

40:14A-1 et seq. April 5, 1962

LEGISLATIVE HISTORY OF R. S. 40:14A-1 et seq.

(Sewerage Authority Law)

Laws 1946, Chapter 138,
by Senator Hammold.

- Senate 262. Introduced March 18

This bill had statement.

April 9 - Amended in Senate and passed
April 11 - Passed Assembly
April 23 - Approved

(SENATE JOURNAL,
P. 700-701)

No hearings or reports on the bill were located.

The following sources were searched in vain for material on this legislation:

Newark News, April 10 and 12, 1946.

New Jersey Counties, 1945 and 1946.

Municipal Reporter, January-June, 1946.

New Jersey Municipalities - 1945 only.

New York Times Index

For general background on authorities in New Jersey see:

RS/jmg

J352
S658

Smith, Robert G.

Public authorities, special districts
and local government. 1964

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SENATE, No. 262

STATE OF NEW JERSEY

INTRODUCED MARCH 18, 1946

By Mr. HANNOLD

Referred to Committee on Municipalities

AN ACT relating to the authorization, acquisition, financing and operation of sewage disposal systems by or on behalf of any county or any one or more municipalities, providing for the creation of sewerage authorities to undertake the same, for the issuance of bonds and other obligations therefor, and for service charges to meet the expense thereof, repealing article three of chapter sixty-three of Title 40 (sections 40:63-140 et seq.) of the Revised Statutes, and supplementing Title 40 of the Revised Statutes.

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

1 1. This act shall be known and may be cited as the "sewerage authorities
2 law."

1 2. It is hereby declared to be in the public interest and to be the policy
2 of the State to foster and promote by all reasonable means the relief of
3 waters in and bordering the State from pollution and thus to reduce and
4 ultimately abate the menace to the public health resulting from such pollu-
5 tion. It is the purpose and object of this act to further and implement such
6 policy by

7 (1) Authorizing counties, or municipalities either separately or in com-
8 bination with other municipalities, by means and through the agency of a
9 sewerage authority, to acquire, construct, maintain, operate or improve
10 works for the collection, treatment, purification or disposal of sewage or other
11 wastes;

12 (2) Authorizing service charges to occupants or owners of property for
13 direct or indirect connection with and the use or services of such works, and
14 providing for the establishment, collection and enforcement of such charges;

15 (3) Creating as a body corporate and politic sewerage authorities to
16 have full responsibility and powers with respect to such works and the
17 establishment, collection, enforcement, use and disposition of all such service
18 charges;

19 (4) Providing for the financing of such works, for the issuance of
20 bonds therefor, and for the payment and security of such bonds; and

21 (5) In general, granting to counties and municipalities and to such
22 sewerage authorities discretionary powers to provide for sewerage services
23 designed to relieve pollution of such waters at the expense of the users of
24 such services and without increasing the burden of taxation in such counties
25 or municipalities.

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

3 (1) "Municipality" shall mean any city of any class, any borough,
4 village, town, township, or any other municipality other than a county or a
5 school district;

6 (2) "County" shall mean any county of any class;

7 (3) "Governing body" shall mean, in the case of a county, the board of
8 chosen freeholders, and, in the case of a municipality, the commission,
9 council, board or body, by whatever name it may be known, having charge
10 of the finances of the municipality;

11 (4) "Person" shall mean any person, association, corporation, nation,
12 State or any agency or subdivision thereof, other than a county or munic-
13 pality of the State or a sewerage authority;

14 (5) "Sewerage authority" shall mean a public body created pursuant
15 to section four of this act;

16 (6) Subject to the exceptions provided in section four of this act,
17 "district" shall mean the area within the territorial boundaries of the

18 county, or of the municipality or municipalities, which created or joined in
19 the creation of a sewerage authority;

20 (7) "Local unit" shall mean the county, or any municipality, which
21 created or joined in the creation of a sewerage authority;

22 (8) "Sewerage system" shall mean the plants, structures and other real
23 and personal property acquired, constructed or operated or to be acquired,
24 constructed or operated by a sewerage authority for the purposes of the
25 sewerage authority, including sewers, conduits, pipe lines, mains, pumping
26 and ventilating stations, sewage treatment or disposal systems, plants and
27 works, connections, and outfalls, and other plants, structures, boats, con-
28 veyances, and other real and personal property, and rights therein, and ap-
29 purtenances necessary or useful and convenient for the collection, treat-
30 ment, purification or disposal in a sanitary manner of any sewage, liquid or
31 solid wastes, night soil or industrial wastes;

32 (9) "Cost" shall mean, in addition to the usual connotations thereof,
33 the cost of acquisition or construction of all or any part of a sewerage
34 system and of all or any property, rights, easements and franchises deemed
35 by the sewerage authority to be necessary or useful and convenient there-
36 for, including reimbursements to the sewerage authority or any county,
37 municipality or other person of any moneys theretofore expended for the
38 purposes of the sewerage authority and including interest or discount on
39 bonds to finance such cost, engineering and inspection costs and legal ex-
40 penses, the cost of financial, professional and other advice, and the cost of
41 issuance of any such bonds;

42 (10) "Real property" shall mean lands both within and without the
43 State, and improvements thereof or thereon, or any rights or interests
44 therein;

45 (11) "Construct" and "construction" shall connote and include acts of
46 construction, reconstruction, replacement, extension, improvement and
47 betterment of a sewerage system;

48 (12) "Industrial wastes" shall mean liquid or other wastes resulting

49 from any processes of industry, manufacture, trade or business or from the
50 development of any natural resource;

51 (13) "Sewage" shall mean the water-carried wastes created in and
52 carried, or to be carried, away from residences, hotels, apartments, schools,
53 hospitals, industrial establishments, or any other public or private building,
54 together with such surface or ground water and industrial wastes as may
55 be present;

56 (14) "Pollution" means the condition of water resulting from the
57 introduction therein of substances of a kind and in quantities rendering it
58 detrimental or immediately or potentially dangerous to the public health, or
59 unfit for public or commercial use;

60 (15) "Ordinance" means a written act of the governing body of a mu-
61 nicipality adopted and otherwise approved and published in the manner or
62 mode of procedure prescribed for ordinances tending to obligate such munici-
63 pality pecuniarily; and

64 (16) "Resolution" means a written act of the governing body of a local
65 unit adopted and otherwise approved in the manner or mode of procedure
66 prescribed for resolutions tending to obligate such local unit pecuniarily.

67 (17) "Bonds" shall mean bonds or other obligations issued pursuant to
68 this act.

1 4. (a) The governing body of any county may, by resolution duly adopted,
2 create a public body corporate and politic under the name and style of "the
3 sewerage authority" with all or any signifi-
4 cant part of the name of such county inserted. Said body shall consist of
5 the five members thereof, who shall be appointed by resolution of the govern-
6 ing body as hereinafter in this section provided, and it shall constitute the
7 sewerage authority contemplated and provided for in this act and an agency
8 and instrumentality of said county. After the taking effect of the resolution
9 for the creation of said body and the filing of a certified copy thereof as in
10 subsection (d) of this section provided, five persons shall be appointed as the
11 members of the sewerage authority. The members first appointed shall, by

12 the resolution of appointment, be designated to serve for terms respectively
13 expiring on the first days of the first, second, third, fourth and fifth Febru-
14 arys next ensuing after the date of their appointment. On or after the first
15 day of January in each year after such first appointments, one person shall be
16 appointed as a member of the sewerage authority to serve for a term com-
17 mencing on the first day of February in such year and expiring on the first
18 day of February in the fifth year after such year. In the event of a vacancy
19 in the membership of the sewerage authority occurring during an unexpired
20 term of office, a person shall be appointed as a member of the sewerage
21 authority to serve for such unexpired term.

22 (b) The governing body of any municipality may, by ordinance duly
23 adopted, create a public body corporate and politic under the name and style
24 of "the sewerage authority" with all or any
25 significant part of the name of such municipality inserted. Said body shall
26 consist of the five members thereof, who shall be appointed by resolution of
27 the governing body as hereinafter in this section provided, and it shall con-
28 stitute the sewerage authority contemplated and provided for in this act and
29 an agency and instrumentality of said municipality. After the taking effect
30 of such ordinance and the filing of a certified copy thereof as in subsection
31 (d) of this section provided, five persons shall be appointed as the members
32 of the sewerage authority. The members first appointed shall, by the reso-
33 lution of appointment, be designated to serve for terms respectively expir-
34 ing on the first days of the first, second, third, fourth and fifth Februarys
35 next ensuing after the date of their appointment. On or after the first day of
36 January in each year after such first appointments, one person shall be ap-
37 pointed as a member of the sewerage authority to serve for a term com-
38 mencing on the first day of February in such year and expiring on the first
39 day of February in the fifth year after such year. In the event of a vacancy
40 in the membership of the sewerage authority occurring during an unexpired
41 term of office, a person shall be appointed as a member of the sewerage
42 authority to serve for such unexpired term.

43 (c) The governing bodies of any two or more municipalities, the areas
44 of which together comprise an integral body of territory, may, by parallel
45 ordinances duly adopted by each of such governing bodies within any single
46 calendar year, create a public body corporate and politic under the name and
47 style of "the..... sewerage authority" with all
48 or any significant part of the name of each such municipality or some identi-
49 fying geographical phrase inserted. Said body shall consist of the members
50 thereof, in an aggregate number determined as hereinafter in this subsection
51 provided, who shall be appointed by resolutions of the several governing
52 bodies as hereinafter in this section provided, and it shall constitute the
53 sewerage authority contemplated and provided for in this act and an agency
54 and instrumentality of the said municipalities. The number of members of
55 the sewerage authority to be appointed at any time for full terms of office by
56 the governing body of any such municipality shall be as may be stated in said
57 ordinances which shall be not less than one nor more than three. After the
58 taking effect of the said ordinances of all such municipalities and after the
59 filing of certified copies thereof as in subsection (d) of this section provided,
60 the appropriate number of persons shall be appointed as members of the
61 sewerage authority by the governing body of each municipality. The mem-
62 bers first appointed or to be first appointed shall serve for terms expiring on
63 the first day of the fifth February next ensuing after the date of the first
64 appointment of any member. On or after the first day of January in the
65 year in which expire the terms of the said members first appointed and in
66 every fifth year thereafter, the appropriate number of persons shall be ap-
67 pointed as members of the sewerage authority by the governing body of each
68 municipality, to serve for terms commencing on the first day of February in
69 such year and expiring on the first day of February in the fifth year after
70 such year. In the event of a vacancy in the membership of the sewerage
71 authority occurring during an unexpired term of office, a person shall be ap-
72 pointed as a member of the sewerage authority to serve for such unexpired

73 term by the governing body which made the original appointment for such
74 unexpired term.

75 (d) A copy of each resolution or ordinance for the creation of a sewer-
76 age authority adopted pursuant to this section, duly certified by the appro-
77 priate officer of the local unit, shall be filed in the office of the Secretary of
78 State. Upon proof of such filing of a certified copy of the resolution or or-
79 dinance or of certified copies of the parallel ordinances for the creation of
80 a sewerage authority as aforesaid, the sewerage authority therein referred
81 to shall, in any suit, action or proceeding involving the validity or enforce-
82 ment of, or relating to, any contract or obligation or act of the sewerage
83 authority, be conclusively deemed to have been lawfully and properly created
84 and established and authorized to transact business and exercise its powers
85 under this act. A copy of any such certified resolution or ordinance, duly cer-
86 tified by or on behalf of the Secretary of State, shall be admissible in evidence
87 in any suit, action or proceeding.

88 (e) A copy of each resolution appointing any member of a sewerage
89 authority adopted pursuant to this section, duly certified by the appropriate
90 officer of the local unit, shall be filed in the office of the Secretary of State. A
91 copy of such certified resolution, duly certified by or on behalf of the Secre-
92 tary of State, shall be admissible in evidence in any suit, action or proceed-
93 ing and, except in a suit, action or proceeding directly questioning such ap-
94 pointment, shall be conclusive evidence of the due and proper appointment of
95 the member or members named therein.

96 (f) No governing body which may create or join in the creation of any
97 sewerage authority pursuant to this section shall thereafter create or join in
98 the creation of any other sewerage authority. No governing body of any mu-
99 nicipality located in a county the governing body of which shall have created
100 a sewerage authority pursuant to this section shall thereafter create or join
101 in the creation of any sewerage authority except upon the written consent of
102 the sewerage authority of said county and in accordance with the terms and
103 conditions of such consent, and in the event such consent be given and a

104 sewerage authority be created pursuant thereto, the area within the terri-
105 torial boundaries of such municipality shall not thereafter be part of the dis-
106 trict of the sewerage authority of said county. In the event that prior to the
107 creation of a sewerage authority of a county the governing body of any mu-
108 nicipality located in said county shall have created or joined in the creation
109 of a sewerage authority, the area within the territorial limits of such munici-
110 pality shall not be part of the district of the sewerage authority of said
111 county.

1 5. (a) The powers of a sewerage authority shall be vested in the mem-
2 bers thereof in office from time to time. A majority of the entire authorized
3 membership of the sewerage authority shall constitute a quorum at any meet-
4 ing thereof. Action may be taken and motions and resolutions adopted by
5 the sewerage authority at any meeting of the members thereof by vote of
6 a majority of the members present, unless in any case the by-laws of the
7 sewerage authority shall require a larger number. The sewerage author-
8 ity may delegate to one or more of its officers, agents or employees such
9 powers and duties as it may deem proper.

10 (b) Each member of a sewerage authority shall hold office for the term
11 for which he was appointed and until his successor has been appointed and
12 has qualified.

13 (c) No member, officer or employee of a sewerage authority shall have
14 or acquire any interest, direct or indirect, in the sewerage system or in any
15 property included or planned to be included in the sewerage system or in any
16 contract or proposed contract for materials or services to be furnished to or
17 used by the sewerage authority, but neither the holding of any office or em-
18 ployment in the government of any county or municipality or under any
19 law of the State nor the owning of any property within the State shall be
20 deemed a disqualification for membership in or employment by a sewerage
21 authority. A member of a sewerage authority may be removed only by the
22 governing body by which he was appointed and only for inefficiency or neg-
23 lect of duty or misconduct in office and after he shall have been given a

24 copy of the charges against him and, not sooner than ten days thereafter,
25 had opportunity in person or by counsel to be heard thereon by such gov-
26 erning body.

27 (d) A sewerage authority may reimburse its members for necessary ex-
28 penses incurred in the discharge of their duties. The resolution, ordinance
29 or parallel ordinances for the creation of a sewerage authority may pro-
30 vide that the members of the sewerage authority may receive compensation
31 for their services within an annual and other limitations to be stated in
32 such resolution, ordinance or parallel ordinances, and in that event, each
33 member may receive from the sewerage authority such compensation for his
34 services as the sewerage authority may determine within the limitations
35 stated in such resolution, ordinance or parallel ordinances. No member of
36 any sewerage authority shall receive any compensation for his services except
37 as provided in this subsection.

38 (e) Every sewerage authority, upon the first appointment of its mem-
39 bers and thereafter on or after the first day of February in each year,
40 shall annually elect from among its members a chairman and a vice-chair-
41 man who shall hold office, until the first day of February next ensuing and
42 until their respective successors have been appointed and have qualified.
43 Every sewerage authority may also appoint and employ a secretary and
44 such professional and technical advisers and experts and such other offi-
45 cers, agents and employees as it may require, and it shall determine their
46 qualifications, terms of office, duties and compensation.

1 6. (a) The purposes of every sewerage authority shall be the relief of
2 the waters in and bordering the State from pollution arising from causes
3 within the district and the consequent improvement of conditions affecting
4 the public health.

5 (b) Every sewerage authority is hereby authorized and directed, sub-
6 ject to the limitations of this act, to acquire, in its own name but for the
7 local unit or units, by purchase, gift, condemnation or otherwise, and, not-
8 withstanding the provisions of any charter, ordinance or resolution of any

9 county or municipality to the contrary, to construct, maintain, operate and
10 use such trunk, intercepting and outlet sewers, conduits, pipe lines, pumping
11 and ventilating stations, treatment plants or works at such places, and such
12 other plants, structures, boats and conveyances, as in the judgment of the
13 sewerage authority will provide an effective and satisfactory method for
14 promoting the purposes of the sewerage authority.

15 (c) Every sewerage authority is hereby authorized and directed, when
16 in its judgment its sewerage system or any part thereof will permit, to
17 collect from any and all public sewage systems within the district all sew-
18 age and treat and dispose of the same in such manner as to promote the
19 purposes of the sewerage authority.

1 7. Every sewerage authority shall be a public body politic and corpo-
2 rate constituting a political subdivision of the State established as an instru-
3 mentality exercising public and essential governmental functions to provide
4 for the public health and welfare and shall have perpetual succession and
5 have the following powers:

6 (1) To adopt and have a common seal and to alter the same at pleasure;

7 (2) To sue and to be sued;

8 (3) In the name of the sewerage authority and on its behalf, to acquire,
9 hold, use and dispose of its service charges and other revenues and other
10 moneys;

11 (4) In the name of the sewerage authority but for the local unit or
12 units, to acquire, hold, use and dispose of other personal property for the
13 purposes of the sewerage authority;

14 (5) In the name of the sewerage authority but for the local unit or
15 units, to acquire by purchase, gift, condemnation or otherwise, real prop-
16 erty and easements therein, necessary or useful and convenient for the pur-
17 poses of the sewerage authority, and subject to mortgages, deeds of trust
18 or other liens, or otherwise, and to hold and to use the same, and to dispose
19 of property so acquired no longer necessary for the purposes of the sewer-
20 age authority;

20½ (6) To provide for and secure the payment of any bonds and the rights
21 of the holders thereof, and to purchase, hold and dispose of any bonds;

22 (7) To accept gifts or grants of real or personal property, money, ma-
23 terial, labor or supplies for the purposes of the sewerage authority, and to
24 make and perform such agreements and contracts as may be necessary or
25 convenient in connection with the procuring, acceptance or disposition of
26 such gifts or grants;

26½ (8) To enter on any lands, waters or premises for the purpose of mak-
27 ing surveys, borings, soundings and examinations for the purposes of the
28 sewerage authority;

29 (9) To make and enforce by-laws or rules and regulations for the man-
30 agement and regulation of its business and affairs and for the use, mainte-
31 nance and operation of the sewerage system and any other of its properties,
32 and to amend the same;

33 (10) To do and perform any acts and things authorized by this act
34 under, through or by means of its own officers, agents and employees, or by
35 contracts with any persons; and

36 (11) To enter into any any all contracts, execute any and all instru-
37 ments, and do and perform any and all acts or things necessary, conven-
38 ient or desirable for the purposes of the sewerage authority or to carry
39 out any power expressly given in this act.

1 8. (a) Every sewerage authority is hereby authorized to charge and col-
2 lect rents, rates, fees or other charges (in this act sometimes referred to
3 as "service charges") for direct or indirect connection with, or the use or
4 services of, the sewerage system. Such service charges may be charged to
5 and collected from any person contracting for such connection or use or
6 services or from the owner or occupant, or both of them, of any real prop-
7 erty which directly or indirectly is or has been connected with the system
8 or from or on which originates or has originated sewage or other wastes
9 which directly or indirectly have entered or may enter the sewerage system,
10 and the owner of any such real property shall be liable for and shall pay

11 such service charges to the sewerage authority at the time when and place
12 where such service charges are due and payable.

13 (b) Such rents, rates, fees and charges, being in the nature of use or
14 service charges, shall as nearly as the sewerage authority shall deem prac-
15 ticable and equitable be uniform throughout the district for the same type,
16 class and amount of use or service of the sewerage system, and may be based
17 or computed either on the consumption of water on or in connection with
18 the real property, making due allowance for commercial use of water, or on
19 the number and kind of water outlets on or in connection with the real prop-
20 erty, or on the number and kind of plumbing or sewerage fixtures or facilities
21 on or in connection with the real property, or on the number of persons re-
22 siding or working on or otherwise connected or identified with the real prop-
23 erty, or on the capacity of the improvements on or connected with the real
24 property, or on any other factors determining the type, class and amount of
25 use or service of the sewerage system, or on any combination of any such
26 factors, and may give weight to the characteristics of the sewage and other
27 wastes and any other special matter affecting the cost of treatment and dis-
28 posal thereof, including chlorine demand, biochemical oxygen demand, concen-
29 tration of solids and chemical composition.

30 (c) The sewerage authority shall prescribe and from time to time when
31 necessary revise a schedule of such service charges, which shall comply with
32 the terms of any contract of the sewerage authority and in any event shall be
33 such that the revenues of the sewerage authority will at all times be adequate
34 to pay all expenses of operation and maintenance of the sewerage system,
35 including reserves, insurance, extensions, and replacements, and to pay punc-
36 tually the principal of and interest on any bonds and to maintain such re-
37 serves or sinking funds therefor as may be required by the terms of any
38 contract of the sewerage authority or as may be deemed necessary or de-
39 sirable by the sewerage authority. Said schedule shall thus be prescribed and
40 from time to time revised by the sewerage authority after public hearing
41 thereon which shall be held by the sewerage authority at least seven days

42 after such published notice as the sewerage authority may determine to be
43 reasonable. The sewerage authority shall likewise fix and determine the time
44 or times when and the place or places where such service charges shall be
45 due and payable and may require that such service charges shall be paid in
46 advance for periods of not more than one year. A copy of such schedule of
47 service charges in effect shall at all times be kept on file at the principal office
48 of the sewerage authority and shall at all reasonable times be open to pub-
49 lic inspection.

1 9. Any local unit shall have power, in the discretion of its governing
2 body, to appropriate moneys for the purposes of the sewerage authority, and
3 to loan or donate such moneys to the sewerage authority in such install-
4 ments and upon such terms as may be agreed upon between such local unit
5 and the sewerage authority.

1 10. For the purpose of raising funds to pay the cost of any part of its
2 sewerage system, a sewerage authority shall have power to authorize or pro-
3 vide for the issuance of bonds pursuant to this act. Such sewerage author-
4 ity shall adopt a resolution (in this act sometimes referred to as "bond reso-
5 lution") which shall

6 (1) describe in brief and general terms sufficient for reasonable identifi-
7 cation the part (in this act sometimes called "project") of the sewerage sys-
8 tem to be constructed or acquired;

9 (2) state the cost or estimated cost of the project; and

10 (3) provide for the issuance of the bonds in accordance with either sec-
11 tion eleven or section twelve of this act.

1 11. (a) A bond resolution of a sewerage authority may provide for the
2 issuance of bonds of the local unit or units in accordance with this section
3 for the purpose stated in section ten. Such a bond resolution shall (1) deter-
4 mine and state the share of the cost of the project allocated and to be fi-
5 nanced by each of the local units and (2) determine and state all of the details
6 (except the rate or rates of interest payable thereon) of the bonds to be au-
7 thorized and issued by each of the local units for the purpose of financing

8 the project, all within the limitations and in accordance with the applicable
9 requirements of article one of chapter one of Title 40 of the Revised Stat-
10 utes (R. S., section 40:1-1 et seq.). A copy of such bond resolution, duly cer-
11 tified by the appropriate officer of the sewerage authority, shall be delivered
12 to the governing body of each local unit.

13 (b) Upon receipt of such certified copy of the bond resolution, each
14 local unit may appropriate the share of the cost of the project allocated to it
15 by the bond resolution and shall have power to incur indebtedness, borrow
16 money and issue its negotiable bonds for the purpose of financing such proj-
17 ect and appropriation. Such bonds shall comply with the description there-
18 of stated in the bond resolution and, if the governing body of such local unit
19 shall determine to issue the same, shall be authorized by municipal bond ordi-
20 nance or county bond resolution, as the case may be, finally adopted by the
21 governing body of the local unit in accordance with the limitations, and any
22 exceptions thereto, and in the manner or mode of procedure prescribed by ar-
23 ticle one of chapter one of Title 40 of the Revised Statutes (R. S., section
24 40:1-1 et seq.) except that (1) the purpose of such bonds may be described
25 and identified merely by reference to the bond resolution, and (2) no down
26 payment shall be required.

27 (c) If within ninety days after adoption of the bond resolution, the gov-
28 erning body of every local unit shall have adopted a municipal bond ordi-
29 nance or county bond resolution authorizing the issuance of all of the bonds
30 of such local unit contemplated and described in the bond resolution, no
31 municipal bond ordinance or county bond resolution authorizing the issuance
32 of any of the bonds contemplated and described in the bond resolution shall
33 thereafter be repealed, amended or revoked, except with the previous consent
34 of the sewerage authority.

35 (d) Such bonds shall be sold by the sewerage authority in accordance
36 with this section at such times and in such blocks or installments and bearing
37 such rates of interest and for such prices not less than their par value as
38 the sewerage authority may direct. Such bonds may be sold by the sewerage

39 authority in the manner or mode of procedure prescribed by section 40:1-53
40 of article one of chapter one of Title 40 of the Revised Statutes (R. S., sec-
41 tion 40:1-1 et seq.) but if not so sold, shall be sold only at public sale upon
42 sealed proposals after at least seven days' notice published at least once in
43 a publication carrying municipal bond notices and devoted primarily to fi-
44 nancial news or the subject of State and municipal bonds, published in New
45 York City or in New Jersey, to the bidder on whose bid the total loan may be
46 made at the lowest net cost, such net cost to be computed, as to each bid, by
47 adding to the total principal amount of the bonds which the bidder offers to
48 accept, the total interest which will be paid under the terms of the bid, and
49 deducting therefrom the amount bid for the bonds which shall not exceed by
50 more than one thousand dollars (\$1,000.00) the par value of the bonds offered
51 for sale. Such bonds shall be executed by the appropriate officials of the local
52 unit and delivered to the purchasers in accordance with the contract of sale,
53 and the proceeds thereof shall be paid to the sewerage authority.

1 12. (a) A bond resolution of a sewerage authority may provide for and
2 authorize the issuance of bonds of the sewerage authority in accordance
3 with this section for the purpose stated in section ten or for the purpose of
4 funding or refunding any bonds. A bond resolution providing for and au-
5 thorizing the issuance of bonds to fund or refund bonds shall, in lieu of the
6 matters described in clauses (1) and (2) of section ten, describe the bonds
7 which are to be funded or refunded.

8 (b) Upon adoption of the bond resolution, the sewerage authority shall
9 have power to incur indebtedness, borrow money and issue its bonds for the
10 purpose of financing the project or of funding or refunding the bonds de-
11 scribed therein. Such bonds shall be authorized by the bond resolution and
12 may be issued in one or more series and shall bear such date or dates,
13 mature at such time or times not exceeding forty years from the date
14 thereof, bear interest at such rate or rates not exceeding six per centum
15 (6%) per annum, be in such denomination or denominations, be in such
16 form, either coupon or registered, carry such conversion or registration

17 privileges, have such rank or priority, be executed in such manner, be pay-
18 able from such sources in such medium of payment at such place or places
19 within or without the State, and be subject to such terms of redemption (with
20 or without premium) as the bond resolution may provide.

21 (c) Bonds of a sewerage authority may be sold by the sewerage author-
22 ity at public or private sale at such price or prices as the sewerage authority
23 shall determine; *provided, however*, that the interest cost to maturity of the
24 money received for any issue of bonds (computed according to standard
25 tables of bond values) shall not exceed six per centum (6%) per annum.

1 13. After sale of any bonds pursuant to section eleven or section
2 twelve of this act, the sewerage authority shall have power to authorize the
3 execution and issuance to the purchasers, pending the preparation of the
4 definitive bonds, of interim certificates therefor or of temporary bonds or
5 other temporary instruments exchangeable for the definitive bonds when pre-
6 pared, executed and ready for delivery. The holders of such interim cer-
7 tificates, temporary bonds or other temporary instruments shall have all the
8 rights and remedies which they would have as holders of the definitive
9 bonds.

1 14. Any sewerage authority may cause to be published in a newspaper
2 published in the district a copy of any bond resolution adopted by it,
3 together with a notice stating the date of such adoption and also the date of
4 the first publication of such notice and also that any action or proceeding of
5 any kind or nature in any court questioning the validity of the creation and
6 establishment of the sewerage authority, or the validity or proper author-
7 ization of bonds provided for by the bond resolution, or the validity of any
8 covenants, agreements or contracts provided for by the bond resolution shall
9 be commenced within twenty days after the first publication of such notice.
10 If no such action or proceeding shall be commenced or instituted within
11 twenty days after the first publication of such notice, then all residents and
12 taxpayers and owners of property in the district and users of the sewerage
13 system and all other persons whatsoever shall be forever barred and fore-

14 closed from instituting or commencing any action or proceeding in any court,
15 or from pleading any defense to any action or proceeding, questioning the
16 validity of the creation and establishment of the sewerage authority, the
17 validity or proper authorization of such bonds, or the validity of any such
18 covenants, agreements or contracts, and said bonds, covenants, agreements
19 and contracts shall be conclusively deemed to be valid and binding obliga-
20 tions in accordance with their terms and tenor.

1 15. Any provision of any law to the contrary notwithstanding, any bond
2 or other obligation issued pursuant to this act shall be fully negotiable within
3 the meaning and for all purposes of the negotiable instruments law of the
4 State, and each holder or owner of such a bond or other obligation, or of any
5 coupon appurtenant thereto, by accepting such bond or coupon shall be con-
6 clusively deemed to have agreed that such bond, obligation or coupon is and
7 shall be fully negotiable within the meaning and for all purposes of said
8 negotiable instruments law.

1 16. Any bond resolution of a sewerage authority providing for or au-
2 thorizing the issuance of any bonds may contain provisions, and such sewer-
3 age authority, in order to secure the payment of such bonds and in addition
4 to its other powers, shall have power by provision in the bond resolution to
5 covenant and agree with the several holders of such bonds, as to:

6 (1) the custody, security, use, expenditure or application of the proceeds
7 of the bonds;

8 (2) the construction and completion, or replacement, of all or any part
9 of the sewerage system;

10 (3) the use, regulation, operation, maintenance, insurance or disposition
11 of all or any part of the sewerage system, or restrictions on the exercise of
12 the powers of the sewerage authority to dispose, or to limit or regulate the
13 use, of all or any part of the sewerage system;

14 (4) payment of the principal of or interest on the bonds, or any other
15 obligations, and the sources and methods thereof, the rank or priority of any

16 such bonds or obligations as to any lien or security, or the acceleration of the
17 maturity of any such bonds or obligations;

18 (5) the use and disposition of any moneys of the sewerage authority,
19 including revenues (in this act sometimes called "system revenues") derived
20 or to be derived from the operation of all or any part of the sewerage system,
21 including any parts thereof theretofore constructed or acquired and any
22 parts, extensions, replacements or improvements thereof thereafter con-
23 structed or acquired;

24 (6) pledging, setting aside, depositing or trusteeing all or any part of
25 the system revenues or other moneys of the sewerage authority to secure the
26 payment of the principal of or interest on the bonds or any other obligations,
27 or the payment of expenses of operation or maintenance of the sewerage sys-
28 tem, and the powers and duties of any trustee with regard thereto;

29 (7) the setting aside out of the system revenues or other moneys of the
30 sewerage authority of reserves and sinking funds, and the source, custody,
31 security, regulation, application and disposition thereof;

32 (8) determination or definition of the system revenues or of the expenses
33 of operation and maintenance of the sewerage system;

34 (9) the rents, rates, fees, or other charges for connection with or the use
35 or services of the sewerage system, including any parts thereof theretofore
36 constructed or acquired and any parts, extensions, replacements or improve-
37 ments thereof thereafter constructed or acquired, and the fixing, establish-
38 ment, collection and enforcement of the same, the amount or amounts of
39 system revenues to be produced thereby, and the disposition and application
40 of the amounts charged or collected;

41 (10) the assumption or payment or discharge of any indebtedness, liens
42 or other claims relating to any part of the sewerage system or any obligations
43 having or which may have a lien on any part of the system revenues;

44 (11) limitations on the issuance of additional bonds or any other obliga-
45 tions or on the incurrence of indebtedness of the sewerage authority;

46 (12) limitations on the powers of the sewerage authority to construct,
47 acquire or operate, or permit the construction, acquisition or operation of,

48 any plants, structures, facilities or properties which may compete or tend to
49 compete with the sewerage system;

50 (13) vesting in a trustee or trustees such property, rights, powers and
51 duties in trust as the sewerage authority may determine which may include
52 any or all of the rights, powers and duties of the trustee appointed by the
53 holders of bonds pursuant to section seventeen of this act, and limiting or
54 abrogating the right of such holders to appoint a trustee pursuant to sec-
55 tion seventeen of this act or limiting the rights, duties and powers of such
56 trustee;

57 (14) payment of costs or expenses incident to the enforcement of the
58 bonds or of the provisions of the bond resolution or of any covenant or con-
59 tract with the holders of the bonds;

60 (15) the procedure, if any, by which the terms of any covenant or con-
61 tract with, or duty to, the holders of bonds may be amended or abrogated,
62 the amount of bonds the holders of which must consent thereto, and the man-
63 ner in which such consent may be given or evidenced; or

64 (16) any other matter or course of conduct which, by recital in the bond
65 resolution, is declared to further secure the payment of the principal of or
66 interest on the bonds.

67 All such provisions of the bond resolution and all such covenants and
68 agreements shall constitute valid and legally binding contracts between the
69 sewerage authority and the several holders of the bonds, regardless of the
70 time of issuance of such bonds, and shall be enforceable by any such holder
71 or holders by mandamus or other appropriate action, suit, or proceeding at
72 law or in equity in any court of competent jurisdiction.

1 17. (a) The provisions of this section shall be applicable to a series of
2 bonds authorized or issued under this act only if the bond resolution of the
3 sewerage authority authorizing or providing for the issuance of such bonds
4 shall provide in substance that the holders of the bonds of such series shall
5 be entitled to the benefits, and be subject to the provisions, of this section.

6 (b) In the event that there shall be a default in the payment of principal
7 of or interest on any bonds of such series after the same shall become due,
8 whether at maturity or upon call for redemption, and such default shall con-
9 tinue for a period of thirty days, or in the event that the sewerage authority
10 shall fail or refuse to comply with the provisions of this act or shall fail or
11 refuse to carry out and perform the terms of any contract with the holders
12 of any of such bonds, and such failure or refusal shall continue for a period
13 of thirty days after written notice to the sewerage authority of its existence
14 and nature, the holders of twenty-five per centum (25%) in aggregate
15 principal amount of the bonds of such series then outstanding, by instru-
16 ment or instruments filed in the office of the Secretary of State and proved
17 or acknowledged in the same manner as a deed to be recorded, may appoint
18 a trustee to represent the holders of the bonds of such series for the pur-
19 poses provided in this section.

20 (c) Such trustee may and upon written request of the holders of
21 twenty-five per centum (25%) in aggregate principal amount of the bonds
22 of such series then outstanding shall, in his or its own name:

23 (1) By mandamus, certiorari or other action, suit, writ or proceed-
24 ing at law or in equity, enforce all rights of the holders of such bonds,
25 including the right to require the sewerage authority to charge and col-
26 lect service charges adequate to carry out any contract as to, or pledge
27 of, system revenues, and to require the sewerage authority to carry out
28 and perform the terms of any contract with the holders of such bonds or
29 its duties under this act;

30 (2) Bring action or suit upon all or any part of such bonds or
31 interest coupons or claims appurtenant thereto;

32 (3) By action or suit in equity require the sewerage authority to
33 account as if it were the trustee of an express trust for the holders of
34 such bonds;

35 (4) By action or suit in equity enjoin any acts or things which may
36 be unlawful or in violation of the rights of the holders of such bonds; or

37 (5) Declare all such bonds due and payable, whether or not in
38 advance of maturity, upon thirty days' prior notice in writing to the
39 sewerage authority and, if all defaults shall be made good, then with the
40 consent of the holders of twenty-five per centum (25%) of the principal
41 amount of such bonds then outstanding, annul such declaration and its
42 consequences.

43 (d) Such trustee shall, in addition to the foregoing, have and possess
44 all of the powers necessary or appropriate for the exercise of the functions
45 specifically set forth herein or incident to the general representation of the
46 holders of bonds of such series in the enforcement and protection of their
47 rights.

48 (e) In any suit, action or proceeding by such trustee, the fees, counsel
49 fees and expenses of the trustee and of the receiver, if any, appointed
50 pursuant to this act, shall constitute taxable costs and disbursements, and
51 all costs and disbursements, allowed by the court, shall be a first charge
52 upon any service charges and system revenues of the sewerage authority
53 pledged for the payment or security of bonds of such series.

1 18. If a bond resolution of a sewerage authority authorizing or provid-
2 ing for the issuance of the bonds of any series shall contain the provision
3 authorized by subsection (a) of section seventeen of this act and shall
4 further provide in substance that any trustee appointed pursuant to said
5 section shall have the powers provided by this section, then such trustee,
6 whether or not all of the bonds of such series shall have been declared due
7 and payable, shall be entitled as of right to the appointment of a receiver
8 of the sewerage system, and such receiver may enter upon and take posses-
9 sion of the sewerage system and, subject to any pledge or contract with the
10 holders of such bonds, shall take possession of all moneys and other prop-
11 erty derived from or applicable to the acquisition, construction, operation,
12 maintenance or reconstruction of the sewerage system and proceed with such
13 acquisition, construction, operation, maintenance or reconstruction which the
14 sewerage authority is under any obligation to do, and operate, maintain
15 and reconstruct the sewerage system and fix, charge, collect, enforce and

16 receive the service charges and all system revenues thereafter arising sub-
17 ject to any pledge thereof or contract with the holders of such bonds relat-
18 ing thereto and perform the public duties and carry out the contracts and
19 obligations of the sewerage authority in the same manner as the sewerage
20 authority itself might do and under the direction of the court.

1 19. Neither the members of the sewerage authority nor any person ex-
2 ceeding bonds issued pursuant to this act shall be liable personally on the
3 bonds by reason of the issuance thereof. Bonds or other obligations issued
4 pursuant to this act shall not be in any way a debt or liability of the State,
5 and bonds or other obligations issued by a sewerage authority pursuant to
6 this act shall not be in any way a debt or liability of the State or of any local
7 unit or of any county or municipality and shall not create or constitute any
8 indebtedness, liability or obligation of the State or of any such local unit,
9 county or municipality, either legal, moral or otherwise, and nothing in this
10 act contained shall be construed to authorize any sewerage authority to incur
11 any indebtedness on behalf of or in any way to obligate the State or any county
12 or municipality.

1 20. Every sewerage authority is hereby empowered, in its own name but
2 for the local unit or units, to acquire by purchase, gift, grant or devise and
3 to take for public use real property, within or without the district, which may
4 be deemed by the sewerage authority necessary for its purposes. Such
5 sewerage authority is hereby empowered to acquire and take such real prop-
6 erty by condemnation, in the manner provided by chapter one of Title 20,
7 Eminent Domain, of the Revised Statutes (R. S. §20:1-1 et seq.) and, to that
8 end, may invoke and exercise in the manner or mode of procedure prescribed
9 in said chapter, either in its own name or in the name of any local unit or
10 units, all of the powers of such local unit or units to acquire or take prop-
11 erty for public use.

1 21. (a) In the event that a service charge of any sewerage authority with
2 regard to any parcel of real property shall not be paid as and when due, in-
3 terest shall accrue and be due to the sewerage authority on the unpaid balance

4 at the rate of one per centum (1%) per month until such service charge, and
5 the interest thereon, shall be fully paid to the sewerage authority.

6 (b) In the event that a service charge of any sewerage authority with re-
7 gard to any parcel of real property owned by any person other than the State
8 or an agency or subdivision thereof shall not be paid as and when due, the un-
9 paid balance thereof and all interest accruing thereon shall be a lien on such
10 parcel. Such lien shall be superior and paramount to the interest in such
11 parcel of any owner, lessee, tenant, mortgagee or other person except the lien
12 of municipal taxes and shall be on a parity with and deemed equal to the lien
13 on such parcel of the municipality where such parcel is situate for taxes
14 thereon due in the same year and not paid when due. Such lien shall not
15 bind or affect a subsequent bona fide purchaser of such parcel for a valuable
16 consideration without actual notice of such lien, unless the sewerage author-
17 ity shall have filed in the office of the collector or other officer of said mu-
18 nicipality charged with the duty of enforcing municipal liens on real prop-
19 erty a statement showing the amount and due date of such unpaid balance
20 and identifying such parcel, which identification may be sufficiently made by
21 reference to the assessment map of said municipality. The information
22 shown in such statement shall be included in any certificate with respect to
23 said parcel, thereafter made by the official of said municipality vested with
24 the power to make official certificates of searches for municipal liens. When-
25 ever such service charge and any subsequent service charge with regard to
26 such parcel and all interest accrued thereon shall have been fully paid to
27 the sewerage authority, such statement shall be promptly withdrawn or can-
28 celled by the sewerage authority.

29 (c) In the event that a service charge of any sewerage authority with re-
30 gard to any parcel of real property shall not be paid as and when due, the
31 sewerage authority may, in its discretion, enter upon such parcel and cause
32 the connection thereof leading directly or indirectly to the sewerage system
33 to be cut and shut off until such service charge and any subsequent service
34 charge with regard to such parcel and all interest accrued thereon shall be
35 fully paid to the sewerage authority.

36 (d) In the event that a service charge of any sewerage authority with
37 regard to any parcel of real property shall not be paid as and when due, the
38 sewerage authority may, in accordance with section twenty-six of this act,
39 cause the supply of water to such parcel to be stopped or restricted until such
40 service charge and any subsequent service charge with regard to such parcel
41 and all interest accrued thereon shall be fully paid to the sewerage authority.
42 If for any reason such supply of water shall not be promptly stopped or re-
43 stricted as required by section twenty-six of this act, the sewerage authority
44 may itself shut off or restrict such supply and, for that purpose, may enter
45 on any lands, waters or premises of any county, municipality or other per-
46 son. The supply of water to such parcel shall, notwithstanding the provi-
47 sions of this subsection, be restored or increased if the State Department of
48 Health, upon application of the local board of health or health officer of the
49 municipality where such parcel is situate, shall after public hearing find and
50 shall certify to the sewerage authority that the continuance of such stopping
51 or restriction of the supply of water endangers the health of the public in
52 such municipality.

53 (e) The collector or other officer of every municipality charged by law
54 with the duty of enforcing municipal liens on real property shall enforce,
55 with and as any other municipal lien on real property in such municipality,
56 all service charges and the lien thereof shown in any statement filed with
57 him by any sewerage authority pursuant to subsection (b) of this section,
58 and shall pay over to the sewerage authority the sums or a pro rata share of
59 the sums realized upon such enforcement or upon liquidation of any prop-
60 erty acquired by the municipality by virtue of such enforcement.

61 (f) In the event that any service charge of a sewerage authority shall
62 not be paid as and when due, the unpaid balance thereof and all interest ac-
63 crued thereon, together with attorneys' fees and costs, may be recovered by
64 the sewerage authority in a civil action, and any lien on real property for
65 such service charge and interest accrued thereon may be foreclosed or other-

66 wise enforced by the sewerage authority by action or suit in equity as for the
67 foreclosure of a mortgage on such real property.

68 (g) All rights and remedies granted by this act for the collection and
69 enforcement of service charges shall be cumulative and concurrent.

1 22. Any county, by resolution of its governing body, or any municipal-
2 ity, by ordinance of its governing body, or any other person is hereby em-
3 powered, without any referendum and without the consent of any board,
4 officer or other agency of the State, to sell, lease, lend, grant or convey to
5 any sewerage authority, or to permit any sewerage authority to use, main-
6 tain or operate as part of the sewerage system, any real or personal prop-
7 erty owned by it, including all or any part of any system of main, lateral
8 or other sewers or other sewerage facilities, which may be necessary or
9 useful and convenient for the purposes of the sewerage authority and which
10 may be accepted by the sewerage authority. Any such sale, lease, loan,
11 grant, conveyance or permit may be made with or without consideration
12 and for a specified or an unlimited period of time and under any agree-
13 ment and on any terms and conditions which may be approved by such
14 county, municipality or other person and which may be agreed to by the
15 sewerage authority in conformity with its contracts with the holders of any
16 bonds. Subject to any such contracts with holders of bonds, the sewerage
17 authority may enter into and perform any and all agreements with respect
18 to property so accepted by it, including agreements for the assumption of
19 principal or interest or both of indebtedness of such county, municipal-
20 ity or other person or of any mortgage or lien existing with respect to such
21 property or for the operation and maintenance of such property as part of
22 the sewerage system.

1 23. Any sewerage authority and any municipality within or without the
2 district by ordinance of its governing body may enter into a contract or con-
3 tracts providing for or relating to the treatment and disposal of sewage
4 originating in the district or in such municipality by means of the sewer-
5 age system or any sewerage facilities of such municipality or both, and the

6 cost and expense of such treatment and disposal. Any sewerage authority
7 and any municipality within the district by ordinance of its governing body
8 may enter into a contract or contracts providing for the payment to the
9 sewerage authority by such municipality of a sum or sums of money, com-
10 puted as fixed amounts or by a formula based on any factors or other mat-
11-12 ters described in subsection (b) of section eight of this act or otherwise as
13 said contract or contracts may provide, in lieu of all or any part of the
14 service charges which would otherwise be charged and collected by the sew-
15 erage authority with regard to persons or real property within such munic-
16 ipality. Any such contract may be made with or without consideration and
17 for a specified or an unlimited time and on any terms and conditions which
18 may be approved by such municipality and which may be agreed to by the
19 sewerage authority in conformity with its contracts with the holders of any
20 bonds. Such municipality is hereby authorized and directed to do and per-
21 form any and all acts or things necessary, convenient or desirable to carry
22 out and perform every such contract and to provide for the payment or
23 discharge of any obligation thereunder in the same manner as other obli-
24 gations of such municipality. Subject to any such contracts with the hold-
25 ers of bonds, the sewerage authority is hereby authorized to do and per-
26 form any and all acts or things necessary, convenient or desirable to carry
27 out and perform every such contract and, in accordance with any such con-
28 tract, to reduce ratably the service charges which would otherwise be
29 charged and collected by the sewerage authority with regard to persons or
30 real property within such municipality, but nothing in this section or any
31 such contract shall prevent the sewerage authority from charging and col-
32 lecting, as if such contract had not been made, service charges with regard
33 to such persons and real property sufficient to meet any default or defi-
34 ciency in any payments agreed in such contract to be made by such munic-
35 ipality.

1 24. Any sewerage authority, subject to its contracts with the holders
2 of any bonds, is hereby empowered to provide, construct, maintain and oper-

3 ate facilities for the treatment and disposal of industrial wastes originat-
4 ing in the district and to enter into a contract or contracts with any person
5 on such terms and conditions as such contract or contracts may contain,
6 providing for or relating to the treatment and disposal of any such indus-
7 trial wastes. The sewerage authority and such person are hereby author-
8 ized and directed to do and perform any and all acts or things necessary,
9 convenient or desirable to carry out and perform every such contract and
10 to provide for the payment or discharge of any obligation thereunder in
11 the same manner as other obligations of such sewerage authority or per-
12 son.

1 25. (a) In order to carry out and effectuate its purposes, every sewer-
2 age authority is hereby authorized to enter upon and use and connect with
3 any existing public drains, sewers, conduits, pipe lines, pumping and ven-
4 tilating stations and treatment plants or works or any other public property
5 of a similar nature within the district and, if deemed necessary by the sew-
6 erage authority, close off and seal outlets and outfalls therefrom. No sew-
7 erage authority shall, however, take permanent possession or make perma-
8-9 nent use of any such treatment plant or works unless it acquires the same.

10 (b) In order to carry out and effectuate its purposes, every sewerage
11 authority is hereby authorized to construct, maintain and operate its sew-
12 erage system along, over, under and in any streets, alleys, highways and other
13 public places within the district, doing no unnecessary injury thereto and
14 making no unnecessary interruption in or interference with the public use
15 of such places and restoring the same to their former usefulness and con-
16 dition within a reasonable time.

1 26. (a) Each county and municipality within the district, and every
2 person owning or operating any sewer or drain or any system of water dis-
3 tribution serving three or more parcels of real property in the district, shall
4 at the request of the sewerage authority make available to the sewerage au-
5 thority any and all of its maps, plans, specifications, records, books, ac-

6 counts or other data or things deemed necessary by the sewerage authority
7 for its purposes.

8 (b) Each county, municipality and other public body shall promptly
9 pay to any sewerage authority all service charges which the sewerage au-
10 thority may charge to it, as owner or occupant of any real property, in ac-
11 cordance with section eight of this act, and shall provide for the payment
12 thereof in the same manner as other obligations of such county, municipal-
13 ity or public body.

14 (c) Each county, municipality and other person owning or operating
15 any sewer or drain which serves three or more parcels of real property
16 in the district and which discharges sewage into waters in or bordering
17 the State shall, upon notice from the sewerage authority of its availability
18 and a proposed point of connection with the sewerage system, cause such
19 sewer or drain to be connected with the sewerage system at such point
20 and in such manner as the sewerage authority may specify and shall there-
21 after cause said sewer or drain to discharge into the sewerage system.

22 (d) Each county, municipality and other person owning or operating
23 any system of water distribution serving three or more parcels of real prop-
24 erty in the district shall, from time to time after request therefor by the
25 sewerage authority, deliver to the sewerage authority copies of the records
26 made by it in the regular course of business of the amount of water sup-
27 plied by it to every such parcel of real property in the district. Such
28 copies shall be delivered to the sewerage authority within sixty days after
29 the making of such records, and the sewerage authority shall pay the rea-
30-31 sonable cost of preparation and delivery of such copies.

32 (e) Each county and municipality owning or operating any system of
33 water distribution serving three or more parcels of real property in the dis-
34 trict shall, and every other person owning or operating any such system
35 may, and is hereby authorized to enter into and perform a contract with the
36 sewerage authority that it will, upon request by the sewerage authority
37 specifying a parcel of real property in the district with regard to which a

38 service charge under section eight of this act is unpaid, cause the supply of
39 water from its system to such parcel of real property to be stopped or re-
40 stricted, as the sewerage authority may request, until such service charge
41 and any subsequent service charge with regard to such parcel and the inter-
42 est accrued thereon shall be fully paid or until the sewerage authority di-
43 rects otherwise. No such county, municipality or other person shall be lia-
44 ble for any loss, damage or other claim based on or arising out of the
45 stopping or restricting of such supply, and the sewerage authority shall
46 pay the reasonable cost of so stopping or restricting such supply and of
47 restoring the same and may agree to indemnify such county, municipality
48 or other person from all loss or damage by reason of such stopping or re-
49 striction, including loss of profits.

1 27. Neither the sewerage authority nor any local unit shall have power
2 to mortgage, pledge, encumber or otherwise dispose of any part of the
3 sewerage system, except that the sewerage authority may dispose of such
4 part or parts thereof as may be no longer necessary for the purposes of the
5 sewerage authority. The provisions of this section shall be deemed to con-
6 stitute a part of the contract with the holder of any bonds. All property of
7 a sewerage authority shall be exempt from levy and sale by virtue of an
8 execution and no execution or other judicial process shall issue against the
9 same nor shall any judgment against a sewerage authority be a charge or
10 lien upon its property; *provided*, that nothing herein contained shall apply
11 to or limit the rights of the holder of any bonds to pursue any remedy for
12 the enforcement of any pledge or lien given by a sewerage authority on its
13 system revenues.

1 28. (a) No county, municipality or other person shall discharge, or
2 suffer to be discharged, directly or indirectly into any waters in or bordering
3 a district any sewage which may or will cause or contribute to the pollu-
4 tion of such waters; *provided*, that this prohibition shall be applicable only to
5 such part or parts of such waters as are in an area of the district bounded
6 and described in a notice, inserted at least once in a newspaper published in

7 the district, to the effect that the sewerage authority has provided facilities
8 reasonably sufficient in its opinion for the treatment and disposal of sewage
9 which by discharge into such waters might cause or contribute to pollution
10 of such waters, and that pollution of such waters is forbidden by law. Such
11 a notice shall constitute prima facie evidence of the existence of facilities
12 sufficient for the treatment and disposal of all such sewage.

13 (b) No county, municipality or other person shall discharge or suffer
14 to be discharged directly or indirectly into the sewerage system of any
15 sewerage authority any matter or thing which is or may be injurious or
16 deleterious to such sewerage system, or to its efficient operation.

17 (c) Any county, municipality or other person may be restrained,
18 enjoined or otherwise prevented from violating or continuing the violation
19 of any provision of this section by injunction, mandamus or other appropriate
20 remedy at law or in equity by any court of competent jurisdiction upon
21 action, bill, suit or other proceeding instituted by a sewerage authority or
22 by any prosecutor of the pleas.

23 (d) No violation of any provision of this section shall be deemed to have
24 occurred by reason of the discharge of sewage from any boat or vessel while
25 afloat or on marine railway or in drydock.

1 29. No sewage disposal plant or other facilities for the collection, treat-
2 ment or disposal of sewage arising within a district shall be constructed
3 unless the sewerage authority shall give its consent thereto and approve
4 the plans and specifications therefor. Each sewerage authority is hereby
5 empowered to give such consent and approval, subject, however, to the
6 terms and provisions of any agreement with the holders of bonds.

1 30. Notwithstanding any restriction contained in any other law, the
2 State and all public officers, municipalities, counties, political subdivisions
3 and public bodies, and agencies thereof, all banks, bankers, trust companies,
4 savings banks and institutions, building and loan associations, savings and
5 loan associations, investment companies, and other persons carrying on a
6 banking business, all insurance companies, insurance associations and other

7 persons carrying on an insurance business, and all executors, administra-
8 tors, guardians, trustees and other fiduciaries, may legally invest any sink-
9 ing funds, moneys or other funds belonging to them or within their control
10 in any bonds, and such bonds shall be authorized security for any and all
11 public deposits.

1 31. Every sewerage system and all other property of a sewerage authority
2 are hereby declared to be public property of a political subdivision of the
3 State and devoted to an essential public and governmental function and
4 purpose and shall be exempt from all taxes and special assessments of the
5 State or any subdivision thereof. All bonds are hereby declared to be issued
6 by a political subdivision of this State and for an essential public and
7 governmental purpose and to be a public instrumentality, and such bonds,
8 and the interest thereon and the income therefrom, and all service charges,
9 funds, revenues and other moneys pledged or available to pay or secure the
10 payment of such bonds, or interest thereon, shall at all times be exempt from
11 taxation except for transfer inheritance and estate taxes and taxes on
12 transfers by or in contemplation of death.

1 32. The State of New Jersey does hereby pledge to and covenant and
2 agree with the holders of any bonds issued pursuant to a bond resolution
3 of a sewerage authority that the State will not authorize or permit the
4 construction or maintenance of any system of sewers or sewage disposal
5 plants which will be competitive with the sewerage system of the sewerage
6 authority, and will not limit or alter the rights hereby vested in the
7 sewerage authority to acquire, construct, maintain, reconstruct and operate
8 its sewerage system, and to fix, establish, charge and collect its service
9 charges and to fulfill the terms of any agreement made with the holders of
10 such bonds or other obligations, and will not in any way impair the rights
11 or remedies of such holders, and will not modify in any way the exemp-
12 tions from taxation provided for in this act, until the bonds, together with
13 interest thereon, with interest on any unpaid installments of interest, and all
14 costs and expenses in connection with any action or proceeding by or on
15 behalf of such holders, are fully met and discharged.

1 33. All banks, bankers, trust companies, savings banks, investment com-
2 panies and other persons carrying on a banking business are hereby author-
3 ized to give to any sewerage authority a good and sufficient undertaking with
4 such sureties as shall be approved by the sewerage authority to the effect
5 that such bank or banking institution as hereinbefore described shall faith-
6 fully keep and pay over to the order of or upon the warrant of the sewerage
7 authority or its authorized agent all such funds as may be deposited with it
8 by the sewerage authority and agreed interest thereon, at such times or upon
9 such demands as may be agreed upon with the authority or, in lieu of such
10 sureties, deposit with the sewerage authority or its authorized agent or any
11 trustee therefor or for the holders of any bonds, as collateral, such securities
12 as the sewerage authority may approve; *provided*, such securities shall con-
13 sist of obligations in which public officers and bodies of the State and its
14 municipal subdivisions, savings institutions, including savings and loan asso-
15 ciations, insurance companies and associations, executors, administrators,
16 guardians, trustees and other fiduciaries in the State may properly and
17 legally invest the funds within their control, in such principal amount, market
18 value or other description as may be approved by the sewerage authority.
19 The deposits of the sewerage authority may be evidenced by a depository
20 collateral agreement in such form and upon such terms and conditions as may
21 be agreed upon by the sewerage authority and such bank or banking in-
22 stitution.

1 34. Article three of chapter sixty-three of Title 40, Municipalities and
2 Counties, of the Revised Statutes (R. S., §§40:63-140 et seq.), is hereby re-
3 pealed.

1 35. This act shall be construed liberally to effectuate the legislative
2 intent and as complete and independent authority for the performance of
3 each and every act and thing herein authorized, and a sewerage authority
4 shall not be subject to regulation as to its service charges or as to any other
5 matter whatsoever by any officer, board, agency, commission or other office of
6 the State.

1 36. If any section, subsection, clause or provision of this act shall be
2 adjudged unconstitutional or to be ineffective in whole or in part, to the
3 extent that it is not adjudged unconstitutional or is not ineffective it shall be
4 valid and effective and no other section, subsection, clause or provision of
5 this act shall on account thereof be deemed invalid or ineffective, and the in-
6 applicability or invalidity of any section, subsection, clause or provision of
7 this act in any one or more instances or under any one or more circumstances
8 shall not be taken to affect or prejudice in any way its applicability or
9 validity in any other instance or under any other circumstance.

1 37. This act shall take effect immediately.

STATEMENT

This bill would permit the establishment of modern and effective governmental machinery for constructing, financing and operating the comprehensive sanitation projects which, in this post-war and industrial period, are essential if we are to arrest and ultimately abate the progressive pollution of our State waters and which are vital in order to protect the public health in New Jersey. Any municipality or any county or any combination of municipalities are authorized by the bill to proceed under it and to take advantage of its provisions by establishing and appointing a sewerage authority which will be endowed with adequate powers to deal with and solve the pressing problem of sewage disposal on an efficient and economical basis.

Very briefly outlined, the principal features of this legislative plan are as follows: (1) every authority will have the power and duty of constructing, financing and operating sewage disposal plants and other works needed in order to relieve pollution of State waters within its district, (2) in order to finance acquisition of the necessary works, the authority can either issue its own bonds, or, with the approval of the county or municipalities, it can provide for the issuance of the bonds of the county or municipalities, (3) if the constituent county or municipalities prefer not to issue their bonds, the authority bonds will in

effect be "revenue bonds," for which the constituent county or municipalities will not be in any way responsible and which will not use up any of their borrowing power and which can never be charged to them or in their tax rates, (4) to meet operating costs and all payments on the bonds (either of the constituent county or municipalities or of the authority), the authority will charge sufficient service charges and collect them from the direct or indirect users of its sewage disposal works, and accordingly its operations will be on a self-supporting basis, with the result that the necessary sanitation projects will be acquired and financed without increasing the tax burden, and (5) to make sure that the important objective of proper sanitation is attained, pollution of the waters in the district will be prohibited from and after the time the necessary sewage disposal works are in operation.

Various optional provisions in the bill give a flexibility which in some cases may produce higher efficiency. For example, one such provision would permit any of the constituent municipalities to contract to make the necessary annual service payments to the authority instead of having individual service charges on its inhabitants. Another such optional provision would permit an arrangement whereby the authority, on mutual agreement between it and the municipality, would take responsibility for operating the entire sewer system of the municipality, or some part thereof, and assume all or part of the existing sewer debts of the municipality, thus further relieving the tax burden.

The progressive deterioration in the condition of our New Jersey waters and streams is resulting in a disgusting, disgraceful and very perilous situation. Enactment of this bill will give our citizens and our local governments proper tools and equipment for battling and ultimately eliminating this imminent danger to their health, safety and well-being.

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SENATE, No. 262

STATE OF NEW JERSEY

INTRODUCED MARCH 18, 1946

By Mr. HANNOLD

Referred to Committee on Municipalities

AN ACT relating to the authorization, acquisition, financing and operation of sewage disposal systems by or on behalf of any county or any one or more municipalities, providing for the creation of sewerage authorities to undertake the same, for the issuance of bonds and other obligations therefor, and for service charges to meet the expense thereof, repealing article three of chapter sixty-three of Title 40 (sections 40:63-140 et seq.) of the Revised Statutes, and supplementing Title 40 of the Revised Statutes.

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

1 1. This act shall be known and may be cited as the "sewerage authorities
2 law."

1 2. It is hereby declared to be in the public interest and to be the policy
2 of the State to foster and promote by all reasonable means the relief of
3 waters in and bordering the State from pollution and thus to reduce and
4 ultimately abate the menace to the public health resulting from such pollu-
5 tion. It is the purpose and object of this act to further and implement such
6 policy by

7 (1) Authorizing counties, or municipalities either separately or in com-
8 bination with other municipalities, by means and through the agency of a
9 sewerage authority, to acquire, construct, maintain, operate or improve
10 works for the collection, treatment, purification or disposal of sewage or other
11 wastes;

12 (2) Authorizing service charges to occupants or owners of property for
13 direct or indirect connection with and the use or services of such works, and
14 providing for the establishment, collection and enforcement of such charges;

15 (3) Creating as a body corporate and politic sewerage authorities to
16 have full responsibility and powers with respect to such works and the
17 establishment, collection, enforcement, use and disposition of all such service
18 charges;

19 (4) Providing for the financing of such works, for the issuance of
20 bonds therefor, and for the payment and security of such bonds; and

21 (5) In general, granting to counties and municipalities and to such
22 sewerage authorities discretionary powers to provide for sewerage services
23 designed to relieve pollution of such waters at the expense of the users of
24 such services and without increasing the burden of taxation in such counties
25 or municipalities.

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

3 (1) "Municipality" shall mean any city of any class, any borough,
4 village, town, township, or any other municipality other than a county or a
5 school district;

6 (2) "County" shall mean any county of any class;

7 (3) "Governing body" shall mean, in the case of a county, the board of
8 chosen freeholders, and, in the case of a municipality, the commission,
9 council, board or body, by whatever name it may be known, having charge
10 of the finances of the municipality;

11 (4) "Person" shall mean any person, association, corporation, nation,
12 State or any agency or subdivision thereof, other than a county or munic-
13 pality of the State or a sewerage authority;

14 (5) "Sewerage authority" shall mean a public body created pursuant
15 to section four of this act;

16 (6) Subject to the exceptions provided in section four of this act,
17 "district" shall mean the area within the territorial boundaries of the

18 county, or of the municipality or municipalities, which created or joined in
19 the creation of a sewerage authority;

20 (7) "Local unit" shall mean the county, or any municipality, which
21 created or joined in the creation of a sewerage authority;

22 (8) "Sewerage system" shall mean the plants, structures and other real
23 and personal property acquired, constructed or operated or to be acquired,
24 constructed or operated by a sewerage authority for the purposes of the
25 sewerage authority, including sewers, conduits, pipe lines, mains, pumping
26 and ventilating stations, sewage treatment or disposal systems, plants and
27 works, connections, and outfalls, and other plants, structures, boats, con-
28 veyances, and other real and personal property, and rights therein, and ap-
29 purtenances necessary or useful and convenient for the collection, treat-
30 ment, purification or disposal in a sanitary manner of any sewage, liquid or
31 solid wastes, night soil or industrial wastes;

32 (9) "Cost" shall mean, in addition to the usual connotations thereof,
33 the cost of acquisition or construction of all or any part of a sewerage
34 system and of all or any property, rights, easements and franchises deemed
35 by the sewerage authority to be necessary or useful and convenient there-
36 for, including reimbursements to the sewerage authority or any county,
37 municipality or other person of any moneys theretofore expended for the
38 purposes of the sewerage authority and including interest or discount on
39 bonds to finance such cost, engineering and inspection costs and legal ex-
40 penses, the cost of financial, professional and other advice, and the cost of
41 issuance of any such bonds;

42 (10) "Real property" shall mean lands both within and without the
43 State, and improvements thereof or thereon, or any rights or interests
44 therein;

45 (11) "Construct" and "construction" shall connote and include acts of
46 construction, reconstruction, replacement, extension, improvement and
47 betterment of a sewerage system;

48 (12) "Industrial wastes" shall mean liquid or other wastes resulting

49 from any processes of industry, manufacture, trade or business or from the
50 development of any natural resource;

51 (13) "Sewage" shall mean the water-carried wastes created in and
52 carried, or to be carried, away from residences, hotels, apartments, schools,
53 hospitals, industrial establishments, or any other public or private building,
54 together with such surface or ground water and industrial wastes as may
55 be present;

56 (14) "Pollution" means the condition of water resulting from the
57 introduction therein of substances of a kind and in quantities rendering it
58 detrimental or immediately or potentially dangerous to the public health, or
59 unfit for public or commercial use;

60 (15) "Ordinance" means a written act of the governing body of a mu-
61 nicipality adopted and otherwise approved and published in the manner or
62 mode of procedure prescribed for ordinances tending to obligate such munici-
63 pality pecuniarily; and

64 (16) "Resolution" means a written act of the governing body of a local
65 unit adopted and otherwise approved in the manner or mode of procedure
66 prescribed for resolutions tending to obligate such local unit pecuniarily.

67 (17) "Bonds" shall mean bonds or other obligations issued pursuant to
68 this act.

1 4. (a) The governing body of any county may, by resolution duly adopted,
2 create a public body corporate and politic under the name and style of "the
3 sewerage authority" with all or any signifi-
4 cant part of the name of such county inserted. Said body shall consist of
5 the five members thereof, who shall be appointed by resolution of the govern-
6 ing body as hereinafter in this section provided, and it shall constitute the
7 sewerage authority contemplated and provided for in this act and an agency
8 and instrumentality of said county. After the taking effect of the resolution
9 for the creation of said body and the filing of a certified copy thereof as in
10 subsection (d) of this section provided, five persons shall be appointed as the
11 members of the sewerage authority. The members first appointed shall, by

12 the resolution of appointment, be designated to serve for terms respectively
13 expiring on the first days of the first, second, third, fourth and fifth Febru-
14 arys next ensuing after the date of their appointment. On or after the first
15 day of January in each year after such first appointments, one person shall be
16 appointed as a member of the sewerage authority to serve for a term com-
17 mencing on the first day of February in such year and expiring on the first
18 day of February in the fifth year after such year. In the event of a vacancy
19 in the membership of the sewerage authority occurring during an unexpired
20 term of office, a person shall be appointed as a member of the sewerage
21 authority to serve for such unexpired term.

22 (b) The governing body of any municipality may, by ordinance duly
23 adopted, create a public body corporate and politic under the name and style
24 of "the sewerage authority" with all or any
25 significant part of the name of such municipality inserted. Said body shall
26 consist of the five members thereof, who shall be appointed by resolution of
27 the governing body as hereinafter in this section provided, and it shall con-
28 stitute the sewerage authority contemplated and provided for in this act and
29 an agency and instrumentality of said municipality. After the taking effect
30 of such ordinance and the filing of a certified copy thereof as in subsection
31 (d) of this section provided, five persons shall be appointed as the members
32 of the sewerage authority. The members first appointed shall, by the reso-
33 lution of appointment, be designated to serve for terms respectively expir-
34 ing on the first days of the first, second, third, fourth and fifth Februarys
35 next ensuing after the date of their appointment. On or after the first day of
36 January in each year after such first appointments, one person shall be ap-
37 pointed as a member of the sewerage authority to serve for a term com-
38 mencing on the first day of February in such year and expiring on the first
39 day of February in the fifth year after such year. In the event of a vacancy
40 in the membership of the sewerage authority occurring during an unexpired
41 term of office, a person shall be appointed as a member of the sewerage
42 authority to serve for such unexpired term.

43 (c) The governing bodies of any two or more municipalities, the areas
44 of which together comprise an integral body of territory, may, by parallel
45 ordinances duly adopted by each of such governing bodies within any single
46 calendar year, create a public body corporate and politic under the name and
47 style of "the..... sewerage authority" with all
48 or any significant part of the name of each such municipality or some identi-
49 fying geographical phrase inserted. Said body shall consist of the members
50 thereof, in an aggregate number determined as hereinafter in this subsection
51 provided, who shall be appointed by resolutions of the several governing
52 bodies as hereinafter in this section provided, and it shall constitute the
53 sewerage authority contemplated and provided for in this act and an agency
54 and instrumentality of the said municipalities. The number of members of
55 the sewerage authority to be appointed at any time for full terms of office by
56 the governing body of any such municipality shall be as may be stated in said
57 ordinances which shall be not less than one nor more than three. After the
58 taking effect of the said ordinances of all such municipalities and after the
59 filing of certified copies thereof as in subsection (d) of this section provided,
60 the appropriate number of persons shall be appointed as members of the
61 sewerage authority by the governing body of each municipality. The mem-
62 bers first appointed or to be first appointed shall serve for terms expiring on
63 the first day of the fifth February next ensuing after the date of the first
64 appointment of any member. On or after the first day of January in the
65 year in which expire the terms of the said members first appointed and in
66 every fifth year thereafter, the appropriate number of persons shall be ap-
67 pointed as members of the sewerage authority by the governing body of each
68 municipality, to serve for terms commencing on the first day of February in
69 such year and expiring on the first day of February in the fifth year after
70 such year. In the event of a vacancy in the membership of the sewerage
71 authority occurring during an unexpired term of office, a person shall be ap-
72 pointed as a member of the sewerage authority to serve for such unexpired

73 term by the governing body which made the original appointment for such
74 unexpired term.

75 (d) A copy of each resolution or ordinance for the creation of a sewer-
76 age authority adopted pursuant to this section, duly certified by the appro-
77 priate officer of the local unit, shall be filed in the office of the Secretary of
78 State. Upon proof of such filing of a certified copy of the resolution or or-
79 dinance or of certified copies of the parallel ordinances for the creation of
80 a sewerage authority as aforesaid, the sewerage authority therein referred
81 to shall, in any suit, action or proceeding involving the validity or enforce-
82 ment of, or relating to, any contract or obligation or act of the sewerage
83 authority, be conclusively deemed to have been lawfully and properly created
84 and established and authorized to transact business and exercise its powers
85 under this act. A copy of any such certified resolution or ordinance, duly cer-
86 tified by or on behalf of the Secretary of State, shall be admissible in evidence
87 in any suit, action or proceeding.

88 (e) A copy of each resolution appointing any member of a sewerage
89 authority adopted pursuant to this section, duly certified by the appropriate
90 officer of the local unit, shall be filed in the office of the Secretary of State. A
91 copy of such certified resolution, duly certified by or on behalf of the Secre-
92 tary of State, shall be admissible in evidence in any suit, action or proceed-
93 ing and, except in a suit, action or proceeding directly questioning such ap-
94 pointment, shall be conclusive evidence of the due and proper appointment of
95 the member or members named therein.

96 (f) No governing body which may create or join in the creation of any
97 sewerage authority pursuant to this section shall thereafter create or join in
98 the creation of any other sewerage authority. No governing body of any mu-
99 nicipality located in a county the governing body of which shall have created
100 a sewerage authority pursuant to this section shall thereafter create or join
101 in the creation of any sewerage authority except upon the written consent of
102 the sewerage authority of said county and in accordance with the terms and
103 conditions of such consent, and in the event such consent be given and a

104 sewerage authority be created pursuant thereto, the area within the terri-
105 torial boundaries of such municipality shall not thereafter be part of the dis-
106 trict of the sewerage authority of said county. In the event that prior to the
107 creation of a sewerage authority of a county the governing body of any mu-
108 nicipality located in said county shall have created or joined in the creation
109 of a sewerage authority, the area within the territorial limits of such munici-
110 pality shall not be part of the district of the sewerage authority of said
111 county.

1 5. (a) The powers of a sewerage authority shall be vested in the mem-
2 bers thereof in office from time to time. A majority of the entire authorized
3 membership of the sewerage authority shall constitute a quorum at any meet-
4 ing thereof. Action may be taken and motions and resolutions adopted by
5 the sewerage authority at any meeting of the members thereof by vote of
6 a majority of the members present, unless in any case the by-laws of the
7 sewerage authority shall require a larger number. The sewerage author-
8 ity may delegate to one or more of its officers, agents or employees such
9 powers and duties as it may deem proper.

10 (b) Each member of a sewerage authority shall hold office for the term
11 for which he was appointed and until his successor has been appointed and
12 has qualified.

13 (c) No member, officer or employee of a sewerage authority shall have
14 or acquire any interest, direct or indirect, in the sewerage system or in any
15 property included or planned to be included in the sewerage system or in any
16 contract or proposed contract for materials or services to be furnished to or
17 used by the sewerage authority, but neither the holding of any office or em-
18 ployment in the government of any county or municipality or under any
19 law of the State nor the owning of any property within the State shall be
20 deemed a disqualification for membership in or employment by a sewerage
21 authority. A member of a sewerage authority may be removed only by the
22 governing body by which he was appointed and only for inefficiency or neg-
23 lect of duty or misconduct in office and after he shall have been given a

24 copy of the charges against him and, not sooner than ten days thereafter,
25 had opportunity in person or by counsel to be heard thereon by such gov-
26 erning body.

27 (d) A sewerage authority may reimburse its members for necessary ex-
28 penses incurred in the discharge of their duties. The resolution, ordinance
29 or parallel ordinances for the creation of a sewerage authority may pro-
30 vide that the members of the sewerage authority may receive compensation
31 for their services within an annual and other limitations to be stated in
32 such resolution, ordinance or parallel ordinances, and in that event, each
33 member may receive from the sewerage authority such compensation for his
34 services as the sewerage authority may determine within the limitations
35 stated in such resolution, ordinance or parallel ordinances. No member of
36 any sewerage authority shall receive any compensation for his services except
37 as provided in this subsection.

38 (e) Every sewerage authority, upon the first appointment of its mem-
39 bers and thereafter on or after the first day of February in each year,
40 shall annually elect from among its members a chairman and a vice-chair-
41 man who shall hold office, until the first day of February next ensuing and
42 until their respective successors have been appointed and have qualified.
43 Every sewerage authority may also appoint and employ a secretary and
44 such professional and technical advisers and experts and such other offi-
45 cers, agents and employees as it may require, and it shall determine their
46 qualifications, terms of office, duties and compensation.

1 6. (a) The purposes of every sewerage authority shall be the relief of
2 the waters in and bordering the State from pollution arising from causes
3 within the district and the consequent improvement of conditions affecting
4 the public health.

5 (b) Every sewerage authority is hereby authorized and directed, sub-
6 ject to the limitations of this act, to acquire, in its own name but for the
7 local unit or units, by purchase, gift, condemnation or otherwise, and, not-
8 withstanding the provisions of any charter, ordinance or resolution of any

9 county or municipality to the contrary, to construct, maintain, operate and
10 use such trunk, intercepting and outlet sewers, conduits, pipe lines, pumping
11 and ventilating stations, treatment plants or works at such places, and such
12 other plants, structures, boats and conveyances, as in the judgment of the
13 sewerage authority will provide an effective and satisfactory method for
14 promoting the purposes of the sewerage authority.

15 (c) Every sewerage authority is hereby authorized and directed, when
16 in its judgment its sewerage system or any part thereof will permit, to
17 collect from any and all public sewage systems within the district all sew-
18 age and treat and dispose of the same in such manner as to promote the
19 purposes of the sewerage authority.

1 7. Every sewerage authority shall be a public body politic and corpo-
2 rate constituting a political subdivision of the State established as an instru-
3 mentality exercising public and essential governmental functions to provide
4 for the public health and welfare and shall have perpetual succession and
5 have the following powers:

6 (1) To adopt and have a common seal and to alter the same at pleasure;

7 (2) To sue and to be sued;

8 (3) In the name of the sewerage authority and on its behalf, to acquire,
9 hold, use and dispose of its service charges and other revenues and other
10 moneys;

11 (4) In the name of the sewerage authority but for the local unit or
12 units, to acquire, hold, use and dispose of other personal property for the
13 purposes of the sewerage authority;

14 (5) In the name of the sewerage authority but for the local unit or
15 units, to acquire by purchase, gift, condemnation or otherwise, real prop-
16 erty and easements therein, necessary or useful and convenient for the pur-
17 poses of the sewerage authority, and subject to mortgages, deeds of trust
18 or other liens, or otherwise, and to hold and to use the same, and to dispose
19 of property so acquired no longer necessary for the purposes of the sewer-
20 age authority;

20½ (6) To provide for and secure the payment of any bonds and the rights
21 of the holders thereof, and to purchase, hold and dispose of any bonds;

22 (7) To accept gifts or grants of real or personal property, money, ma-
23 terial, labor or supplies for the purposes of the sewerage authority, and to
24 make and perform such agreements and contracts as may be necessary or
25 convenient in connection with the procuring, acceptance or disposition of
26 such gifts or grants;

26½ (8) To enter on any lands, waters or premises for the purpose of mak-
27 ing surveys, borings, soundings and examinations for the purposes of the
28 sewerage authority;

29 (9) To make and enforce by-laws or rules and regulations for the man-
30 agement and regulation of its business and affairs and for the use, mainte-
31 nance and operation of the sewerage system and any other of its properties,
32 and to amend the same;

33 (10) To do and perform any acts and things authorized by this act
34 under, through or by means of its own officers, agents and employees, or by
35 contracts with any persons; and

36 (11) To enter into any any all contracts, execute any and all instru-
37 ments, and do and perform any and all acts or things necessary, conven-
38 ient or desirable for the purposes of the sewerage authority or to carry
39 out any power expressly given in this act.

1 8. (a) Every sewerage authority is hereby authorized to charge and col-
2 lect rents, rates, fees or other charges (in this act sometimes referred to
3 as "service charges") for direct or indirect connection with, or the use or
4 services of, the sewerage system. Such service charges may be charged to
5 and collected from any person contracting for such connection or use or
6 services or from the owner or occupant, or both of them, of any real prop-
7 erty which directly or indirectly is or has been connected with the system
8 or from or on which originates or has originated sewage or other wastes
9 which directly or indirectly have entered or may enter the sewerage system,
10 and the owner of any such real property shall be liable for and shall pay

11 such service charges to the sewerage authority at the time when and place
12 where such service charges are due and payable.

13 (b) Such rents, rates, fees and charges, being in the nature of use or
14 service charges, shall as nearly as the sewerage authority shall deem prac-
15 ticable and equitable be uniform throughout the district for the same type,
16 class and amount of use or service of the sewerage system, and may be based
17 or computed either on the consumption of water on or in connection with
18 the real property, making due allowance for commercial use of water, or on
19 the number and kind of water outlets on or in connection with the real prop-
20 erty, or on the number and kind of plumbing or sewerage fixtures or facilities
21 on or in connection with the real property, or on the number of persons re-
22 siding or working on or otherwise connected or identified with the real prop-
23 erty, or on the capacity of the improvements on or connected with the real
24 property, or on any other factors determining the type, class and amount of
25 use or service of the sewerage system, or on any combination of any such
26 factors, and may give weight to the characteristics of the sewage and other
27 wastes and any other special matter affecting the cost of treatment and dis-
28 posal thereof, including chlorine demand, biochemical oxygen demand, concen-
29 tration of solids and chemical composition.

30 (c) The sewerage authority shall prescribe and from time to time when
31 necessary revise a schedule of such service charges, which shall comply with
32 the terms of any contract of the sewerage authority and in any event shall be
33 such that the revenues of the sewerage authority will at all times be adequate
34 to pay all expenses of operation and maintenance of the sewerage system,
35 including reserves, insurance, extensions, and replacements, and to pay punc-
36 tually the principal of and interest on any bonds and to maintain such re-
37 serves or sinking funds therefor as may be required by the terms of any
38 contract of the sewerage authority or as may be deemed necessary or de-
39 sirable by the sewerage authority. Said schedule shall thus be prescribed and
40 from time to time revised by the sewerage authority after public hearing
41 thereon which shall be held by the sewerage authority at least seven days

42 after such published notice as the sewerage authority may determine to be
43 reasonable. The sewerage authority shall likewise fix and determine the time
44 or times when and the place or places where such service charges shall be
45 due and payable and may require that such service charges shall be paid in
46 advance for periods of not more than one year. A copy of such schedule of
47 service charges in effect shall at all times be kept on file at the principal office
48 of the sewerage authority and shall at all reasonable times be open to pub-
49 lic inspection.

1 9. Any local unit shall have power, in the discretion of its governing
2 body, to appropriate moneys for the purposes of the sewerage authority, and
3 to loan or donate such moneys to the sewerage authority in such install-
4 ments and upon such terms as may be agreed upon between such local unit
5 and the sewerage authority.

1 10. For the purpose of raising funds to pay the cost of any part of its
2 sewerage system, a sewerage authority shall have power to authorize or pro-
3 vide for the issuance of bonds pursuant to this act. Such sewerage author-
4 ity shall adopt a resolution (in this act sometimes referred to as "bond reso-
5 lution") which shall

6 (1) describe in brief and general terms sufficient for reasonable identifi-
7 cation the part (in this act sometimes called "project") of the sewerage sys-
8 tem to be constructed or acquired;

9 (2) state the cost or estimated cost of the project; and

10 (3) provide for the issuance of the bonds in accordance with either sec-
11 tion eleven or section twelve of this act.

1 11. (a) A bond resolution of a sewerage authority may provide for the
2 issuance of bonds of the local unit or units in accordance with this section
3 for the purpose stated in section ten. Such a bond resolution shall (1) deter-
4 mine and state the share of the cost of the project allocated and to be fi-
5 nanced by each of the local units and (2) determine and state all of the details
6 (except the rate or rates of interest payable thereon) of the bonds to be au-
7 thorized and issued by each of the local units for the purpose of financing

8 the project, all within the limitations and in accordance with the applicable
9 requirements of article one of chapter one of Title 40 of the Revised Stat-
10 utes (R. S., section 40:1-1 et seq.). A copy of such bond resolution, duly cer-
11 tified by the appropriate officer of the sewerage authority, shall be delivered
12 to the governing body of each local unit.

13 (b) Upon receipt of such certified copy of the bond resolution, each
14 local unit may appropriate the share of the cost of the project allocated to it
15 by the bond resolution and shall have power to incur indebtedness, borrow
16 money and issue its negotiable bonds for the purpose of financing such proj-
17 ect and appropriation. Such bonds shall comply with the description there-
18 of stated in the bond resolution and, if the governing body of such local unit
19 shall determine to issue the same, shall be authorized by municipal bond ordi-
20 nance or county bond resolution, as the case may be, finally adopted by the
21 governing body of the local unit in accordance with the limitations, and any
22 exceptions thereto, and in the manner or mode of procedure prescribed by ar-
23 ticle one of chapter one of Title 40 of the Revised Statutes (R. S., section
24 40:1-1 et seq.) except that (1) the purpose of such bonds may be described
25 and identified merely by reference to the bond resolution, and (2) no down
26 payment shall be required.

27 (c) If within ninety days after adoption of the bond resolution, the gov-
28 erning body of every local unit shall have adopted a municipal bond ordi-
29 nance or county bond resolution authorizing the issuance of all of the bonds
30 of such local unit contemplated and described in the bond resolution, no
31 municipal bond ordinance or county bond resolution authorizing the issuance
32 of any of the bonds contemplated and described in the bond resolution shall
33 thereafter be repealed, amended or revoked, except with the previous consent
34 of the sewerage authority.

35 (d) Such bonds shall be sold by the sewerage authority in accordance
36 with this section at such times and in such blocks or installments and bearing
37 such rates of interest and for such prices not less than their par value as
38 the sewerage authority may direct. Such bonds may be sold by the sewerage

39 authority in the manner or mode of procedure prescribed by section 40:1-53
40 of article one of chapter one of Title 40 of the Revised Statutes (R. S., sec-
41 tion 40:1-1 et seq.) but if not so sold, shall be sold only at public sale upon
42 sealed proposals after at least seven days' notice published at least once in
43 a publication carrying municipal bond notices and devoted primarily to fi-
44 nancial news or the subject of State and municipal bonds, published in New
45 York City or in New Jersey, to the bidder on whose bid the total loan may be
46 made at the lowest net cost, such net cost to be computed, as to each bid, by
47 adding to the total principal amount of the bonds which the bidder offers to
48 accept, the total interest which will be paid under the terms of the bid, and
49 deducting therefrom the amount bid for the bonds which shall not exceed by
50 more than one thousand dollars (\$1,000.00) the par value of the bonds offered
51 for sale. Such bonds shall be executed by the appropriate officials of the local
52 unit and delivered to the purchasers in accordance with the contract of sale,
53 and the proceeds thereof shall be paid to the sewerage authority.

1 12. (a) A bond resolution of a sewerage authority may provide for and
2 authorize the issuance of bonds of the sewerage authority in accordance
3 with this section for the purpose stated in section ten or for the purpose of
4 funding or refunding any bonds. A bond resolution providing for and au-
5 thorizing the issuance of bonds to fund or refund bonds shall, in lieu of the
6 matters described in clauses (1) and (2) of section ten, describe the bonds
7 which are to be funded or refunded.

8 (b) Upon adoption of the bond resolution, the sewerage authority shall
9 have power to incur indebtedness, borrow money and issue its bonds for the
10 purpose of financing the project or of funding or refunding the bonds de-
11 scribed therein. Such bonds shall be authorized by the bond resolution and
12 may be issued in one or more series and shall bear such date or dates,
13 mature at such time or times not exceeding forty years from the date
14 thereof, bear interest at such rate or rates not exceeding six per centum
15 (6%) per annum, be in such denomination or denominations, be in such
16 form, either coupon or registered, carry such conversion or registration

17 privileges, have such rank or priority, be executed in such manner, be pay-
18 able from such sources in such medium of payment at such place or places
19 within or without the State, and be subject to such terms of redemption (with
20 or without premium) as the bond resolution may provide.

21 (c) Bonds of a sewerage authority may be sold by the sewerage author-
22 ity at public or private sale at such price or prices as the sewerage authority
23 shall determine; *provided, however*, that the interest cost to maturity of the
24 money received for any issue of bonds (computed according to standard
25 tables of bond values) shall not exceed six per centum (6%) per annum.

1 13. After sale of any bonds pursuant to section eleven or section
2 twelve of this act, the sewerage authority shall have power to authorize the
3 execution and issuance to the purchasers, pending the preparation of the
4 definitive bonds, of interim certificates therefor or of temporary bonds or
5 other temporary instruments exchangeable for the definitive bonds when pre-
6 pared, executed and ready for delivery. The holders of such interim cer-
7 tificates, temporary bonds or other temporary instruments shall have all the
8 rights and remedies which they would have as holders of the definitive
9 bonds.

1 14. Any sewerage authority may cause to be published in a newspaper
2 published in the district a copy of any bond resolution adopted by it,
3 together with a notice stating the date of such adoption and also the date of
4 the first publication of such notice and also that any action or proceeding of
5 any kind or nature in any court questioning the validity of the creation and
6 establishment of the sewerage authority, or the validity or proper author-
7 ization of bonds provided for by the bond resolution, or the validity of any
8 covenants, agreements or contracts provided for by the bond resolution shall
9 be commenced within twenty days after the first publication of such notice.
10 If no such action or proceeding shall be commenced or instituted within
11 twenty days after the first publication of such notice, then all residents and
12 taxpayers and owners of property in the district and users of the sewerage
13 system and all other persons whatsoever shall be forever barred and fore-

14 closed from instituting or commencing any action or proceeding in any court,
15 or from pleading any defense to any action or proceeding, questioning the
16 validity of the creation and establishment of the sewerage authority, the
17 validity or proper authorization of such bonds, or the validity of any such
18 covenants, agreements or contracts, and said bonds, covenants, agreements
19 and contracts shall be conclusively deemed to be valid and binding obliga-
20 tions in accordance with their terms and tenor.

1 15. Any provision of any law to the contrary notwithstanding, any bond
2 or other obligation issued pursuant to this act shall be fully negotiable within
3 the meaning and for all purposes of the negotiable instruments law of the
4 State, and each holder or owner of such a bond or other obligation, or of any
5 coupon appurtenant thereto, by accepting such bond or coupon shall be con-
6 clusively deemed to have agreed that such bond, obligation or coupon is and
7 shall be fully negotiable within the meaning and for all purposes of said
8 negotiable instruments law.

1 16. Any bond resolution of a sewerage authority providing for or au-
2 thorizing the issuance of any bonds may contain provisions, and such sewer-
3 age authority, in order to secure the payment of such bonds and in addition
4 to its other powers, shall have power by provision in the bond resolution to
5 covenant and agree with the several holders of such bonds, as to:

6 (1) the custody, security, use, expenditure or application of the proceeds
7 of the bonds;

8 (2) the construction and completion, or replacement, of all or any part
9 of the sewerage system;

10 (3) the use, regulation, operation, maintenance, insurance or disposition
11 of all or any part of the sewerage system, or restrictions on the exercise of
12 the powers of the sewerage authority to dispose, or to limit or regulate the
13 use, of all or any part of the sewerage system;

14 (4) payment of the principal of or interest on the bonds, or any other
15 obligations, and the sources and methods thereof, the rank or priority of any

16 such bonds or obligations as to any lien or security, or the acceleration of the
17 maturity of any such bonds or obligations;

18 (5) the use and disposition of any moneys of the sewerage authority,
19 including revenues (in this act sometimes called "system revenues") derived
20 or to be derived from the operation of all or any part of the sewerage system,
21 including any parts thereof theretofore constructed or acquired and any
22 parts, extensions, replacements or improvements thereof thereafter con-
23 structed or acquired;

24 (6) pledging, setting aside, depositing or trusteeing all or any part of
25 the system revenues or other moneys of the sewerage authority to secure the
26 payment of the principal of or interest on the bonds or any other obligations,
27 or the payment of expenses of operation or maintenance of the sewerage sys-
28 tem, and the powers and duties of any trustee with regard thereto;

29 (7) the setting aside out of the system revenues or other moneys of the
30 sewerage authority of reserves and sinking funds, and the source, custody,
31 security, regulation, application and disposition thereof;

32 (8) determination or definition of the system revenues or of the expenses
33 of operation and maintenance of the sewerage system;

34 (9) the rents, rates, fees, or other charges for connection with or the use
35 or services of the sewerage system, including any parts thereof theretofore
36 constructed or acquired and any parts, extensions, replacements or improve-
37 ments thereof thereafter constructed or acquired, and the fixing, establish-
38 ment, collection and enforcement of the same, the amount or amounts of
39 system revenues to be produced thereby, and the disposition and application
40 of the amounts charged or collected;

41 (10) the assumption or payment or discharge of any indebtedness, liens
42 or other claims relating to any part of the sewerage system or any obligations
43 having or which may have a lien on any part of the system revenues;

44 (11) limitations on the issuance of additional bonds or any other obliga-
45 tions or on the incurrence of indebtedness of the sewerage authority;

46 (12) limitations on the powers of the sewerage authority to construct,
47 acquire or operate, or permit the construction, acquisition or operation of,

48 any plants, structures, facilities or properties which may compete or tend to
49 compete with the sewerage system;

50 (13) vesting in a trustee or trustees such property, rights, powers and
51 duties in trust as the sewerage authority may determine which may include
52 any or all of the rights, powers and duties of the trustee appointed by the
53 holders of bonds pursuant to section seventeen of this act, and limiting or
54 abrogating the right of such holders to appoint a trustee pursuant to sec-
55 tion seventeen of this act or limiting the rights, duties and powers of such
56 trustee;

57 (14) payment of costs or expenses incident to the enforcement of the
58 bonds or of the provisions of the bond resolution or of any covenant or con-
59 tract with the holders of the bonds;

60 (15) the procedure, if any, by which the terms of any covenant or con-
61 tract with, or duty to, the holders of bonds may be amended or abrogated,
62 the amount of bonds the holders of which must consent thereto, and the man-
63 ner in which such consent may be given or evidenced; or

64 (16) any other matter or course of conduct which, by recital in the bond
65 resolution, is declared to further secure the payment of the principal of or
66 interest on the bonds.

67 All such provisions of the bond resolution and all such covenants and
68 agreements shall constitute valid and legally binding contracts between the
69 sewerage authority and the several holders of the bonds, regardless of the
70 time of issuance of such bonds, and shall be enforceable by any such holder
71 or holders by mandamus or other appropriate action, suit, or proceeding at
72 law or in equity in any court of competent jurisdiction.

1 17. (a) The provisions of this section shall be applicable to a series of
2 bonds authorized or issued under this act only if the bond resolution of the
3 sewerage authority authorizing or providing for the issuance of such bonds
4 shall provide in substance that the holders of the bonds of such series shall
5 be entitled to the benefits, and be subject to the provisions, of this section.

6 (b) In the event that there shall be a default in the payment of principal
7 of or interest on any bonds of such series after the same shall become due,
8 whether at maturity or upon call for redemption, and such default shall con-
9 tinue for a period of thirty days, or in the event that the sewerage authority
10 shall fail or refuse to comply with the provisions of this act or shall fail or
11 refuse to carry out and perform the terms of any contract with the holders
12 of any of such bonds, and such failure or refusal shall continue for a period
13 of thirty days after written notice to the sewerage authority of its existence
14 and nature, the holders of twenty-five per centum (25%) in aggregate
15 principal amount of the bonds of such series then outstanding, by instru-
16 ment or instruments filed in the office of the Secretary of State and proved
17 or acknowledged in the same manner as a deed to be recorded, may appoint
18 a trustee to represent the holders of the bonds of such series for the pur-
19 poses provided in this section.

20 (c) Such trustee may and upon written request of the holders of
21 twenty-five per centum (25%) in aggregate principal amount of the bonds
22 of such series then outstanding shall, in his or its own name:

23 (1) By mandamus, certiorari or other action, suit, writ or proceed-
24 ing at law or in equity, enforce all rights of the holders of such bonds,
25 including the right to require the sewerage authority to charge and col-
26 lect service charges adequate to carry out any contract as to, or pledge
27 of, system revenues, and to require the sewerage authority to carry out
28 and perform the terms of any contract with the holders of such bonds or
29 its duties under this act;

30 (2) Bring action or suit upon all or any part of such bonds or
31 interest coupons or claims appurtenant thereto;

32 (3) By action or suit in equity require the sewerage authority to
33 account as if it were the trustee of an express trust for the holders of
34 such bonds;

35 (4) By action or suit in equity enjoin any acts or things which may
36 be unlawful or in violation of the rights of the holders of such bonds; or

37 (5) Declare all such bonds due and payable, whether or not in
38 advance of maturity, upon thirty days' prior notice in writing to the
39 sewerage authority and, if all defaults shall be made good, then with the
40 consent of the holders of twenty-five per centum (25%) of the principal
41 amount of such bonds then outstanding, annul such declaration and its
42 consequences.

43 (d) Such trustee shall, in addition to the foregoing, have and possess
44 all of the powers necessary or appropriate for the exercise of the functions
45 specifically set forth herein or incident to the general representation of the
46 holders of bonds of such series in the enforcement and protection of their
47 rights.

48 (e) In any suit, action or proceeding by such trustee, the fees, counsel
49 fees and expenses of the trustee and of the receiver, if any, appointed
50 pursuant to this act, shall constitute taxable costs and disbursements, and
51 all costs and disbursements, allowed by the court, shall be a first charge
52 upon any service charges and system revenues of the sewerage authority
53 pledged for the payment or security of bonds of such series.

1 18. If a bond resolution of a sewerage authority authorizing or provid-
2 ing for the issuance of the bonds of any series shall contain the provision
3 authorized by subsection (a) of section seventeen of this act and shall
4 further provide in substance that any trustee appointed pursuant to said
5 section shall have the powers provided by this section, then such trustee,
6 whether or not all of the bonds of such series shall have been declared due
7 and payable, shall be entitled as of right to the appointment of a receiver
8 of the sewerage system, and such receiver may enter upon and take posses-
9 sion of the sewerage system and, subject to any pledge or contract with the
10 holders of such bonds, shall take possession of all moneys and other prop-
11 erty derived from or applicable to the acquisition, construction, operation,
12 maintenance or reconstruction of the sewerage system and proceed with such
13 acquisition, construction, operation, maintenance or reconstruction which the
14 sewerage authority is under any obligation to do, and operate, maintain
15 and reconstruct the sewerage system and fix, charge, collect, enforce and

16 receive the service charges and all system revenues thereafter arising sub-
17 ject to any pledge thereof or contract with the holders of such bonds relat-
18 ing thereto and perform the public duties and carry out the contracts and
19 obligations of the sewerage authority in the same manner as the sewerage
20 authority itself might do and under the direction of the court.

1 19. Neither the members of the sewerage authority nor any person ex-
2 ceuting bonds issued pursuant to this act shall be liable personally on the
3 bonds by reason of the issuance thereof. Bonds or other obligations issued
4 pursuant to this act shall not be in any way a debt or liability of the State,
5 and bonds or other obligations issued by a sewerage authority pursuant to
6 this act shall not be in any way a debt or liability of the State or of any local
7 unit or of any county or municipality and shall not create or constitute any
8 indebtedness, liability or obligation of the State or of any such local unit,
9 county or municipality, either legal, moral or otherwise, and nothing in this
10 act contained shall be construed to authorize any sewerage authority to incur
11 any indebtedness on behalf of or in any way to obligate the State or any county
12 or municipality.

1 20. Every sewerage authority is hereby empowered, in its own name but
2 for the local unit or units, to acquire by purchase, gift, grant or devise and
3 to take for public use real property, within or without the district, which may
4 be deemed by the sewerage authority necessary for its purposes. Such
5 sewerage authority is hereby empowered to acquire and take such real prop-
6 erty by condemnation, in the manner provided by chapter one of Title 20,
7 Eminent Domain, of the Revised Statutes (R. S. §20:1-1 et seq.) and, to that
8 end, may invoke and exercise in the manner or mode of procedure prescribed
9 in said chapter, either in its own name or in the name of any local unit or
10 units, all of the powers of such local unit or units to acquire or take prop-
11 erty for public use.

1 21. (a) In the event that a service charge of any sewerage authority with
2 regard to any parcel of real property shall not be paid as and when due, in-
3 terest shall accrue and be due to the sewerage authority on the unpaid balance

4 at the rate of one per centum (1%) per month until such service charge, and
5 the interest thereon, shall be fully paid to the sewerage authority.

6 (b) In the event that a service charge of any sewerage authority with re-
7 gard to any parcel of real property owned by any person other than the State
8 or an agency or subdivision thereof shall not be paid as and when due, the un-
9 paid balance thereof and all interest accruing thereon shall be a lien on such
10 parcel. Such lien shall be superior and paramount to the interest in such
11 parcel of any owner, lessee, tenant, mortgagee or other person except the lien
12 of municipal taxes and shall be on a parity with and deemed equal to the lien
13 on such parcel of the municipality where such parcel is situate for taxes
14 thereon due in the same year and not paid when due. Such lien shall not
15 bind or affect a subsequent bona fide purchaser of such parcel for a valuable
16 consideration without actual notice of such lien, unless the sewerage author-
17 ity shall have filed in the office of the collector or other officer of said mu-
18 nicipality charged with the duty of enforcing municipal liens on real prop-
19 erty a statement showing the amount and due date of such unpaid balance
20 and identifying such parcel, which identification may be sufficiently made by
21 reference to the assessment map of said municipality. The information
22 shown in such statement shall be included in any certificate with respect to
23 said parcel thereafter made by the official of said municipality vested with
24 the power to make official certificates of searches for municipal liens. When-
25 ever such service charge and any subsequent service charge with regard to
26 such parcel and all interest accrued thereon shall have been fully paid to
27 the sewerage authority, such statement shall be promptly withdrawn or can-
28 celled by the sewerage authority.

29 (c) In the event that a service charge of any sewerage authority with re-
30 gard to any parcel of real property shall not be paid as and when due, the
31 sewerage authority may, in its discretion, enter upon such parcel and cause
32 the connection thereof leading directly or indirectly to the sewerage system
33 to be cut and shut off until such service charge and any subsequent service
34 charge with regard to such parcel and all interest accrued thereon shall be
35 fully paid to the sewerage authority.

36 (d) In the event that a service charge of any sewerage authority with
37 regard to any parcel of real property shall not be paid as and when due, the
38 sewerage authority may, in accordance with section twenty-six of this act,
39 cause the supply of water to such parcel to be stopped or restricted until such
40 service charge and any subsequent service charge with regard to such parcel
41 and all interest accrued thereon shall be fully paid to the sewerage authority.
42 If for any reason such supply of water shall not be promptly stopped or re-
43 stricted as required by section twenty-six of this act, the sewerage authority
44 may itself shut off or restrict such supply and, for that purpose, may enter
45 on any lands, waters or premises of any county, municipality or other per-
46 son. The supply of water to such parcel shall, notwithstanding the provi-
47 sions of this subsection, be restored or increased if the State Department of
48 Health, upon application of the local board of health or health officer of the
49 municipality where such parcel is situate, shall after public hearing find and
50 shall certify to the sewerage authority that the continuance of such stopping
51 or restriction of the supply of water endangers the health of the public in
52 such municipality.

53 (e) The collector or other officer of every municipality charged by law
54 with the duty of enforcing municipal liens on real property shall enforce,
55 with and as any other municipal lien on real property in such municipality,
56 all service charges and the lien thereof shown in any statement filed with
57 him by any sewerage authority pursuant to subsection (b) of this section,
58 and shall pay over to the sewerage authority the sums or a pro rata share of
59 the sums realized upon such enforcement or upon liquidation of any prop-
60 erty acquired by the municipality by virtue of such enforcement.

61 (f) In the event that any service charge of a sewerage authority shall
62 not be paid as and when due, the unpaid balance thereof and all interest ac-
63 crued thereon, together with attorneys' fees and costs, may be recovered by
64 the sewerage authority in a civil action, and any lien on real property for
65 such service charge and interest accrued thereon may be foreclosed or other-

66 wise enforced by the sewerage authority by action or suit in equity as for the
67 foreclosure of a mortgage on such real property.

68 (g) All rights and remedies granted by this act for the collection and
69 enforcement of service charges shall be cumulative and concurrent.

1 22. Any county, by resolution of its governing body, or any municipal-
2 ity, by ordinance of its governing body, or any other person is hereby em-
3 powered, without any referendum and without the consent of any board,
4 officer or other agency of the State, to sell, lease, lend, grant or convey to
5 any sewerage authority, or to permit any sewerage authority to use, main-
6 tain or operate as part of the sewerage system, any real or personal prop-
7 erty owned by it, including all or any part of any system of main, lateral
8 or other sewers or other sewerage facilities, which may be necessary or
9 useful and convenient for the purposes of the sewerage authority and which
10 may be accepted by the sewerage authority. Any such sale, lease, loan,
11 grant, conveyance or permit may be made with or without consideration
12 and for a specified or an unlimited period of time and under any agree-
13 ment and on any terms and conditions which may be approved by such
14 county, municipality or other person and which may be agreed to by the
15 sewerage authority in conformity with its contracts with the holders of any
16 bonds. Subject to any such contracts with holders of bonds, the sewerage
17 authority may enter into and perform any and all agreements with respect
18 to property so accepted by it, including agreements for the assumption of
19 principal or interest or both of indebtedness of such county, municipal-
20 ity or other person or of any mortgage or lien existing with respect to such
21 property or for the operation and maintenance of such property as part of
22 the sewerage system.

1 23. Any sewerage authority and any municipality within or without the
2 district by ordinance of its governing body may enter into a contract or con-
3 tracts providing for or relating to the treatment and disposal of sewage
4 originating in the district or in such municipality by means of the sewer-
5 age system or any sewerage facilities of such municipality or both, and the

6 cost and expense of such treatment and disposal. Any sewerage authority
7 and any municipality within the district by ordinance of its governing body
8 may enter into a contract or contracts providing for the payment to the
9 sewerage authority by such municipality of a sum or sums of money, com-
10 puted as fixed amounts or by a formula based on any factors or other mat-
11-12 ters described in subsection (b) of section eight of this act or otherwise as
13 said contract or contracts may provide, in lieu of all or any part of the
14 service charges which would otherwise be charged and collected by the sew-
15 erage authority with regard to persons or real property within such munic-
16 ipality. Any such contract may be made with or without consideration and
17 for a specified or an unlimited time and on any terms and conditions which
18 may be approved by such municipality and which may be agreed to by the
19 sewerage authority in conformity with its contracts with the holders of any
20 bonds. Such municipality is hereby authorized and directed to do and per-
21 form any and all acts or things necessary, convenient or desirable to carry
22 out and perform every such contract and to provide for the payment or
23 discharge of any obligation thereunder in the same manner as other obli-
24 gations of such municipality. Subject to any such contracts with the hold-
25 ers of bonds, the sewerage authority is hereby authorized to do and per-
26 form any and all acts or things necessary, convenient or desirable to carry
27 out and perform every such contract and, in accordance with any such con-
28 tract, to reduce ratably the service charges which would otherwise be
29 charged and collected by the sewerage authority with regard to persons or
30 real property within such municipality, but nothing in this section or any
31 such contract shall prevent the sewerage authority from charging and col-
32 lecting, as if such contract had not been made, service charges with regard
33 to such persons and real property sufficient to meet any default or defi-
34 ciency in any payments agreed in such contract to be made by such munic-
35 ipality.

1 24. Any sewerage authority, subject to its contracts with the holders
2 of any bonds, is hereby empowered to provide, construct, maintain and oper-

3 ate facilities for the treatment and disposal of industrial wastes originat-
4 ing in the district and to enter into a contract or contracts with any person
5 on such terms and conditions as such contract or contracts may contain,
6 providing for or relating to the treatment and disposal of any such indus-
7 trial wastes. The sewerage authority and such person are hereby author-
8 ized and directed to do and perform any and all acts or things necessary,
9 convenient or desirable to carry out and perform every such contract and
10 to provide for the payment or discharge of any obligation thereunder in
11 the same manner as other obligations of such sewerage authority or per-
12 son.

1 25. (a) In order to carry out and effectuate its purposes, every sewer-
2 age authority is hereby authorized to enter upon and use and connect with
3 any existing public drains, sewers, conduits, pipe lines, pumping and ven-
4 tilating stations and treatment plants or works or any other public property
5 of a similar nature within the district and, if deemed necessary by the sew-
6 erage authority, close off and seal outlets and outfalls therefrom. No sew-
7 erage authority shall, however, take permanent possession or make perma-
8-9 nent use of any such treatment plant or works unless it acquires the same.

10 (b) In order to carry out and effectuate its purposes, every sewerage
11 authority is hereby authorized to construct, maintain and operate its sew-
12 erage system along, over, under and in any streets, alleys, highways and other
13 public places within the district, doing no unnecessary injury thereto and
14 making no unnecessary interruption in or interference with the public use
15 of such places and restoring the same to their former usefulness and con-
16 dition within a reasonable time.

1 26. (a) Each county and municipality within the district, and every
2 person owning or operating any sewer or drain or any system of water dis-
3 tribution serving three or more parcels of real property in the district, shall
4 at the request of the sewerage authority make available to the sewerage au-
5 thority any and all of its maps, plans, specifications, records, books, ac-

6 counts or other data or things deemed necessary by the sewerage authority
7 for its purposes.

8 (b) Each county, municipality and other public body shall promptly
9 pay to any sewerage authority all service charges which the sewerage au-
10 thority may charge to it, as owner or occupant of any real property, in ac-
11 cordance with section eight of this act, and shall provide for the payment
12 thereof in the same manner as other obligations of such county, municipal-
13 ity or public body.

14 (c) Each county, municipality and other person owning or operating
15 any sewer or drain which serves three or more parcels of real property
16 in the district and which discharges sewage into waters in or bordering
17 the State shall, upon notice from the sewerage authority of its availability
18 and a proposed point of connection with the sewerage system, cause such
19 sewer or drain to be connected with the sewerage system at such point
20 and in such manner as the sewerage authority may specify and shall there-
21 after cause said sewer or drain to discharge into the sewerage system.

22 (d) Each county, municipality and other person owning or operating
23 any system of water distribution serving three or more parcels of real prop-
24 erty in the district shall, from time to time after request therefor by the
25 sewerage authority, deliver to the sewerage authority copies of the records
26 made by it in the regular course of business of the amount of water sup-
27 plied by it to every such parcel of real property in the district. Such
28 copies shall be delivered to the sewerage authority within sixty days after
29 the making of such records, and the sewerage authority shall pay the rea-
30-31 sonable cost of preparation and delivery of such copies.

32 (e) Each county and municipality owning or operating any system of
33 water distribution serving three or more parcels of real property in the dis-
34 trict shall, and every other person owning or operating any such system
35 may, and is hereby authorized to enter into and perform a contract with the
36 sewerage authority that it will, upon request by the sewerage authority
37 specifying a parcel of real property in the district with regard to which a

38 service charge under section eight of this act is unpaid, cause the supply of
39 water from its system to such parcel of real property to be stopped or re-
40 stricted, as the sewerage authority may request, until such service charge
41 and any subsequent service charge with regard to such parcel and the inter-
42 est accrued thereon shall be fully paid or until the sewerage authority di-
43 rects otherwise. No such county, municipality or other person shall be lia-
44 able for any loss, damage or other claim based on or arising out of the
45 stopping or restricting of such supply, and the sewerage authority shall
46 pay the reasonable cost of so stopping or restricting such supply and of
47 restoring the same and may agree to indemnify such county, municipality
48 or other person from all loss or damage by reason of such stopping or re-
49 striction, including loss of profits.

1 27. Neither the sewerage authority nor any local unit shall have power
2 to mortgage, pledge, encumber or otherwise dispose of any part of the
3 sewerage system, except that the sewerage authority may dispose of such
4 part or parts thereof as may be no longer necessary for the purposes of the
5 sewerage authority. The provisions of this section shall be deemed to con-
6 stitute a part of the contract with the holder of any bonds. All property of
7 a sewerage authority shall be exempt from levy and sale by virtue of an
8 execution and no execution or other judicial process shall issue against the
9 same nor shall any judgment against a sewerage authority be a charge or
10 lien upon its property; *provided*, that nothing herein contained shall apply
11 to or limit the rights of the holder of any bonds to pursue any remedy for
12 the enforcement of any pledge or lien given by a sewerage authority on its
13 system revenues.

1 28. (a) No county, municipality or other person shall discharge, or
2 suffer to be discharged, directly or indirectly into any waters in or bordering
3 a district any sewage which may or will cause or contribute to the pollu-
4 tion of such waters; *provided*, that this prohibition shall be applicable only to
5 such part or parts of such waters as are in an area of the district bounded
6 and described in a notice, inserted at least once in a newspaper published in

7 the district, to the effect that the sewerage authority has provided facilities
8 reasonably sufficient in its opinion for the treatment and disposal of sewage
9 which by discharge into such waters might cause or contribute to pollution
10 of such waters, and that pollution of such waters is forbidden by law. Such
11 a notice shall constitute prima facie evidence of the existence of facilities
12 sufficient for the treatment and disposal of all such sewage.

13 (b) No county, municipality or other person shall discharge or suffer
14 to be discharged directly or indirectly into the sewerage system of any
15 sewerage authority any matter or thing which is or may be injurious or
16 deleterious to such sewerage system, or to its efficient operation.

17 (c) Any county, municipality or other person may be restrained,
18 enjoined or otherwise prevented from violating or continuing the violation
19 of any provision of this section by injunction, mandamus or other appropriate
20 remedy at law or in equity by any court of competent jurisdiction upon
21 action, bill, suit or other proceeding instituted by a sewerage authority or
22 by any prosecutor of the pleas.

23 (d) No violation of any provision of this section shall be deemed to have
24 occurred by reason of the discharge of sewage from any boat or vessel while
25 afloat or on marine railway or in drydock.

1 29. No sewage disposal plant or other facilities for the collection, treat-
2 ment or disposal of sewage arising within a district shall be constructed
3 unless the sewerage authority shall give its consent thereto and approve
4 the plans and specifications therefor. Each sewerage authority is hereby
5 empowered to give such consent and approval, subject, however, to the
6 terms and provisions of any agreement with the holders of bonds.

1 30. Notwithstanding any restriction contained in any other law, the
2 State and all public officers, municipalities, counties, political subdivisions
3 and public bodies, and agencies thereof, all banks, bankers, trust companies,
4 savings banks and institutions, building and loan associations, savings and
5 loan associations, investment companies, and other persons carrying on a
6 banking business, all insurance companies, insurance associations and other

7 persons carrying on an insurance business, and all executors, administra-
8 tors, guardians, trustees and other fiduciaries, may legally invest any sink-
9 ing funds, moneys or other funds belonging to them or within their control
10 in any bonds, and such bonds shall be authorized security for any and all
11 public deposits.

1 31. Every sewerage system and all other property of a sewerage authority
2 are hereby declared to be public property of a political subdivision of the
3 State and devoted to an essential public and governmental function and
4 purpose and shall be exempt from all taxes and special assessments of the
5 State or any subdivision thereof. All bonds are hereby declared to be issued
6 by a political subdivision of this State and for an essential public and
7 governmental purpose and to be a public instrumentality, and such bonds,
8 and the interest thereon and the income therefrom, and all service charges,
9 funds, revenues and other moneys pledged or available to pay or secure the
10 payment of such bonds, or interest thereon, shall at all times be exempt from
11 taxation except for transfer inheritance and estate taxes and taxes on
12 transfers by or in contemplation of death.

1 32. The State of New Jersey does hereby pledge to and covenant and
2 agree with the holders of any bonds issued pursuant to a bond resolution
3 of a sewerage authority that the State will not authorize or permit the
4 construction or maintenance of any system of sewers or sewage disposal
5 plants which will be competitive with the sewerage system of the sewerage
6 authority, and will not limit or alter the rights hereby vested in the
7 sewerage authority to acquire, construct, maintain, reconstruct and operate
8 its sewerage system, and to fix, establish, charge and collect its service
9 charges and to fulfill the terms of any agreement made with the holders of
10 such bonds or other obligations, and will not in any way impair the rights
11 or remedies of such holders, and will not modify in any way the exemp-
12 tions from taxation provided for in this act, until the bonds, together with
13 interest thereon, with interest on any unpaid installments of interest, and all
14 costs and expenses in connection with any action or proceeding by or on
15 behalf of such holders, are fully met and discharged.

1 33. All banks, bankers, trust companies, savings banks, investment com-
2 panies and other persons carrying on a banking business are hereby author-
3 ized to give to any sewerage authority a good and sufficient undertaking with
4 such sureties as shall be approved by the sewerage authority to the effect
5 that such bank or banking institution as hereinbefore described shall faith-
6 fully keep and pay over to the order of or upon the warrant of the sewerage
7 authority or its authorized agent all such funds as may be deposited with it
8 by the sewerage authority and agreed interest thereon, at such times or upon
9 such demands as may be agreed upon with the authority or, in lieu of such
10 sureties, deposit with the sewerage authority or its authorized agent or any
11 trustee therefor or for the holders of any bonds, as collateral, such securities
12 as the sewerage authority may approve; *provided*, such securities shall con-
13 sist of obligations in which public officers and bodies of the State and its
14 municipal subdivisions, savings institutions, including savings and loan asso-
15 ciations, insurance companies and associations, executors, administrators,
16 guardians, trustees and other fiduciaries in the State may properly and
17 legally invest the funds within their control, in such principal amount, market
18 value or other description as may be approved by the sewerage authority.
19 The deposits of the sewerage authority may be evidenced by a depository
20 collateral agreement in such form and upon such terms and conditions as may
21 be agreed upon by the sewerage authority and such bank or banking in-
22 stitution.

1 34. Article three of chapter sixty-three of Title 40, Municipalities and
2 Counties, of the Revised Statutes (R. S., §§40:63-140 et seq.), is hereby re-
3 pealed.

1 35. This act shall be construed liberally to effectuate the legislative
2 intent and as complete and independent authority for the performance of
3 each and every act and thing herein authorized, and a sewerage authority
4 shall not be subject to regulation as to its service charges or as to any other
5 matter whatsoever by any officer, board, agency, commission or other office of
6 the State.

1 36. If any section, subsection, clause or provision of this act shall be
2 adjudged unconstitutional or to be ineffective in whole or in part, to the
3 extent that it is not adjudged unconstitutional or is not ineffective it shall be
4 valid and effective and no other section, subsection, clause or provision of
5 this act shall on account thereof be deemed invalid or ineffective, and the in-
6 applicability or invalidity of any section, subsection, clause or provision of
7 this act in any one or more instances or under any one or more circumstances
8 shall not be taken to affect or prejudice in any way its applicability or
9 validity in any other instance or under any other circumstance.

1 37. This act shall take effect immediately.

[SECOND OFFICIAL COPY REPRINT]

SENATE, No. 262

STATE OF NEW JERSEY

INTRODUCED MARCH 18, 1946

By Mr. HANNOLD

Referred to Committee on Municipalities

AN ACT relating to the authorization, acquisition, financing and operation of sewage disposal systems by or on behalf of any county or any one or more municipalities, providing for the creation of sewerage authorities to undertake the same, for the issuance of bonds and other obligations therefor, and for service charges to meet the expense thereof, repealing article three of chapter sixty-three of Title 40 (sections 40:63-140 et seq.) of the Revised Statutes, and supplementing Title 40 of the Revised Statutes.

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

1 1. This act shall be known and may be cited as the "sewerage authorities
2 law."

1 2. It is hereby declared to be in the public interest and to be the policy
2 of the State to foster and promote by all reasonable means the relief of
3 waters in and bordering the State from pollution and thus to reduce and
4 ultimately abate the menace to the public health resulting from such pollu-
5 tion. It is the purpose and object of this act to further and implement such
6 policy by

7 (1) Authorizing counties, or municipalities either separately or in com-
8 bination with other municipalities, by means and through the agency of a
9 sewerage authority, to acquire, construct, maintain, operate or improve
10 works for the collection, treatment, purification or disposal of sewage or other
11 wastes;

12 (2) Authorizing service charges to occupants or owners of property for
13 direct or indirect connection with and the use or services of such works, and
14 providing for the establishment, collection and enforcement of such charges;

15 (3) Creating as a body corporate and politic sewerage authorities to
16 have full responsibility and powers with respect to such works and the
17 establishment, collection, enforcement, use and disposition of all such service
18 charges;

19 (4) Providing for the financing of such works, for the issuance of
20 bonds therefor, and for the payment and security of such bonds; and

21 (5) In general, granting to counties and municipalities and to such
22 sewerage authorities discretionary powers to provide for sewerage services
23 designed to relieve pollution of such waters at the expense of the users of
24 such services and without increasing the burden of taxation in such counties
25 or municipalities.

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

3 (1) "Municipality" shall mean any city of any class, any borough,
4 village, town, township, or any other municipality other than a county or a
5 school district;

6 (2) "County" shall mean any county of any class;

7 (3) "Governing body" shall mean, in the case of a county, the board of
8 chosen freeholders, and, in the case of a municipality, the commission,
9 council, board or body, by whatever name it may be known, having charge
10 of the finances of the municipality;

11 (4) "Person" shall mean any person, association, corporation, nation,
12 State or any agency or subdivision thereof, other than a county or munic-
13 pality of the State or a sewerage authority;

14 (5) "Sewerage authority" shall mean a public body created pursuant
15 to section four of this act;

16 (6) Subject to the exceptions provided in section four of this act,
17 "district" shall mean the area within the territorial boundaries of the

18 county, or of the municipality or municipalities, which created or joined in
19 the creation of a sewerage authority;

20 (7) "Local unit" shall mean the county, or any municipality, which
21 created or joined in the creation of a sewerage authority;

22 (8) "Sewerage system" shall mean the plants, structures and other real
23 and personal property acquired, constructed or operated or to be acquired,
24 constructed or operated by a sewerage authority for the purposes of the
25 sewerage authority, including sewers, conduits, pipe lines, mains, pumping
26 and ventilating stations, sewage treatment or disposal systems, plants and
27 works, connections, and outfalls, and other plants, structures, boats, con-
28 veyances, and other real and personal property, and rights therein, and ap-
29 purtenances necessary or useful and convenient for the collection, treat-
30 ment, purification or disposal in a sanitary manner of any sewage, liquid or
31 solid wastes, night soil or industrial wastes;

32 (9) "Cost" shall mean, in addition to the usual connotations thereof,
33 the cost of acquisition or construction of all or any part of a sewerage
34 system and of all or any property, rights, easements and franchises deemed
35 by the sewerage authority to be necessary or useful and convenient there-
36 for, including reimbursements to the sewerage authority or any county,
37 municipality or other person of any moneys theretofore expended for the
38 purposes of the sewerage authority and including interest or discount on
39 bonds to finance such cost, engineering and inspection costs and legal ex-
40 penses, the cost of financial, professional and other advice, and the cost of
41 issuance of any such bonds;

42 (10) "Real property" shall mean lands both within and without the
43 State, and improvements thereof or thereon, or any rights or interests
44 therein;

45 (11) "Construct" and "construction" shall connote and include acts of
46 construction, reconstruction, replacement, extension, improvement and
47 betterment of a sewerage system;

48 (12) "Industrial wastes" shall mean liquid or other wastes resulting

49 from any processes of industry, manufacture, trade or business or from the
50 development of any natural resource;

51 (13) "Sewage" shall mean the water-carried wastes created in and
52 carried, or to be carried, away from residences, hotels, apartments, schools,
53 hospitals, industrial establishments, or any other public or private building,
54 together with such surface or ground water and industrial wastes as may
55 be present;

56 (14) "Pollution" means the condition of water resulting from the
57 introduction therein of substances of a kind and in quantities rendering it
58 detrimental or immediately or potentially dangerous to the public health, or
59 unfit for public or commercial use;

60 (15) "Ordinance" means a written act of the governing body of a mu-
61 nicipality adopted and otherwise approved and published in the manner or
62 mode of procedure prescribed for ordinances tending to obligate such munici-
63 pality pecuniarily; and

64 (16) "Resolution" means a written act of the governing body of a local
65 unit adopted and otherwise approved in the manner or mode of procedure
66 prescribed for resolutions tending to obligate such local unit pecuniarily.

67 (17) "Bonds" shall mean bonds or other obligations issued pursuant to
68 this act.

1 4. (a) The governing body of any county may, by resolution duly adopted,
2 create a public body corporate and politic under the name and style of "the
3 sewerage authority" with all or any signifi-
4 cant part of the name of such county inserted. Said body shall consist of
5 the five members thereof, who shall be appointed by resolution of the govern-
6 ing body as hereinafter in this section provided, and it shall constitute the
7 sewerage authority contemplated and provided for in this act and an agency
8 and instrumentality of said county. After the taking effect of the resolution
9 for the creation of said body and the filing of a certified copy thereof as in
10 subsection (d) of this section provided, five persons shall be appointed as the
11 members of the sewerage authority. The members first appointed shall, by

12 the resolution of appointment, be designated to serve for terms respectively
13 expiring on the first days of the first, second, third, fourth and fifth Febru-
14 arys next ensuing after the date of their appointment. On or after the first
15 day of January in each year after such first appointments, one person shall be
16 appointed as a member of the sewerage authority to serve for a term com-
17 mencing on the first day of February in such year and expiring on the first
18 day of February in the fifth year after such year. In the event of a vacancy
19 in the membership of the sewerage authority occurring during an unexpired
20 term of office, a person shall be appointed as a member of the sewerage
21 authority to serve for such unexpired term.

22 (b) The governing body of any municipality may, by ordinance duly
23 adopted, create a public body corporate and politic under the name and style
24 of "the sewerage authority" with all or any
25 significant part of the name of such municipality inserted. Said body shall
26 consist of the five members thereof, who shall be appointed by resolution of
27 the governing body as hereinafter in this section provided, and it shall con-
28 stitute the sewerage authority contemplated and provided for in this act and
29 an agency and instrumentality of said municipality. After the taking effect
30 of such ordinance and the filing of a certified copy thereof as in subsection
31 (d) of this section provided, five persons shall be appointed as the members
32 of the sewerage authority. The members first appointed shall, by the reso-
33 lution of appointment, be designated to serve for terms respectively expir-
34 ing on the first days of the first, second, third, fourth and fifth Februarys
35 next ensuing after the date of their appointment. On or after the first day of
36 January in each year after such first appointments, one person shall be ap-
37 pointed as a member of the sewerage authority to serve for a term com-
38 mencing on the first day of February in such year and expiring on the first
39 day of February in the fifth year after such year. In the event of a vacancy
40 in the membership of the sewerage authority occurring during an unexpired
41 term of office, a person shall be appointed as a member of the sewerage
42 authority to serve for such unexpired term.

43 (c) The governing bodies of any two or more municipalities, the areas
44 of which together comprise an integral body of territory, may, by parallel
45 ordinances duly adopted by each of such governing bodies within any single
46 calendar year, create a public body corporate and politic under the name and
47 style of "the..... sewerage authority" with all
48 or any significant part of the name of each such municipality or some identi-
49 fying geographical phrase inserted. Said body shall consist of the members
50 thereof, in an aggregate number determined as hereinafter in this subsection
51 provided, who shall be appointed by resolutions of the several governing
52 bodies as hereinafter in this section provided, and it shall constitute the
53 sewerage authority contemplated and provided for in this act and an agency
54 and instrumentality of the said municipalities. The number of members of
55 the sewerage authority to be appointed at any time for full terms of office by
56 the governing body of any such municipality shall be as may be stated in said
57 ordinances which shall be not less than one nor more than three. After the
58 taking effect of the said ordinances of all such municipalities and after the
59 filing of certified copies thereof as in subsection (d) of this section provided,
60 the appropriate number of persons shall be appointed as members of the
61 sewerage authority by the governing body of each municipality. The mem-
62 bers first appointed or to be first appointed shall serve for terms expiring on
63 the first day of the fifth February next ensuing after the date of the first
64 appointment of any member. On or after the first day of January in the
65 year in which expire the terms of the said members first appointed and in
66 every fifth year thereafter, the appropriate number of persons shall be ap-
67 pointed as members of the sewerage authority by the governing body of each
68 municipality, to serve for terms commencing on the first day of February in
69 such year and expiring on the first day of February in the fifth year after
70 such year. In the event of a vacancy in the membership of the sewerage
71 authority occurring during an unexpired term of office, a person shall be ap-
72 pointed as a member of the sewerage authority to serve for such unexpired

73 term by the governing body which made the original appointment for such
74 unexpired term.

75 (d) A copy of each resolution or ordinance for the creation of a sewer-
76 age authority adopted pursuant to this section, duly certified by the appro-
77 priate officer of the local unit, shall be filed in the office of the Secretary of
78 State. Upon proof of such filing of a certified copy of the resolution or or-
79 dinance or of certified copies of the parallel ordinances for the creation of
80 a sewerage authority as aforesaid, the sewerage authority therein referred
81 to shall, in any suit, action or proceeding involving the validity or enforce-
82 ment of, or relating to, any contract or obligation or act of the sewerage
83 authority, be conclusively deemed to have been lawfully and properly created
84 and established and authorized to transact business and exercise its powers
85 under this act. A copy of any such certified resolution or ordinance, duly cer-
86 tified by or on behalf of the Secretary of State, shall be admissible in evidence
87 in any suit, action or proceeding.

88 (e) A copy of each resolution appointing any member of a sewerage
89 authority adopted pursuant to this section, duly certified by the appropriate
90 officer of the local unit, shall be filed in the office of the Secretary of State. A
91 copy of such certified resolution, duly certified by or on behalf of the Secre-
92 tary of State, shall be admissible in evidence in any suit, action or proceed-
93 ing and, except in a suit, action or proceeding directly questioning such ap-
94 pointment, shall be conclusive evidence of the due and proper appointment of
95 the member or members named therein.

96 (f) No governing body which may create or join in the creation of any
97 sewerage authority pursuant to this section shall thereafter create or join in
98 the creation of any other sewerage authority. No governing body of any mu-
99 nicipality within a district shall create or join in the creation of any sewerage
100 authority except upon the written consent of the sewerage authority and in
101 accordance with the terms and conditions of such consent, and in the event
102 such consent be given and a sewerage authority be created pursuant thereto,
103 the area within the territorial boundaries of such municipality shall not there-

104 after be part of the district. In the event that prior to the creation of a
105 sewerage authority of a county the governing body of any municipality lo-
106 cated in said county shall have created or joined in the creation of a sewer-
107 age authority, the area within the territorial limits of such municipality shall
108 not be part of the district of the sewerage authority of said county.

109 (g) Within ten days after the filing in the office of the Secretary of State
110 of a certified copy of a resolution for the creation of a sewerage authority
111 adopted by the governing body of any county pursuant to this section, a copy
112 of such resolution, duly certified by the appropriate officer of the county, shall
113 be filed in the office of the clerk of each municipality within the county. In
114 the event that the governing body of any such municipality shall, within
115 sixty days after such filing in the office of the Secretary of State, adopt a
116 resolution determining that such municipality shall not be a part of the dis-
117 trict of such sewerage authority and file a copy thereof, duly certified by its
118 clerk, in the office of the Secretary of State, the area within the territorial
119 limits of such municipality shall not thereafter be part of such district.

1 5. (a) The powers of a sewerage authority shall be vested in the mem-
2 bers thereof in office from time to time. A majority of the entire authorized
3 membership of the sewerage authority shall constitute a quorum at any meet-
4 ing thereof. Action may be taken and motions and resolutions adopted by
5 the sewerage authority at any meeting of the members thereof by vote of
6 a majority of the members present, unless in any case the by-laws of the
7 sewerage authority shall require a larger number. The sewerage author-
8 ity may delegate to one or more of its officers, agents or employees such
9 powers and duties as it may deem proper.

10 (b) Each member of a sewerage authority shall hold office for the term
11 for which he was appointed and until his successor has been appointed and
12 has qualified.

13 (c) No member, officer or employee of a sewerage authority shall have
14 or acquire any interest, direct or indirect, in the sewerage system or in any
15 property included or planned to be included in the sewerage system or in any

16 contract or proposed contract for materials or services to be furnished to or
17 used by the sewerage authority, but neither the holding of any office or em-
18 ployment in the government of any county or municipality or under any
19 law of the State nor the owning of any property within the State shall be
20 deemed a disqualification for membership in or employment by a sewerage
21 authority. A member of a sewerage authority may be removed only by the
22 governing body by which he was appointed and only for inefficiency or neg-
23 lect of duty or misconduct in office and after he shall have been given a
24 copy of the charges against him and, not sooner than ten days thereafter,
25 had opportunity in person or by counsel to be heard thereon by such gov-
26 erning body.

27 (d) A sewerage authority may reimburse its members for necessary ex-
28 penses incurred in the discharge of their duties. The resolution, ordinance
29 or parallel ordinances for the creation of a sewerage authority may pro-
30 vide that the members of the sewerage authority may receive compensation
31 for their services within an annual and other limitations to be stated in
32 such resolution, ordinance or parallel ordinances, and in that event, each
33 member may receive from the sewerage authority such compensation for his
34 services as the sewerage authority may determine within the limitations
35 stated in such resolution, ordinance or parallel ordinances. No member of
36 any sewerage authority shall receive any compensation for his services except
37 as provided in this subsection.

38 (e) Every sewerage authority, upon the first appointment of its mem-
39 bers and thereafter on or after the first day of February in each year,
40 shall annually elect from among its members a chairman and a vice-chair-
41 man who shall hold office, until the first day of February next ensuing and
42 until their respective successors have been appointed and have qualified.
43 Every sewerage authority may also appoint and employ a secretary and
44 such professional and technical advisers and experts and such other offi-
45 cers, agents and employees as it may require, and it shall determine their
46 qualifications, terms of office, duties and compensation.

1 6. (a) The purposes of every sewerage authority shall be the relief of
2 the waters in and bordering the State from pollution arising from causes
3 within the district and the consequent improvement of conditions affecting
4 the public health.

5 (b) Every sewerage authority is hereby authorized and directed, sub-
6 ject to the limitations of this act, to acquire, in its own name but for the
7 local unit or units, by purchase, gift, condemnation or otherwise, and, not-
8 withstanding the provisions of any charter, ordinance or resolution of any
9 county or municipality to the contrary, to construct, maintain, operate and
10 use such trunk, intercepting and outlet sewers, conduits, pipe lines, pumping
11 and ventilating stations, treatment plants or works at such places, and such
12 other plants, structures, boats and conveyances, as in the judgment of the
13 sewerage authority will provide an effective and satisfactory method for
14 promoting the purposes of the sewerage authority.

15 (c) Every sewerage authority is hereby authorized and directed, when
16 in its judgment its sewerage system or any part thereof will permit, to
17 collect from any and all public sewage systems within the district all sew-
18 age and treat and dispose of the same in such manner as to promote the
19 purposes of the sewerage authority.

1 7. Every sewerage authority shall be a public body politic and corpo-
2 rate constituting a political subdivision of the State established as an instru-
3 mentality exercising public and essential governmental functions to provide
4 for the public health and welfare and shall have perpetual succession and
5 have the following powers:

6 (1) To adopt and have a common seal and to alter the same at pleasure;

7 (2) To sue and to be sued;

8 (3) In the name of the sewerage authority and on its behalf, to acquire,
9 hold, use and dispose of its service charges and other revenues and other
10 moneys;

11 (4) In the name of the sewerage authority but for the local unit or
12 units, to acquire, hold, use and dispose of other personal property for the
13 purposes of the sewerage authority;

14 (5) In the name of the sewerage authority but for the local unit or
15 units, to acquire by purchase, gift, condemnation or otherwise, real prop-
16 erty and easements therein, necessary or useful and convenient for the pur-
17 poses of the sewerage authority, and subject to mortgages, deeds of trust
18 or other liens, or otherwise, and to hold and to use the same, and to dispose
19 of property so acquired no longer necessary for the purposes of the sewer-
20 age authority;

20½ (6) To provide for and secure the payment of any bonds and the rights
21 of the holders thereof, and to purchase, hold and dispose of any bonds;

22 (7) To accept gifts or grants of real or personal property, money, ma-
23 terial, labor or supplies for the purposes of the sewerage authority, and to
24 make and perform such agreements and contracts as may be necessary or
25 convenient in connection with the procuring, acceptance or disposition of
26 such gifts or grants;

26½ (8) To enter on any lands, waters or premises for the purpose of mak-
27 ing surveys, borings, soundings and examinations for the purposes of the
28 sewerage authority;

29 (9) To make and enforce by-laws or rules and regulations for the man-
30 agement and regulation of its business and affairs and for the use, mainte-
31 nance and operation of the sewerage system and any other of its properties,
32 and to amend the same;

33 (10) To do and perform any acts and things authorized by this act
34 under, through or by means of its own officers, agents and employees, or by
35 contracts with any persons; and

36 (11) To enter into any and all contracts, execute any and all instru-
37 ments, and do and perform any and all acts or things necessary, conven-
38 ient or desirable for the purposes of the sewerage authority or to carry
39 out any power expressly given in this act.

1 S. (a) Every sewerage authority is hereby authorized to charge and col-
2 lect rents, rates, fees or other charges (in this act sometimes referred to
3 as "service charges") for direct or indirect connection with, or the use or

4 services of, the sewerage system. Such service charges may be charged to
5 and collected from any person contracting for such connection or use or
6 services or from the owner or occupant, or both of them, of any real prop-
7 erty which directly or indirectly is or has been connected with the system
8 or from or on which originates or has originated sewage or other wastes
9 which directly or indirectly have entered or may enter the sewerage system,
10 and the owner of any such real property shall be liable for and shall pay
11 such service charges to the sewerage authority at the time when and place
12 where such service charges are due and payable.

13 (b) Such rents, rates, fees and charges, being in the nature of use or
14 service charges, shall as nearly as the sewerage authority shall deem prac-
15 ticable and equitable be uniform throughout the district for the same type,
16 class and amount of use or service of the sewerage system, and may be based
17 or computed either on the consumption of water on or in connection with
18 the real property, making due allowance for commercial use of water, or on
19 the number and kind of water outlets on or in connection with the real prop-
20 erty, or on the number and kind of plumbing or sewerage fixtures or facilities
21 on or in connection with the real property, or on the number of persons re-
22 siding or working on or otherwise connected or identified with the real prop-
23 erty, or on the capacity of the improvements on or connected with the real
24 property, or on any other factors determining the type, class and amount of
25 use or service of the sewerage system, or on any combination of any such
26 factors, and may give weight to the characteristics of the sewage and other
27 wastes and any other special matter affecting the cost of treatment and dis-
28 posal thereof, including chlorine demand, biochemical oxygen demand, concen-
29 tration of solids and chemical composition.

30 (c) The sewerage authority shall prescribe and from time to time when
31 necessary revise a schedule of such service charges, which shall comply with
32 the terms of any contract of the sewerage authority and in any event shall be
33 such that the revenues of the sewerage authority will at all times be adequate
34 to pay all expenses of operation and maintenance of the sewerage system,

35 including reserves, insurance, extensions, and replacements, and to pay punctually the principal of and interest on any bonds and to maintain such reserves or sinking funds therefor as may be required by the terms of any contract of the sewerage authority or as may be deemed necessary or desirable by the sewerage authority. Said schedule shall thus be prescribed and from time to time revised by the sewerage authority after public hearing thereon which shall be held by the sewerage authority at least seven days after such published notice as the sewerage authority may determine to be reasonable. The sewerage authority shall likewise fix and determine the time or times when and the place or places where such service charges shall be due and payable and may require that such service charges shall be paid in advance for periods of not more than one year. A copy of such schedule of service charges in effect shall at all times be kept on file at the principal office of the sewerage authority and shall at all reasonable times be open to public inspection.

1 9. Any local unit shall have power, in the discretion of its governing
2 body, to appropriate moneys for the purposes of the sewerage authority, and
3 to loan or donate such moneys to the sewerage authority in such install-
4 ments and upon such terms as may be agreed upon between such local unit
5 and the sewerage authority.

1 10. For the purpose of raising funds to pay the cost of any part of its
2 sewerage system, a sewerage authority shall have power to authorize or pro-
3 vide for the issuance of bonds pursuant to this act. Such sewerage author-
4 ity shall adopt a resolution (in this act sometimes referred to as "bond reso-
5 lution") which shall

6 (1) describe in brief and general terms sufficient for reasonable identifi-
7 cation the part (in this act sometimes called "project") of the sewerage sys-
8 tem to be constructed or acquired;

9 (2) state the cost or estimated cost of the project; and

10 (3) provide for the issuance of the bonds in accordance with either sec-
11 tion eleven or section twelve of this act.

1 11. (a) A bond resolution of a sewerage authority may provide for the
2 issuance of bonds of the local unit or units in accordance with this section
3 for the purpose stated in section ten. Such a bond resolution shall (1) deter-
4 mine and state the share of the cost of the project allocated and to be fi-
5 nanced by each of the local units and (2) determine and state all of the details
6 (except the rate or rates of interest payable thereon) of the bonds to be au-
7 thorized and issued by each of the local units for the purpose of financing
8 the project, all within the limitations and in accordance with the applicable
9 requirements of article one of chapter one of Title 40 of the Revised Stat-
10 utes (R. S., section 40:1-1 et seq.). A copy of such bond resolution, duly cer-
11 tified by the appropriate officer of the sewerage authority, shall be delivered
12 to the governing body of each local unit.

13 (b) Upon receipt of such certified copy of the bond resolution, each
14 local unit may appropriate the share of the cost of the project allocated to it
15 by the bond resolution and shall have power to incur indebtedness, borrow
16 money and issue its negotiable bonds for the purpose of financing such proj-
17 ect and appropriation. Such bonds shall comply with the description there-
18 of stated in the bond resolution and, if the governing body of such local unit
19 shall determine to issue the same, shall be authorized by municipal bond ordi-
20 nance or county bond resolution, as the case may be, finally adopted by the
21 governing body of the local unit in accordance with the limitations, and any
22 exceptions thereto, and in the manner or mode of procedure prescribed by ar-
23 ticle one of chapter one of Title 40 of the Revised Statutes (R. S., section
24 40:1-1 et seq.) except that (1) the purpose of such bonds may be described
25 and identified merely by reference to the bond resolution, and (2) no down
26 payment shall be required.

27 (c) If within ninety days after adoption of the bond resolution, the gov-
28 erning body of every local unit shall have adopted a municipal bond ordi-
29 nance or county bond resolution authorizing the issuance of all of the bonds
30 of such local unit contemplated and described in the bond resolution, no
31 municipal bond ordinance or county bond resolution authorizing the issuance

32 of any of the bonds contemplated and described in the bond resolution shall
33 thereafter be repealed, amended or revoked, except with the previous consent
34 of the sewerage authority.

35 (d) Such bonds shall be sold by the sewerage authority in accordance
36 with this section at such times and in such blocks or installments and bearing
37 such rates of interest and for such prices not less than their par value as
38 the sewerage authority may direct. Such bonds may be sold by the sewerage
39 authority in the manner or mode of procedure prescribed by section 40:1-53
40 of article one of chapter one of Title 40 of the Revised Statutes (R. S., sec-
41 tion 40:1-1 et seq.) but if not so sold, shall be sold only at public sale upon
42 sealed proposals after at least seven days' notice published at least once in
43 a publication carrying municipal bond notices and devoted primarily to fi-
44 nancial news or the subject of State and municipal bonds, published in New
45 York City or in New Jersey, to the bidder on whose bid the total loan may be
46 made at the lowest net cost, such net cost to be computed, as to each bid, by
47 adding to the total principal amount of the bonds which the bidder offers to
48 accept, the total interest which will be paid under the terms of the bid, and
49 deducting therefrom the amount bid for the bonds which shall not exceed by
50 more than one thousand dollars (\$1,000.00) the par value of the bonds offered
51 for sale. Such bonds shall be executed by the appropriate officials of the local
52 unit and delivered to the purchasers in accordance with the contract of sale.
53 and the proceeds thereof shall be paid to the sewerage authority.

1 12. (a) A bond resolution of a sewerage authority may provide for and
2 authorize the issuance of bonds of the sewerage authority in accordance
3 with this section for the purpose stated in section ten or for the purpose of
4 funding or refunding any bonds. A bond resolution providing for and au-
5 thORIZING the issuance of bonds to fund or refund bonds shall, in lieu of the
6 matters described in clauses (1) and (2) of section ten, describe the bonds
7 which are to be funded or refunded.

8 (b) Upon adoption of the bond resolution, the sewerage authority shall
9 have power to incur indebtedness, borrow money and issue its bonds for the

10 purpose of financing the project or of funding or refunding the bonds de-
11 scribed therein. Such bonds shall be authorized by the bond resolution and
12 may be issued in one or more series and shall bear such date or dates,
13 mature at such time or times not exceeding forty years from the date
14 thereof, bear interest at such rate or rates not exceeding six per centum
15 (6%) per annum, be in such denomination or denominations, be in such
16 form, either coupon or registered, carry such conversion or registration
17 privileges, have such rank or priority, be executed in such manner, be pay-
18 able from such sources in such medium of payment at such place or places
19 within or without the State, and be subject to such terms of redemption (with
20 or without premium) as the bond resolution may provide.

21 (c) Bonds of a sewerage authority may be sold by the sewerage author-
22 ity at public or private sale at such price or prices as the sewerage authority
23 shall determine; *provided, however*, that the interest cost to maturity of the
24 money received for any issue of bonds (computed according to standard
25 tables of bond values) shall not exceed six per centum (6%) per annum.

1 13. After sale of any bonds pursuant to section eleven or section
2 twelve of this act, the sewerage authority shall have power to authorize the
3 execution and issuance to the purchasers, pending the preparation of the
4 definitive bonds, of interim certificates therefor or of temporary bonds or
5 other temporary instruments exchangeable for the definitive bonds when pre-
6 pared, executed and ready for delivery. The holders of such interim cer-
7 tificates, temporary bonds or other temporary instruments shall have all the
8 rights and remedies which they would have as holders of the definitive
9 bonds.

1 14. Any sewerage authority may cause to be published in a newspaper
2 published in the district a copy of any bond resolution adopted by it,
3 together with a notice stating the date of such adoption and also the date of
4 the first publication of such notice and also that any action or proceeding of
5 any kind or nature in any court questioning the validity of the creation and
6 establishment of the sewerage authority, or the validity or proper author-

7 ization of bonds provided for by the bond resolution, or the validity of any
8 covenants, agreements or contracts provided for by the bond resolution shall
9 be commenced within twenty days after the first publication of such notice.
10 If no such action or proceeding shall be commenced or instituted within
11 twenty days after the first publication of such notice, then all residents and
12 taxpayers and owners of property in the district and users of the sewerage
13 system and all other persons whatsoever shall be forever barred and fore-
14 closed from instituting or commencing any action or proceeding in any court,
15 or from pleading any defense to any action or proceeding, questioning the
16 validity of the creation and establishment of the sewerage authority, the
17 validity or proper authorization of such bonds, or the validity of any such
18 covenants, agreements or contracts, and said bonds, covenants, agreements
19 and contracts shall be conclusively deemed to be valid and binding obliga-
20 tions in accordance with their terms and tenor.

1 15. Any provision of any law to the contrary notwithstanding, any bond
2 or other obligation issued pursuant to this act shall be fully negotiable within
3 the meaning and for all purposes of the negotiable instruments law of the
4 State, and each holder or owner of such a bond or other obligation, or of any
5 coupon appurtenant thereto, by accepting such bond or coupon shall be con-
6 clusively deemed to have agreed that such bond, obligation or coupon is and
7 shall be fully negotiable within the meaning and for all purposes of said
8 negotiable instruments law.

1 16. Any bond resolution of a sewerage authority providing for or au-
2 thorizing the issuance of any bonds may contain provisions, and such sewer-
3 age authority, in order to secure the payment of such bonds and in addition
4 to its other powers, shall have power by provision in the bond resolution to
5 covenant and agree with the several holders of such bonds, as to:

6 (1) the custody, security, use, expenditure or application of the proceeds
7 of the bonds;

8 (2) the construction and completion, or replacement, of all or any part
9 of the sewerage system;

10 (3) the use, regulation, operation, maintenance, insurance or disposition
11 of all or any part of the sewerage system, or restrictions on the exercise of
12 the powers of the sewerage authority to dispose, or to limit or regulate the
13 use, of all or any part of the sewerage system;

14 (4) payment of the principal of or interest on the bonds, or any other
15 obligations, and the sources and methods thereof, the rank or priority of any
16 such bonds or obligations as to any lien or security, or the acceleration of the
17 maturity of any such bonds or obligations;

18 (5) the use and disposition of any moneys of the sewerage authority,
19 including revenues (in this act sometimes called "system revenues") derived
20 or to be derived from the operation of all or any part of the sewerage system,
21 including any parts thereof theretofore constructed or acquired and any
22 parts, extensions, replacements or improvements thereof thereafter con-
23 structed or acquired;

24 (6) pledging, setting aside, depositing or trusteeing all or any part of
25 the system revenues or other moneys of the sewerage authority to secure the
26 payment of the principal of or interest on the bonds or any other obligations,
27 or the payment of expenses of operation or maintenance of the sewerage sys-
28 tem, and the powers and duties of any trustee with regard thereto;

29 (7) the setting aside out of the system revenues or other moneys of the
30 sewerage authority of reserves and sinking funds, and the source, custody,
31 security, regulation, application and disposition thereof;

32 (8) determination or definition of the system revenues or of the expenses
33 of operation and maintenance of the sewerage system;

34 (9) the rents, rates, fees, or other charges for connection with or the use
35 or services of the sewerage system, including any parts thereof theretofore
36 constructed or acquired and any parts, extensions, replacements or improve-
37 ments thereof thereafter constructed or acquired, and the fixing, establish-
38 ment, collection and enforcement of the same, the amount or amounts of
39 system revenues to be produced thereby, and the disposition and application
40 of the amounts charged or collected;

41 (10) the assumption or payment or discharge of any indebtedness, liens
42 or other claims relating to any part of the sewerage system or any obligations
43 having or which may have a lien on any part of the system revenues;

44 (11) limitations on the issuance of additional bonds or any other obliga-
45 tions or on the incurrence of indebtedness of the sewerage authority;

46 (12) limitations on the powers of the sewerage authority to construct,
47 acquire or operate, or permit the construction, acquisition or operation of,
48 any plants, structures, facilities or properties which may compete or tend to
49 compete with the sewerage system;

50 (13) vesting in a trustee or trustees such property, rights, powers and
51 duties in trust as the sewerage authority may determine which may include
52 any or all of the rights, powers and duties of the trustee appointed by the
53 holders of bonds pursuant to section seventeen of this act, and limiting or
54 abrogating the right of such holders to appoint a trustee pursuant to sec-
55 tion seventeen of this act or limiting the rights, duties and powers of such
56 trustee;

57 (14) payment of costs or expenses incident to the enforcement of the
58 bonds or of the provisions of the bond resolution or of any covenant or con-
59 tract with the holders of the bonds;

60 (15) the procedure, if any, by which the terms of any covenant or con-
61 tract with, or duty to, the holders of bonds may be amended or abrogated,
62 the amount of bonds the holders of which must consent thereto, and the man-
63 ner in which such consent may be given or evidenced; or

64 (16) any other matter or course of conduct which, by recital in the bond
65 resolution, is declared to further secure the payment of the principal of or
66 interest on the bonds.

67 All such provisions of the bond resolution and all such covenants and
68 agreements shall constitute valid and legally binding contracts between the
69 sewerage authority and the several holders of the bonds, regardless of the
70 time of issuance of such bonds, and shall be enforceable by any such holder

71 or holders by mandamus or other appropriate action, suit, or proceeding at
72 law or in equity in any court of competent jurisdiction.

1 17. (a) The provisions of this section shall be applicable to a series of
2 bonds authorized or issued under this act only if the bond resolution of the
3 sewerage authority authorizing or providing for the issuance of such bonds
4 shall provide in substance that the holders of the bonds of such series shall
5 be entitled to the benefits, and be subject to the provisions, of this section.

6 (b) In the event that there shall be a default in the payment of principal
7 of or interest on any bonds of such series after the same shall become due,
8 whether at maturity or upon call for redemption, and such default shall con-
9 tinue for a period of thirty days, or in the event that the sewerage authority
10 shall fail or refuse to comply with the provisions of this act or shall fail or
11 refuse to carry out and perform the terms of any contract with the holders
12 of any of such bonds, and such failure or refusal shall continue for a period
13 of thirty days after written notice to the sewerage authority of its existence
14 and nature, the holders of twenty-five per centum (25%) in aggregate
15 principal amount of the bonds of such series then outstanding, by instru-
16 ment or instruments filed in the office of the Secretary of State and proved
17 or acknowledged in the same manner as a deed to be recorded, may appoint
18 a trustee to represent the holders of the bonds of such series for the pur-
19 poses provided in this section.

20 (c) Such trustee may and upon written request of the holders of
21 twenty-five per centum (25%) in aggregate principal amount of the bonds
22 of such series then outstanding shall, in his or its own name:

23 (1) By mandamus, certiorari or other action, suit, writ or proceed-
24 ing at law or in equity, enforce all rights of the holders of such bonds,
25 including the right to require the sewerage authority to charge and col-
26 lect service charges adequate to carry out any contract as to, or pledge
27 of, system revenues, and to require the sewerage authority to carry out
28 and perform the terms of any contract with the holders of such bonds or
29 its duties under this act;

30 (2) Bring action or suit upon all or any part of such bonds or
31 interest coupons or claims appurtenant thereto;

32 (3) By action or suit in equity require the sewerage authority to
33 account as if it were the trustee of an express trust for the holders of
34 such bonds;

35 (4) By action or suit in equity enjoin any acts or things which may
36 be unlawful or in violation of the rights of the holders of such bonds; or

37 (5) Declare all such bonds due and payable, whether or not in
38 advance of maturity, upon thirty days' prior notice in writing to the
39 sewerage authority and, if all defaults shall be made good, then with the
40 consent of the holders of twenty-five per centum (25%) of the principal
41 amount of such bonds then outstanding, annul such declaration and its
42 consequences.

43 (d) Such trustee shall, in addition to the foregoing, have and possess
44 all of the powers necessary or appropriate for the exercise of the functions
45 specifically set forth herein or incident to the general representation of the
46 holders of bonds of such series in the enforcement and protection of their
47 rights.

48 (e) In any suit, action or proceeding by such trustee, the fees, counsel
49 fees and expenses of the trustee and of the receiver, if any, appointed
50 pursuant to this act, shall constitute taxable costs and disbursements, and
51 all costs and disbursements, allowed by the court, shall be a first charge
52 upon any service charges and system revenues of the sewerage authority
53 pledged for the payment or security of bonds of such series.

1 18. If a bond resolution of a sewerage authority authorizing or provid-
2 ing for the issuance of the bonds of any series shall contain the provision
3 authorized by subsection (a) of section seventeen of this act and shall
4 further provide in substance that any trustee appointed pursuant to said
5 section shall have the powers provided by this section, then such trustee,
6 whether or not all of the bonds of such series shall have been declared due
7 and payable, shall be entitled as of right to the appointment of a receiver

8 of the sewerage system, and such receiver may enter upon and take posses-
9 sion of the sewerage system and, subject to any pledge or contract with the
10 holders of such bonds, shall take possession of all moneys and other prop-
11 erty derived from or applicable to the acquisition, construction, operation,
12 maintenance or reconstruction of the sewerage system and proceed with such
13 acquisition, construction, operation, maintenance or reconstruction which the
14 sewerage authority is under any obligation to do, and operate, maintain
15 and reconstruct the sewerage system and fix, charge, collect, enforce and
16 receive the service charges and all system revenues thereafter arising sub-
17 ject to any pledge thereof or contract with the holders of such bonds relat-
18 ing thereto and perform the public duties and carry out the contracts and
19 obligations of the sewerage authority in the same manner as the sewerage
20 authority itself might do and under the direction of the court.

1 19. Neither the members of the sewerage authority nor any person ex-
2 ceeding bonds issued pursuant to this act shall be liable personally on the
3 bonds by reason of the issuance thereof. Bonds or other obligations issued
4 pursuant to this act shall not be in any way a debt or liability of the State,
5 and bonds or other obligations issued by a sewerage authority pursuant to
6 this act shall not be in any way a debt or liability of the State or of any local
7 unit or of any county or municipality and shall not create or constitute any
8 indebtedness, liability or obligation of the State or of any such local unit,
9 county or municipality, either legal, moral or otherwise, and nothing in this
10 act contained shall be construed to authorize any sewerage authority to incur
11 any indebtedness on behalf of or in any way to obligate the State or any county
12 or municipality.

1 20. Every sewerage authority is hereby empowered, in its own name but
2 for the local unit or units, to acquire by purchase, gift, grant or devise and
3 to take for public use real property, within or without the district, which may
4 be deemed by the sewerage authority necessary for its purposes. Such
5 sewerage authority is hereby empowered to acquire and take such real prop-
6 erty by condemnation, in the manner provided by chapter one of Title 20,

7 Eminent Domain, of the Revised Statutes (R. S. §20:1-1 et seq.) and, to that
8 end, may invoke and exercise in the manner or mode of procedure prescribed
9 in said chapter, either in its own name or in the name of any local unit or
10 units, all of the powers of such local unit or units to acquire or take prop-
11 erty for public use.

1 21. (a) In the event that a service charge of any sewerage authority with
2 regard to any parcel of real property shall not be paid as and when due, in-
3 terest shall accrue and be due to the sewerage authority on the unpaid balance
4 at the rate of one per centum (1%) per month until such service charge, and
5 the interest thereon, shall be fully paid to the sewerage authority.

6 (b) In the event that a service charge of any sewerage authority with re-
7 gard to any parcel of real property owned by any person other than the State
8 or an agency or subdivision thereof shall not be paid as and when due, the un-
9 paid balance thereof and all interest accruing thereon shall be a lien on such
10 parcel. Such lien shall be superior and paramount to the interest in such
11 parcel of any owner, lessee, tenant, mortgagee or other person except the lien
12 of municipal taxes and shall be on a parity with and deemed equal to the lien
13 on such parcel of the municipality where such parcel is situate for taxes
14 thereon due in the same year and not paid when due. Such lien shall not
15 bind or affect a subsequent bona fide purchaser of such parcel for a valuable
16 consideration without actual notice of such lien, unless the sewerage author-
17 ity shall have filed in the office of the collector or other officer of said mu-
18 nicipality charged with the duty of enforcing municipal liens on real prop-
19 erty a statement showing the amount and due date of such unpaid balance
20 and identifying such parcel, which identification may be sufficiently made by
21 reference to the assessment map of said municipality. The information
22 shown in such statement shall be included in any certificate with respect to
23 said parcel thereafter made by the official of said municipality vested with
24 the power to make official certificates of searches for municipal liens. When-
25 ever such service charge and any subsequent service charge with regard to
26 such parcel and all interest accrued thereon shall have been fully paid to

27 the sewerage authority, such statement shall be promptly withdrawn or can-
28 celled by the sewerage authority.

29 (c) In the event that a service charge of any sewerage authority with re-
30 gard to any parcel of real property shall not be paid as and when due, the
31 sewerage authority may, in its discretion, enter upon such parcel and cause
32 the connection thereof leading directly or indirectly to the sewerage system
33 to be cut and shut off until such service charge and any subsequent service
34 charge with regard to such parcel and all interest accrued thereon shall be
35 fully paid to the sewerage authority.

36 (d) In the event that a service charge of any sewerage authority with
37 regard to any parcel of real property shall not be paid as and when due, the
38 sewerage authority may, in accordance with section twenty-six of this act,
39 cause the supply of water to such parcel to be stopped or restricted until such
40 service charge and any subsequent service charge with regard to such parcel
41 and all interest accrued thereon shall be fully paid to the sewerage authority.
42 If for any reason such supply of water shall not be promptly stopped or re-
43 stricted as required by section twenty-six of this act, the sewerage authority
44 may itself shut off or restrict such supply and, for that purpose, may enter
45 on any lands, waters or premises of any county, municipality or other per-
46 son. The supply of water to such parcel shall, notwithstanding the provi-
47 sions of this subsection, be restored or increased if the State Department of
48 Health, upon application of the local board of health or health officer of the
49 municipality where such parcel is situate, shall after public hearing find and
50 shall certify to the sewerage authority that the continuance of such stopping
51 or restriction of the supply of water endangers the health of the public in
52 such municipality.

53 (e) The collector or other officer of every municipality charged by law
54 with the duty of enforcing municipal liens on real property shall enforce,
55 with and as any other municipal lien on real property in such municipality,
56 all service charges and the lien thereof shown in any statement filed with
57 him by any sewerage authority pursuant to subsection (b) of this section,

58 and shall pay over to the sewerage authority the sums or a pro rata share of
59 the sums realized upon such enforcement or upon liquidation of any prop-
60 erty acquired by the municipality by virtue of such enforcement.

61 (f) In the event that any service charge of a sewerage authority shall
62 not be paid as and when due, the unpaid balance thereof and all interest ac-
63 crued thereon, together with attorneys' fees and costs, may be recovered by
64 the sewerage authority in a civil action, and any lien on real property for
65 such service charge and interest accrued thereon may be foreclosed or other-
66 wise enforced by the sewerage authority by action or suit in equity as for the
67 foreclosure of a mortgage on such real property.

68 (g) All rights and remedies granted by this act for the collection and
69 enforcement of service charges shall be cumulative and concurrent.

1 22. Any county, by resolution of its governing body, or any municipal-
2 ity, by ordinance of its governing body, or any other person is hereby em-
3 powered, without any referendum and without the consent of any board,
4 officer or other agency of the State, to sell, lease, lend, grant or convey to
5 any sewerage authority, or to permit any sewerage authority to use, main-
6 tain or operate as part of the sewerage system, any real or personal prop-
7 erty owned by it, including all or any part of any system of main, lateral
8 or other sewers or other sewerage facilities, which may be necessary or
9 useful and convenient for the purposes of the sewerage authority and which
10 may be accepted by the sewerage authority. Any such sale, lease, loan,
11 grant, conveyance or permit may be made with or without consideration
12 and for a specified or an unlimited period of time and under any agree-
13 ment and on any terms and conditions which may be approved by such
14 county, municipality or other person and which may be agreed to by the
15 sewerage authority in conformity with its contracts with the holders of any
16 bonds. Subject to any such contracts with holders of bonds, the sewerage
17 authority may enter into and perform any and all agreements with respect
18 to property so accepted by it, including agreements for the assumption of
19 principal or interest or both of indebtedness of such county, municipal-

20 ity or other person or of any mortgage or lien existing with respect to such
21 property or for the operation and maintenance of such property as part of
22 the sewerage system.

1 23. Any sewerage authority and any municipality within or without the
2 district by ordinance of its governing body may enter into a contract or con-
3 tracts providing for or relating to the treatment and disposal of sewage
4 originating in the district or in such municipality by means of the sewer-
5 age system or any sewerage facilities of such municipality or both, and the
6 cost and expense of such treatment and disposal. Any sewerage authority
7 and any municipality within the district by ordinance of its governing body
8 may enter into a contract or contracts providing for the payment to the
9 sewerage authority by such municipality of a sum or sums of money, com-
10-11-12 puted as fixed amounts or by a formula based on any factors or other mat-
13 ters described in subsection (b) of section eight of this act or otherwise as
14 said contract or contracts may provide, in lieu of all or any part of the
15 service charges which would otherwise be charged and collected by the sew-
16 erage authority with regard to persons or real property within such munic-
17 ipality. Any such contract may be made with or without consideration and
18 for a specified or an unlimited time and on any terms and conditions which
19 may be approved by such municipality and which may be agreed to by the
20 sewerage authority in conformity with its contracts with the holders of any
21 bonds. Such municipality is hereby authorized and directed to do and per-
22 form any and all acts or things necessary, convenient or desirable to carry
23 out and perform every such contract and to provide for the payment or
24 discharge of any obligation thereunder in the same manner as other obli-
25 gations of such municipality. Subject to any such contracts with the hold-
26 ers of bonds, the sewerage authority is hereby authorized to do and per-
27 form any and all acts or things necessary, convenient or desirable to carry
28 out and perform every such contract and, in accordance with any such con-
29 tract, to reduce ratably the service charges which would otherwise be
charged and collected by the sewerage authority with regard to persons or

30 real property within such municipality, but nothing in this section or any
31 such contract shall prevent the sewerage authority from charging and col-
32 lecting, as if such contract had not been made, service charges with regard
33 to such persons and real property sufficient to meet any default or defi-
34 ciency in any payments agreed in such contract to be made by such munic-
35 ipality.

1 24. Any sewerage authority, subject to its contracts with the holders
2 of any bonds, is hereby empowered to provide, construct, maintain and oper-
3 ate facilities for the treatment and disposal of industrial wastes originat-
4 ing in the district and to enter into a contract or contracts with any person
5 on such terms and conditions as such contract or contracts may contain,
6 providing for or relating to the treatment and disposal of any such indus-
7 trial wastes. The sewerage authority and such person are hereby author-
8 ized and directed to do and perform any and all acts or things necessary,
9 convenient or desirable to carry out and perform every such contract and
10 to provide for the payment or discharge of any obligation thereunder in
11 the same manner as other obligations of such sewerage authority or per-
12 son.

1 25. (a) In order to carry out and effectuate its purposes, every sewer-
2 age authority is hereby authorized to enter upon and use and connect with
3 any existing public drains, sewers, conduits, pipe lines, pumping and ven-
4 tilating stations and treatment plants or works or any other public property
5 of a similar nature within the district and, if deemed necessary by the sew-
6 erage authority, close off and seal outlets and outfalls therefrom. No sew-
7 erage authority shall, however, take permanent possession or make perma-
8-9 nent use of any such treatment plant or works unless it acquires the same.

10 (b) In order to carry out and effectuate its purposes, every sewerage
11 authority is hereby authorized to construct, maintain and operate its sew-
12 erage system along, over, under and in any streets, alleys, highways and other
13 public places within the district, doing no unnecessary injury thereto and
14 making no unnecessary interruption in or interference with the public use

15 of such places and restoring the same to their former usefulness and con-
16 dition within a reasonable time.

1 26. (a) Each county and municipality within the district, and every
2 person owning or operating any sewer or drain or any system of water dis-
3 tribution serving three or more parcels of real property in the district, shall
4 at the request of the sewerage authority make available to the sewerage au-
5 thority any and all of its maps, plans, specifications, records, books, ac-
6 counts or other data or things deemed necessary by the sewerage authority
7 for its purposes.

8 (b) Each county, municipality and other public body shall promptly
9 pay to any sewerage authority all service charges which the sewerage au-
10 thority may charge to it, as owner or occupant of any real property, in ac-
11 cordance with section eight of this act, and shall provide for the payment
12 thereof in the same manner as other obligations of such county, municipal-
13 ity or public body.

14 (c) Each county, municipality and other person owning or operating
15 any sewer or drain which serves three or more parcels of real property
16 in the district and which discharges sewage into waters in or bordering
17 the State shall, upon notice from the sewerage authority of its availability
18 and a proposed point of connection with the sewerage system, cause such
19 sewer or drain to be connected with the sewerage system at such point
20 and in such manner as the sewerage authority may specify and shall there-
21 after cause said sewer or drain to discharge into the sewerage system.

22 (d) Each county, municipality and other person owning or operating
23 any system of water distribution serving three or more parcels of real prop-
24 erty in the district shall, from time to time after request therefor by the
25 sewerage authority, deliver to the sewerage authority copies of the records
26 made by it in the regular course of business of the amount of water sup-
27 plied by it to every such parcel of real property in the district. Such
28 copies shall be delivered to the sewerage authority within sixty days after

29 the making of such records, and the sewerage authority shall pay the rea-
30-31 sonable cost of preparation and delivery of such copies.

32 (e) Each county and municipality owning or operating any system of
33 water distribution serving three or more parcels of real property in the dis-
34 trict shall, and every other person owning or operating any such system
35 may, and is hereby authorized to enter into and perform a contract with the
36 sewerage authority that it will, upon request by the sewerage authority
37 specifying a parcel of real property in the district with regard to which a
38 service charge under section eight of this act is unpaid, cause the supply of
39 water from its system to such parcel of real property to be stopped or re-
40 stricted, as the sewerage authority may request, until such service charge
41 and any subsequent service charge with regard to such parcel and the inter-
42 est accrued thereon shall be fully paid or until the sewerage authority di-
43 rects otherwise. No such county, municipality or other person shall be lia-
44 ble for any loss, damage or other claim based on or arising out of the
45 stopping or restricting of such supply, and the sewerage authority shall
46 pay the reasonable cost of so stopping or restricting such supply and of
47 restoring the same and may agree to indemnify such county, municipality
48 or other person from all loss or damage by reason of such stopping or re-
49 striction, including loss of profits.

1 27. Neither the sewerage authority nor any local unit shall have power
2 to mortgage, pledge, encumber or otherwise dispose of any part of the
3 sewerage system, except that the sewerage authority may dispose of such
4 part or parts thereof as may be no longer necessary for the purposes of the
5 sewerage authority. The provisions of this section shall be deemed to con-
6 stitute a part of the contract with the holder of any bonds. All property of
7 a sewerage authority shall be exempt from levy and sale by virtue of an
8 execution and no execution or other judicial process shall issue against the
9 same nor shall any judgment against a sewerage authority be a charge or
10 lien upon its property; *provided*, that nothing herein contained shall apply
11 to or limit the rights of the holder of any bonds to pursue any remedy for

12 the enforcement of any pledge or lien given by a sewerage authority on its
13 system revenues.

1 28. (a) No county, municipality or other person shall discharge, or
2 suffer to be discharged, directly or indirectly into any waters in or bordering
3 a district any sewage which may or will cause or contribute to the pollu-
4 tion of such waters; *provided*, that this prohibition shall be applicable only to
5 such part or parts of such waters as are in an area of the district bounded
6 and described in a notice, inserted at least once in a newspaper published in
7 the district, to the effect that the sewerage authority has provided facilities
8 reasonably sufficient in its opinion for the treatment and disposal of sewage
9 which by discharge into such waters might cause or contribute to pollution
10 of such waters, and that pollution of such waters is forbidden by law. Such
11 a notice shall constitute prima facie evidence of the existence of facilities
12 sufficient for the treatment and disposal of all such sewage.

13 (b) No county, municipality or other person shall discharge or suffer
14 to be discharged directly or indirectly into the sewerage system of any
15 sewerage authority any matter or thing which is or may be injurious or
16 deleterious to such sewerage system, or to its efficient operation.

17 (c) Any county, municipality or other person may be restrained,
18 enjoined or otherwise prevented from violating or continuing the violation
19 of any provision of this section by injunction, mandamus or other appropriate
20 remedy at law or in equity by any court of competent jurisdiction upon
21 action, bill, suit or other proceeding instituted by a sewerage authority or
22 by any prosecutor of the pleas.

23 (d) No violation of any provision of this section shall be deemed to have
24 occurred by reason of the discharge of sewage from any boat or vessel while
25 afloat or on marine railway or in drydock.

1 29. No sewage disposal plant or other facilities for the collection, treat-
2 ment or disposal of sewage arising within a district shall be constructed
3 unless the sewerage authority shall give its consent thereto and approve
4 the plans and specifications therefor. Each sewerage authority is hereby

5 empowered to give such consent and approval, subject, however, to the
6 terms and provisions of any agreement with the holders of bonds.

1 30. Notwithstanding any restriction contained in any other law, the
2 State and all public officers, municipalities, counties, political subdivisions
3 and public bodies, and agencies thereof, all banks, bankers, trust companies,
4 savings banks and institutions, building and loan associations, savings and
5 loan associations, investment companies, and other persons carrying on a
6 banking business, all insurance companies, insurance associations and other
7 persons carrying on an insurance business, and all executors, administra-
8 tors, guardians, trustees and other fiduciaries, may legally invest any sink-
9 ing funds, moneys or other funds belonging to them or within their control
10 in any bonds, and such bonds shall be authorized security for any and all
11 public deposits.

1 31. Every sewerage system and all other property of a sewerage authority
2 are hereby declared to be public property of a political subdivision of the
3 State and devoted to an essential public and governmental function and
4 purpose and shall be exempt from all taxes and special assessments of the
5 State or any subdivision thereof. All bonds are hereby declared to be issued
6 by a political subdivision of this State and for an essential public and
7 governmental purpose and to be a public instrumentality, and such bonds,
8 and the interest thereon and the income therefrom, and all service charges,
9 funds, revenues and other moneys pledged or available to pay or secure the
10 payment of such bonds, or interest thereon, shall at all times be exempt from
11 taxation except for transfer inheritance and estate taxes and taxes on
12 transfers by or in contemplation of death.

1 32. The State of New Jersey does hereby pledge to and covenant and
2 agree with the holders of any bonds issued pursuant to a bond resolution
3 of a sewerage authority that the State will not authorize or permit the
4 construction or maintenance of any system of sewers or sewage disposal
5 plants which will be competitive with the sewerage system of the sewerage
6 authority, and will not limit or alter the rights hereby vested in the

7 sewerage authority to acquire, construct, maintain, reconstruct and operate
8 its sewerage system, and to fix, establish, charge and collect its service
9 charges and to fulfill the terms of any agreement made with the holders of
10 such bonds or other obligations, and will not in any way impair the rights
11 or remedies of such holders, and will not modify in any way the exemp-
12 tions from taxation provided for in this act, until the bonds, together with
13 interest thereon, with interest on any unpaid installments of interest, and all
14 costs and expenses in connection with any action or proceeding by or on
15 behalf of such holders, are fully met and discharged.

1 33. All banks, bankers, trust companies, savings banks, investment com-
2 panies and other persons carrying on a banking business are hereby author-
3 ized to give to any sewerage authority a good and sufficient undertaking with
4 such sureties as shall be approved by the sewerage authority to the effect
5 that such bank or banking institution as hereinbefore described shall faith-
6 fully keep and pay over to the order of or upon the warrant of the sewerage
7 authority or its authorized agent all such funds as may be deposited with it
8 by the sewerage authority and agreed interest thereon, at such times or upon
9 such demands as may be agreed upon with the authority or, in lieu of such
10 sureties, deposit with the sewerage authority or its authorized agent or any
11 trustee therefor or for the holders of any bonds, as collateral, such securities
12 as the sewerage authority may approve; *provided*, such securities shall con-
13 sist of obligations in which public officers and bodies of the State and its
14 municipal subdivisions, savings institutions, including savings and loan asso-
15 ciations, insurance companies and associations, executors, administrators,
16 guardians, trustees and other fiduciaries in the State may properly and
17 legally invest the funds within their control, in such principal amount, market
18 value or other description as may be approved by the sewerage authority.
19 The deposits of the sewerage authority may be evidenced by a depository
20 collateral agreement in such form and upon such terms and conditions as may
21 be agreed upon by the sewerage authority and such bank or banking in-
22 stitution.

1 34. Article three of chapter sixty-three of Title 40, Municipalities and
2 Counties, of the Revised Statutes (R. S., §§40:63-140 et seq.), is hereby re-
3 pealed.

1 35. This act shall be construed liberally to effectuate the legislative
2 intent and as complete and independent authority for the performance of
3 each and every act and thing herein authorized, and a sewerage authority
4 shall not be subject to regulation as to its service charges or as to any other
5 matter whatsoever by any officer, board, agency, commission or other office of
6 the State.

1 36. Nothing herein contained shall in any way affect or limit the juris-
2 diction or rights of the State Department of Health, Interstate Sanitation
3 Commission, Interstate Commission on the Delaware River Basin or Passaic
4 Valley Sewerage Commissioners; or impair the obligations assumed by any
5 municipality included in any district created under this act in any contract
6 made prior to the creation of such district, with one or more other munici-
7 palities or with the Passaic Valley Sewerage Commissioners.

1 37. If any section, subsection, clause or provision of this act shall be
2 adjudged unconstitutional or to be ineffective in whole or in part, to the
3 extent that it is not adjudged unconstitutional or is not ineffective it shall be
4 valid and effective and no other section, subsection, clause or provision of
5 this act shall on account thereof be deemed invalid or ineffective, and the in-
6 applicability or invalidity of any section, subsection, clause or provision of
7 this act in any one or more instances or under any one or more circumstances
8 shall not be taken to affect or prejudice in any way its applicability or
9 validity in any other instance or under any other circumstance.

1 38. This act shall take effect immediately.

The Secretary was directed by the President to carry said bill to the House of Assembly and inform that body that the Senate has passed the same, and requests its concurrence therein.

Senate Bill No. 262, entitled "An act relating to the authorization, acquisition, financing and operation of sewage disposal systems by or on behalf of any county or any one or more municipalities, providing for the creation of sewerage authorities to undertake the same, for the issuance of bonds and other obligations therefor, and for service charges to meet the expense thereof, repealing article three of chapter sixty-three of Title 40, sections 40:63-140 et seq. of the Revised Statutes, and supplementing Title 40 of the Revised Statutes,"

Was taken up on third reading.

Mr. Lewis asked unanimous consent to amend said bill on third reading.

Which was agreed to.

Mr. Lewis offered the following amendments, which were read and adopted.

Amendments proposed to Senate Bill No. 262:

Amend page 7, section 4, by striking out subsection "f" and inserting in lieu thereof, the following:

"(f). No governing body which may create or join in the creation of any sewerage authority pursuant to this section shall thereafter create or join in the creation of any other sewerage authority. No governing body of any municipality within a district shall create or join in the creation of any sewerage authority except upon written consent of the sewerage authority and in accordance with the terms and conditions of such consent, and in the event such consent be given and a sewerage authority is created pursuant thereto, the area within the territorial boundaries of such municipality shall not thereafter be part of the district. In the event that prior to the creation of a sewerage authority of a county the governing body of any municipality located in said county shall have created or joined in the creation of a sewerage authority, the area within the territorial limits of such municipality shall not be part of the district of the sewerage authority of said county."

Amend page 8, section 4, beginning after subsection "f" insert the following subsection to be known as "g":

"(g). Within ten days after the filing in the office of the Secretary of State of a certified copy of a resolution for the creation of a sewerage authority adopted by the governing body of any county pursuant to this section, a copy of such resolution, duly certified by the appropriate officer of the county, shall be filed in the office of the Clerk of each municipality within the county. In the event that the governing body of any such municipality shall, within sixty days after such filing in the office of the Secretary of State, adopt a resolution determining that such municipality shall not be a part of the district of such sewerage authority and file a copy thereof, duly certified by its clerk, in the office of the Secretary of State, the area within the territorial limits of such municipality shall not thereafter be part of such district."

Amend page 32, after section 35, add the following section to be known as "36":

"36. Nothing herein contained shall in any way affect or limit the jurisdiction or rights of the State Department of Health, Interstate Sanitation Commission, Interstate Commission on the Delaware River Basin or Passaic Valley Sewerage Commissioners; or impair the obligations assumed by any municipality included in any district created under this act in any contract made prior to the creation of such district, with one or more other municipalities or with the Passaic Valley Sewerage Commissioners."

Amend page 33, line 1, by striking out "36" and in lieu thereof insert "37".

Amend page 33, line 1, by striking out "37" and in lieu thereof insert "38".

Senate Bill No. 262, entitled "An act relating to the authorization, acquisition, financing and operation of sewage disposal systems by or on behalf of any county or any one or more municipalities, providing for the creation of sewerage authorities to undertake the same, for the issuance of bonds and other obligations therefor, and for service charges to meet the expense thereof, repealing article three of chapter sixty-three of Title 40, sections