within Planning Areas 1 or 2, or within designated centers, pursuant to the State Development and Redevelopment Plan, as the proposed amendments pertain to the maximum permitted percentage adjustment that a private autobus carrier may make to its rate, fare, or charge for intrastate regular route service.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

The proposed amendments will have no impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State, as the rules pertain solely to the maximum permitted percentage adjustment that a private autobus carrier may make to its rate, fare, or charge for intrastate regular route service. Accordingly, no further analysis is required.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 1 GENERAL PROVISIONS

16:53D-1.1 General provisions

(a) Any regular route autobus carrier operating within the State, which carrier seeks to revise its rates, fares, or charges in effect as of the time of the promulgation of this rule, shall not be required to conform with N.J.A.C. 16:51-3.10, Tariff filings that do not propose increases in charges to customers, or 3.11, Tariff petitions that propose increases in charges to customers, provided the increase or decrease in the rate, fare, or charge, or the aggregate of increases and decreases in any single rate, fare, or charge is not more than the maximum percentage increase (10 percent for [2025] **2026**) or decrease (10 percent for [2025] **2026**), upgraded to the nearest \$.05.

1. For illustrative purposes, the following chart sets forth the [2025] **2026** percentage maximum for increases to particular rates, fares, or charges and the resultant amount as upgraded to the nearest \$.05:

(No change in table.)

2. For [2025] **2026** purposes, the following chart sets forth the [2025] **2026** percentage maximum for decreases to particular rates, fares, or charges and the resultant amount as upgraded to the nearest \$.05:

(No change in table.)

3. (No change.)