

40A:18-1 to 40A:18-16

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40A:18-1 to 40A:18-16

(Sewerage districts  
certain townships-  
incorporate)

LAWS OF: 1983

CHAPTER: 474

Bill No: S1965

Sponsor(s): Hurley and Dorsey

Date Introduced: December 2, 1982

Committee: Assembly: Municipal Government

Senate: County and Municipal Government

Amended during passage: Yes Amendments denoted by asterisks

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Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: Yes

Message on Signing: ~~No~~ yes

Following were printed:

Reports: No

Hearings: No

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SENATE, No. 1965

STATE OF NEW JERSEY

INTRODUCED DECEMBER 2, 1982

By Senators HURLEY and DORSEY

Referred to Committee on County and Municipal Government

AN ACT concerning the incorporation of certain sewerage districts in townships of this State, providing for the election of commissioners and establishing their powers, and enacting chapter 18 of Title 40A of the New Jersey Statutes.

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

TITLE 40A

CHAPTER 18

SEWERAGE DISTRICTS

- 1 40A:18-1. Incorporation of sewerage districts.  
2 40A:18-2. Commissioners' elections validated.  
3 40A:18-3. Sewerage commissioners.  
4 40A:18-4. Validation of prior acts, etc.  
5 40A:18-5. Election of commissioners; first election; fixing time  
6 and place; notice.  
7 40A:18-6. Qualifications for election as commissioner.  
8 40A:18-7. **Nomination of candidates for election as commis-**  
9 **sioners.**  
10 40A:18-8. **Nominating petition; form and content; number of**  
11 **signatures; candidate's consent.**  
12 40A:18-9. Verification of nominating petition.  
13 40A:18-10. Examination of petition.  
14 40A:18-11. Eligibility of voters.  
15 40A:18-12. Number of commissioners to be elected at the first  
16 election; vote required; term.  
17 40A:18-13. Manner of conducting elections; certifying results.

**EXPLANATION**—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

\*—Senate committee amendments adopted March 7, 1983.

\*\*—Senate amendments adopted in accordance with Governor's recommendations November 28, 1983.

- 18 40A:18-14. Terms of commissioners.
- 19 40A:18-15. Subsequent elections.
- 20 40A:18-16. Subsequent elections; notice.
- 21 40A:18-17. Commissioners; oath.
- 22 40A:18-18. Commissioners; organization.
- 23 40A:18-19. Commissioners; compensation.
- 24 40A:18-20. Commissioners; vacancies.
- 25 40A:18-21. Clerk; term; bond.
- 26 40A:18-22. Clerk; compensation; chief financial officer of district.
- 27 40A:18-23. Employment of advisors, experts, officers, agents and  
28 employees.
- 29 40A:18-24. Conflict of interest.
- 30 40A:18-25. Possession of property; assumption and liability for  
31 debts and contracts.
- 32 40A:18-26. Powers of sewerage district.
- 33 40A:18-27. Maps, plans and specifications; approval.
- 34 40A:18-28. Bonds; purposes.
- 35 40A:18-29. Bonds; resolution; interest; series; maturity; privi-  
36 leges; redemption.
- 37 40A:18-29.1. Interim financing.
- 38 40A:18-30. Bond resolution; provisions; bondholders.
- 39 40A:18-31. Bond resolution, etc.; contract with bondholders.
- 40 40A:18-32. Notice of adoption of bond resolution; limitation of  
41 actions questioning validity.
- 42 40A:18-33. Sale of or exchange of bonds.
- 43 40A:18-34. Interim certificates; temporary bonds or other instru-  
44 ments.
- 45 40A:18-35. Default in payment of principal or interest on bonds;  
46 trustee.
- 47 40A:18-36. Powers of trustee.
- 48 40A:18-37. Receiver.
- 49 40A:18-38. Fees and expenses of trustee and receiver.
- 50 \***[40A:18-39. Negotiability of bonds or obligations.]**\*
- 51 \***[40A:18-40]**\* \*40A:18-39\*. Personal liability on bonds; not  
52 liability of State or township.
- 53 \***[40A:18-41]**\* \*40A:18-40\*. Bonds, etc., exempt from taxation;  
54 exception.
- 55 \***[40A:18-42]**\* \*40A:18-41\* Bonds as legal investments.
- 56 \***[40A:18-43]**\* \*40A:18-42\*. Authority to establish rates for  
57 services and connections.
- 58 \***[40A:18-44]**\* \*40A:18-43\*. Rates, fees and charges for services  
59 to be uniform; computation.
- 60 \***[40A:18-45]**\* \*40A:18-44\*. Revising schedule of service charges.

- 61 \***[40A:18-46]**\* \*40A:18-45\*. Procedure to revise schedule of  
62 service charges.
- 63 \***[40A:18-47]**\* \*40A:18-46\*. Filing schedule of service charges;  
64 inspection.
- 65 \***[40A:18-48]**\* \*40A:18-47\*. Fixing time and place for payment  
66 of service charges; advance payment.
- 67 \***[40A:18-49]**\* \*40A:18-48\*. Unpaid service charge; interest.
- 68 \***[40A:18-50]**\* \*40A:18-49\*. Unpaid service charge; lien.
- 69 \***[40A:18-51]**\* \*40A:18-50\*. Fiscal year.
- 70 \***[40A:18-52]**\* \*40A:18-51\*. Budget; generally.
- 71 \***[40A:18-53]**\* \*40A:18-52\*. Budget; insufficiency of estimated  
72 revenues.
- 73 \***[40A:18-54]**\* \*40A:18-53\*. Budget; arrears in payment of  
74 bonds.
- 75 \***[40A:18-55]**\* \*40A:18-54\*. Audit of accounts; filing.
- 76 \***[40A:18-56]**\* \*40A:18-55\*. Exemption of district property  
77 from judgment lien, levy or execution sale; exception.
- 78 \***[40A:18-57]**\* \*40A:18-56\*. Contracts with bodies politic and  
79 subdivisions outside territory.
- 80 \***[40A:18-58]**\* \*40A:18-57\*. Contracts with bodies politic and  
81 subdivisions outside territory; installations, costs and  
82 expenses.
- 83 \***[40A:18-59]**\* \*40A:18-58\*. Contracts with bodies politic and  
84 subdivisions outside territory; ownership and main-  
85 tenance of tie-in pipelines.
- 86 \***[40A:18-60]**\* \*40A:18-59\*. Contracts with bodies politic and  
87 political subdivisions outside territory; restriction on  
88 tap-in or use.
- 89 \***[40A:18-61]**\* \*40A:18-60\*. Assumption of sewerage district  
90 indebtedness by township.
- 91 \***[40A:18-62]**\* \*40A:18-61\*. Assumption of sewerage district  
92 indebtedness by township; procedure.
- 93 \***[40A:18-63]**\* \*40A:18-62\*. Assumption of sewerage district  
94 indebtedness by township; payment.
- 95 \***[40A:18-64]**\* \*40A:18-63\*. Assumption of sewerage district  
96 indebtedness by township; outstanding fees, charges,  
97 etc.; use of proceeds.
- 98 \***[40A:18-65]**\* \*40A:18-64\*. Assumption of sewerage district  
99 indebtedness by township; effect.

#### 40A:18-1. INCORPORATION OF SEWERAGE DISTRICTS.

- 1 In any township of this State in which the governing body in the  
2 manner provided by law prior to April 25, 1977, set off the desig-  
3 nated by number a sewerage district within the township, and at

4 elections held within the district the voters of the district voted  
 5 in favor of the construction within the district of a sewer, sewers  
 6 or sewerage system with appurtenances or a disposal plant or plants  
 7 and also elected sewerage commissioners, the district is hereby  
 8 reincorporated and shall be a body corporate of and shall constitute  
 9 a political subdivision of the State of New Jersey. The district  
 10 shall be known and designated under the corporate name of "Sewer-  
 11 age District No. .... of the Township of .....,  
 12 in the County of ....." The district shall  
 13 have the same limits, boundaries, territory and number as set forth  
 14 in the original resolution of the governing body setting off and  
 15 designating the district or as the boundaries and territory of the  
 16 district may have been modified, altered or changed by subsequent  
 17 resolutions of the governing body prior to April 25, 1977.

#### 40A:18-2. COMMISSIONERS' ELECTIONS VALIDATED.

1 The elections of all commissioners in sewerage districts described  
 2 in N. J. S. 40A:18-1 between April 25, 1977 and the effective date  
 3 of this chapter are hereby validated and made legal notwithstand-  
 4 ing any defect in or lack of authority to elect commissioners at the  
 5 times of their election.

#### 40A:18-3. SEWERAGE COMMISSIONERS.

1 The sewerage commissioners now in office in any sewerage dis-  
 2 trict as described in N. J. S. 40A:18-1 are constituted the valid and  
 3 legally elected commissioners of the sewerage district and shall  
 4 continue in office until the election of their successors as hereafter  
 5 provided.

#### 40A:18-4. VALIDATION OF PRIOR ACTS, ETC.

1 Any and all acts and things done by commissioners in office  
 2 between April 25, 1977 and the effective date of this chapter in-  
 3 cluding but not limited to contracts entered into in behalf of the  
 4 district for the construction of a sewer or sewers, sewer system,  
 5 disposal plant or plants or for the repair, maintenance and opera-  
 6 tion of any of them; the issuance of bonds, temporary improvement  
 7 notes, improvement certificates, assessments for benefits, the fixing  
 8 of rentals or other charges for service and facilities are hereby  
 9 made legal and validated notwithstanding any lack of authority  
 10 in the commissioners to so do.

#### 40A:18-5. ELECTION OF COMMISSIONERS; FIRST ELECTION; FIXING TIME AND PLACE; NOTICE.

1 Within 45 days after the effective date of this chapter, the com-  
 2 missioners in office shall fix a day and a time between one o'clock

3 in the afternoon and nine o'clock in the evening prevailing time,  
 4 and a place within the district where the election of sewerage com-  
 5 missioners shall be held which shall not be more than 90 days after  
 6 the effective date of this chapter. Notice of the time and place of  
 7 the election shall be given by advertisement in a newspaper having  
 8 a general circulation within the district for at least two weeks prior  
 9 to the time fixed for the election, the advertisement to be made at  
 10 least once in each week. Copies of the advertisement shall be posted  
 11 in five of the most public places within the district at least 10 days  
 12 before the date of the election.

40A:18-6. QUALIFICATIONS FOR ELECTION AS COMMISSIONER.

1 A candidate for election as a commissioner of a sewerage district  
 2 shall be a resident of and a qualified voter within the district.

40A:18-7. NOMINATION OF CANDIDATES FOR ELECTION  
 AS COMMISSIONERS.

1 Candidates for election as commissioners of the sewer district  
 2 shall be nominated by petition. The petition shall be addressed to  
 3 and filed with the clerk of the sewerage district. All petitions and  
 4 amendments thereto shall be filed no later than 20 days before the  
 5 date of election.

40A:18-8. NOMINATING PETITION; FORM AND CONTENT;  
 NUMBER OF SIGNATURES; CANDIDATE'S CONSENT.

1 A petition for the nomination of a candidate for election as a  
 2 commissioner of the sewerage district shall state that the signers  
 3 thereof are qualified voters and residents of the sewerage district  
 4 and requesting that the name of the candidate be placed upon the  
 5 official ballot to be used at the upcoming election. Each signer to  
 6 a petition shall add to his signature his residence designated by  
 7 number and street or contain identification thereof if there is no  
 8 street number. A petition shall contain the name of only one candi-  
 9 date, but several petitions may nominate the same candidate. A  
 10 petition or petitions filed in behalf of a candidate shall contain in  
 11 the aggregate at least 10 signatures. The candidate named in the  
 12 petition shall endorse thereon his consent to the nomination and,  
 13 that if elected he will serve as a commissioner of the sewerage  
 14 district.

40A:18-9. VERIFICATION OF NOMINATING PETITION.

1 An affidavit shall be attached to each petition of one or more of  
 2 the signers that all of the signatures appended thereto were made  
 3 in his or their presence, and that he or they believe them to be the  
 4 genuine signatures of the persons whose name they purport to be.

## 40A:18-10. EXAMINATION OF PETITION.

1 Within three days after the filing of a petition, the clerk of the  
 2 sewerage district shall examine the petition and certify the result  
 3 of his examination to the commissioners of the sewerage district.  
 4 If he shall certify that the petition is defective, he shall set forth  
 5 in his certificate the particulars in which the petition is defective  
 6 and immediately notify the candidate of his findings. Within three  
 7 days after notification of insufficiency, the petition may be amended  
 8 by the filing of a supplementary petition signed and verified as pro-  
 9 vided in the case of an original petition. Within three days after  
 10 an amended petition is filed, the clerk shall examine the amended  
 11 petition and certify the result of his examination to the commis-  
 12 sioners of the sewerage district. If he shall certify that the amended  
 13 petition is insufficient, he shall set forth in his certificate the par-  
 14 ticulars in which it is insufficient and immediately notify the candi-  
 15 date of his findings and no further action shall be taken on the  
 16 insufficient petition. The finding of insufficiency shall not prevent  
 17 the filing of a new petition if all of the other provisions relating  
 18 to the filing of nominating petitions are met.

## 40A:18-11. ELIGIBILITY OF VOTERS.

1 No later than seven days before an election for sewerage com-  
 2 missioners, the clerk of the sewerage district shall obtain the regis-  
 3 try list of the township and the election districts within the sewer-  
 4 age district for the preceding general election to determine the  
 5 eligibility of voters at the election. A person shall not be permitted  
 6 to vote at the election unless that person's name appears on the  
 7 registry list, except that any person who becomes of age or has  
 8 moved into the sewerage district since the preceding general elec-  
 9 tion and possessing all of the qualifications which would entitle that  
 10 person to vote in a general election, shall file an application with  
 11 the clerk of the sewerage district at least two days prior to the  
 12 election.

40A:18-12. NUMBER OF COMMISSIONERS TO BE ELECTED AT THE  
FIRST ELECTION; VOTE REQUIRED; TERM.

1 At the first election of commissioners following the effective date  
 2 of this chapter, the voters of the district shall elect five commis-  
 3 sioners. The five candidates receiving the highest number of votes  
 4 cast shall be elected as commissioners of the sewerage district and  
 5 they shall serve for terms as hereinafter provided.

40A:18-13. MANNER OF CONDUCTING ELECTIONS;  
CERTIFYING RESULTS.

1 Prior to the opening of the polls for the election of commissioners,  
2 the commissioners then in office shall appoint a judge of elections  
3 and two tellers. The vote for the election of commissioners shall  
4 be by ballots furnished by the sewerage district which shall list the  
5 candidates according to the alphabetical order of their surnames.  
6 Immediately after the close of the polls, the judge and tellers shall  
7 count the votes and certify the results of the election to the com-  
8 missioners of the sewerage district.

40A:18-14. TERMS OF COMMISSIONERS.

1 Within five days after the first election for commissioners follow-  
2 ing the effective date of this chapter, the elected commissioners  
3 shall hold a meeting at which they shall divide themselves by lot  
4 into three classes; the term of the first class consisting of two  
5 commissioners whose terms shall terminate at the end of one year  
6 from the date of their election; the term of the second class con-  
7 sisting of two commissioners whose terms shall terminate at the  
8 end of two years from the date of their election; and the third  
9 class consisting of one commissioner whose term shall terminate  
10 at the end of three years from the date of his election, so that after  
11 the first election two commissioners shall be elected annually and  
12 one shall be elected every third year. Except as otherwise provided  
13 in this section, commissioners shall hold office for three years and  
14 until their successors are elected.

40A:18-15. SUBSEQUENT ELECTIONS.

1 All subsequent elections for commissioners of the sewerage dis-  
2 trict following the first election of commissioners shall be held  
3 annually on the same date between the hours of one o'clock in the  
4 afternoon and nine o'clock in the evening prevailing time at a place  
5 to be designated by the commissioners of the sewerage district.

40A:18-16. SUBSEQUENT ELECTIONS; NOTICE.

1 At least six weeks before the date fixed for the annual election  
2 of commissioners, notice of the time and place fixed for the annual  
3 election and the closing date for the filing of nominating petitions  
4 shall be given by advertisement in a newspaper having a general  
5 circulation within the sewerage district, and a further notice shall  
6 be published in the same manner at least two weeks prior to the  
7 election, the advertisement to be at least once in each week.

## 40A:18-17. COMMISSIONERS; OATH.

1 The newly elected commissioners shall file their respective oaths  
 2 to faithfully and impartially perform their duties as commissioners  
 3 with the township clerk.

## 40A:18-18. COMMISSIONERS; ORGANIZATION.

1 Within seven days after each annual election, the commissioners  
 2 shall meet and organize by the election of one of the commissioners  
 3 as chairman and the appointment of a clerk who need not be one  
 4 of the commissioners.

## 40A:18-19. COMMISSIONERS; COMPENSATION.

1 The commissioners of the sewerage district shall not receive  
 2 any compensation for the performance of their duties but they may  
 3 be reimbursed for their actual expenses incurred in the perform-  
 4 ance of their duties.

## 40A:18-20. COMMISSIONERS; VACANCIES.

1 A vacancy occurring in the office of a commissioner by reason of  
 2 the death or resignation of a commissioner, or that a commissioner  
 3 no longer resides within the territorial limits of the sewerage  
 4 district or for any other reason, shall be filled by a majority vote  
 5 of the remaining commissioners until the next annual election of  
 6 commissioners, at which time the vacancy shall be filled by election  
 7 for the unexpired term only.

## 40A:18-21. CLERK; TERM; BOND.

1 The clerk of the sewerage district shall be appointed for a term  
 2 of one year and until his successor is appointed. He shall give bond  
 3 to the sewerage district for the faithful performance of his duties  
 4 in an amount as shall be determined by the commissioners by a  
 5 surety company authorized to do business in New Jersey.

40A:18-22. CLERK; COMPENSATION; CHIEF FINANCIAL  
OFFICER OF DISTRICT.

1 The clerk of the sewerage district may be compensated for his  
 2 services as the commissioners of the sewerage district shall, by  
 3 resolution, determine. The clerk shall be the chief financial officer of  
 4 the district and the custodian of all district funds. The clerk shall  
 5 not disburse district funds unless authorized to do so by resolution  
 6 of the commissioners.

40A:18-23. EMPLOYMENT OF ADVISERS, EXPERTS,  
OFFICERS, AGENTS and EMPLOYEES.

1 The commissioners of a sewerage district may appoint and em-  
 2 ploy professional and technical advisers and experts, other officers,  
 3 agents and employees as they may require and determine their  
 4 qualifications, terms of office or employment, duties and  
 5 compensation.

## 40A:18-24. CONFLICT OF INTEREST.

1 A commissioner, officer, agent or employee of a sewerage district  
 2 shall not have or acquire any interest direct or indirect, in the  
 3 sewerage system or any property included or planned to be in-  
 4 cluded in the sewerage system or in any contract or proposed  
 5 contract for materials or services to be furnished to or used by the  
 6 sewerage district.

40A:18-25. POSSESSION OF PROPERTY; ASSUMPTION AND  
 LIABILITY FOR DEBTS AND CONTRACTS.

1 A sewerage district incorporated under this chapter shall be  
 2 vested with the title and possession of all the property, real and  
 3 personal, or other assets of any nature whatsoever and shall assume  
 4 and shall be liable for the payment of all the debts, contracts and  
 5 liabilities, including any bonds, notes, improvement certificates or  
 6 other obligations issued, of its predecessor district which was in  
 7 existence on April 25, 1977.

## 40A:18-26. POWERS OF SEWERAGE DISTRICT.

1 In addition to any other powers conferred upon a sewerage  
 2 district by this chapter or any other law, a sewer district is  
 3 authorized:

- 4 a. To sue and be sued;
- 5 b. To adopt and have a common seal and alter it at pleasure;
- 6 c. To construct, improve, maintain, improve and add to a sewer  
 7 or sewers, sewerage system with appurtenances and a sewage  
 8 disposal plant or plants and to provide for the cost thereof;
- 9 d. To acquire by purchase, gift, devise or condemnation in the  
 10 manner provided by the "Eminent Domain Act of 1971," P. L. 1971,  
 11 c. 361 (C. 20:3-1 et seq.), real property or any interest therein  
 12 necessary or useful for the purposes of the sewerage district and  
 13 to dispose of the real property or any interest therein no longer  
 14 necessary for the purposes of the district;
- 15 e. To acquire by purchase, gift or devise personal property  
 16 necessary or useful for the purposes of the sewerage district and to  
 17 dispose of personal property no longer necessary for the purposes  
 18 of the district;
- 19 f. To enter on any lands, waters or premises for the purpose of  
 20 making surveys, borings, soundings and examinations for the pur-  
 21 poses of the district;
- 22 g. To make, amend and enforce bylaws or rules and regulations  
 23 for the management and regulation of district business and affairs  
 24 and for the use, maintenance and operation of its sewerage system  
 25 and any of its other properties:

26 h. To do and perform any acts and things authorized by this  
27 chapter under, through or by means of its own officers, agents and  
28 employees or by contracts with other persons;

29 i. To enter into contracts, execute instruments, and to do and  
30 perform all acts or things necessary for the purposes of the district  
31 or to carry out any power expressly given in this chapter subject to  
32 the "Local Public Contracts Law," P. L. 1971, c. 198 (C. 40A:11-1  
33 et seq.).

34 j. To apply for and receive from the Federal Government or any  
35 agency thereof, the State or any department or agency thereof  
36 grants for and in aid of the planning, designing, purchasing, con-  
37 struction, extension, improvement, enlargement, reconstruction or  
38 financing of a sewer or sewers, sewerage system with appurten-  
39 ances and a sewage disposal plant or plants.

40A:18-27. MAPS, PLANS AND SPECIFICATIONS; APPROVAL.

1 Before undertaking the construction of a sewer or sewers, sewer-  
2 age system with appurtenances thereto, a disposal plant or plants  
3 or any improvement or addition thereto, the commissioners of  
4 the sewerage district shall have detailed maps, plans and specifi-  
5 cations thereof prepared. The maps, plans and specifications shall  
6 not become effective until they have been submitted to and approved  
7 by the Commissioner of the Department of Environmental  
8 Protection.

40A:18-28. BONDS; PURPOSES.

1 A sewerage district may issue bonds to provide to pay all or any  
2 part of the costs for the construction of a sewer or sewers, sewerage  
3 system with appurtenances thereto, a disposal plant or plants, or  
4 any improvements or additions thereto, including maps, plans and  
5 specifications relating thereto, or for the refunding of any bonds  
6 issued and outstanding.

40A:18-29. BONDS; RESOLUTION; INTEREST; SERIES;  
MATURITY; PRIVILEGES; REDEMPTION.

1 **\*\*** [The bonds shall be authorized by resolution of the sewerage  
2 district which may be adopted at the same meeting at which it is  
3 introduced by a majority of all commissioners of the district then  
4 in office, and shall take effect immediately without being published  
5 or posted.] **\*\*** *\*\* A bond resolution shall be introduced in writing at  
6 a meeting of the commissioners of the district and shall be passed  
7 upon first reading, which may be by title.*

8 *The bond resolution shall be published after first reading together  
9 with notice of the introduction thereof and of the date, which shall*

10 *be at least 10 days after introduction and first reading, and the*  
11 *time and place of further consideration for final passage, which*  
12 *may be at an adjournment of the meeting or another meeting.*

13 *The publication shall be at least one week prior to the date for*  
14 *further consideration. At the time and place so advertised, or at*  
15 *any time and place to which the meeting or further consideration*  
16 *shall from time to time be adjourned, the bond resolution may be*  
17 *read by its title, if,*

18 *(1) at least one week prior to the date or further consideration,*  
19 *there shall have been posted, on the bulletin board or other place*  
20 *upon which public notices are customarily posted,*

21 *(a) a copy of the bond resolution, and*

22 *(b) a notice that copies of the bond resolution will be made avail-*  
23 *able during the week and up to and including the date of the*  
24 *meeting or further consideration to the members of the general*  
25 *public of the district who shall request the copies, naming the place*  
26 *at which the copies will be so made available, and*

27 *(2) the copies of the bond resolution shall have been made avail-*  
28 *able accordingly, but otherwise the bond resolution shall be read*  
29 *in full. All persons interested shall then be given an opportunity*  
30 *to be heard.*

31 *After the hearing, the commissioners may proceed to amend the*  
32 *bond resolution and thereupon finally adopt or reject it, with or*  
33 *without amendments.*

34 *If any amendment is adopted substantially altering matters to be*  
35 *contained in the bond resolution the amended bond resolution shall*  
36 *not be finally adopted until at least one week thereafter and until it*  
37 *shall have been published once at least two days prior to the date for*  
38 *further consideration, together with notice of the date, time and*  
39 *place at which it will be further considered for final adoption. At*  
40 *the time and place so advertised, or at any time and place to which*  
41 *the meeting or further consideration shall from time to time be*  
42 *adjourned, the amended bond resolution may be read by its title, if,*

43 *(1) at least one week prior to the date or further consideration,*  
44 *there shall have been posted, on the bulletin board or other place*  
45 *upon which public notices are customarily posted,*

46 *(a) a copy of the bond resolution, and*

47 *(b) a notice that copies of the bond resolution will be made avail-*  
48 *able during the week and up to and including the date of the meeting*  
49 *or further consideration to the members of the general public of*  
50 *the district who shall request copies, naming the place at which the*  
51 *copies will be so made available, and*

52 *(2) the copies of said bond resolution shall have been made avail-*

53 able accordingly, but otherwise the bond resolution shall be read in  
 54 full. All persons interested shall again be given an opportunity to  
 55 be heard. After the hearing, the commissioners may proceed to  
 56 reject, finally adopt or further amend the bond ordinance.

57 A bond resolution shall be finally adopted by the recorded affirm-  
 58 ative votes of at least a majority of all commissioners of the  
 59 district.\*\* The bonds may bear interest at a rate or rates, not in  
 60 excess of that authorized by law, may bear a date or dates, may  
 61 mature at a time or times not exceeding 30 years from their  
 62 respective dates, may be payable in a medium of payment at a  
 63 place or places, may carry registration privileges, may be subject  
 64 to terms of redemption with or without premium, may be executed  
 65 in a manner, may contain terms, conditions and covenants, and  
 66 may be in form, either coupon or registered as the resolution may  
 67 provide.

#### 40A:18-29.1. INTERIM FINANCING.

1 A sewerage district, in anticipation of the issuance of bonds,  
 2 may borrow money and issue negotiable notes if the bond resolu-  
 3 tion so provides. The notes shall be designated "bond anticipation  
 4 notes" and shall contain a recital that they are issued in anticipa-  
 5 tion of the issuance of bonds. The notes may be issued for a  
 6 period not exceeding one year and may be renewed from time to  
 7 time for periods not exceeding one year, but all the notes, including  
 8 the renewals, shall mature and be paid not later than the fifth  
 9 anniversary of the date of the original notes, except that the notes  
 10 shall not be renewed beyond the third anniversary date of the  
 11 original notes unless an amount of the notes, at least equal to the  
 12 first legally payable installment of the bonds in anticipation of  
 13 which the notes are issued, is paid and retired on or before the  
 14 third anniversary date, and if the notes are renewed beyond the  
 15 fourth anniversary date of the original notes, a like amount is paid  
 16 or retired on or before the fourth anniversary date from funds  
 17 other than the proceeds of obligations.

#### 40A:18-30. BOND RESOLUTION; PROVISIONS; BONDHOLDERS.

1 A bond resolution providing for or authorizing the issuance of  
 2 any bonds may contain provisions, and the sewerage district, in  
 3 order to secure the payment of the bonds and in addition to its  
 4 other powers, shall have the authority by provision in the bond  
 5 resolution to covenant and agree with the bondholders, as to:

6 a. The custody, security, use, expenditure or application of the  
 7 proceeds of the bonds;

8 b. The construction and completion, or improvement of or addi-  
9 tion to, the sewer or sewers, sewerage system with appurtenances,  
10 disposal plant or plants;

11 c. The use, regulation, operation, maintenance, insurance or  
12 disposition of all or any part of the sewer or sewers, sewerage  
13 system with appurtenances, disposal plant or plants, or restrictions  
14 on the exercise of the powers of the sewerage district to dispose of,  
15 or to limit or regulate the use of all or any part of the sewer or  
16 sewers, sewerage system with appurtenances, disposal plant or  
17 plants;

18 d. Payment of the principal of or interest on the bonds, or any  
19 other obligations, and the sources and methods thereof, the rank  
20 or priority of any bonds as obligations as to any liens or security,  
21 or the acceleration of maturity of any bonds or obligations;

22 e. The use and disposition of any moneys of the sewerage dis-  
23 trict, including revenues derived or to be derived from the opera-  
24 tion of all or any part of the sewer or sewers; sewerage system  
25 with appurtenances, disposal plant or plants;

26 f. Pledging, setting aside, depositing or trusteeing all or any  
27 part of the revenues or other moneys of the sewerage district to  
28 secure the payment of the principal of or interest on the bonds  
29 or any other obligations, or the payment of the operation or main-  
30 tenance of the sewer or sewers, sewerage system with appur-  
31 tenances, disposal plant or plants, and the powers of any trustee  
32 with respect thereto;

33 g. The setting aside out of the revenues or other moneys of the  
34 sewerage districts of reserves, and the source, custody, security,  
35 regulation, application and disposition of the reserves;

36 h. Determination of the revenues of or of the operation and  
37 maintenance of the sewer or sewers, sewerage system with  
38 appurtenances, disposal plant or plants of the district;

39 i. The rents, rates, fees or other charges for the use of the  
40 services and facilities of the sewerage district, and the fixing,  
41 establishment, collection and enforcement thereof, the amount or  
42 amounts of the revenues to be produced thereby, and the disposi-  
43 tion and application of the amounts charged or collected;

44 j. The assumption or payment or discharge of any indebtedness,  
45 liens or other claims relating to any part of the sewer or sewers,  
46 sewerage system with appurtenances, disposal plant or plants or  
47 any obligations having or which may have a lien on district  
48 revenues;

49 k. Limitations on the issuance of additional bonds or other obli-  
50 gations or on the incurrance of indebtedness by the sewerage  
51 district;

52 l. Limitations on the powers of the sewerage district to construct,  
 53 acquire or operate, or permit the construction, acquisition or  
 54 operation of any structures, facilities or properties which may  
 55 compete or tend to compete with the district's sewer or sewers,  
 56 sewer system with appurtenances, disposal plant or plants;

57 m. Vesting in a trustee or trustees property rights, powers and  
 58 duties in trust as the sewerage district may determine which may  
 59 include any or all of the duties of the trustee appointed by the  
 60 bondholders pursuant to N. J. S. 40A:18-35, and limiting or abro-  
 61 gating the rights of the bondholders to appoint a trustee pursuant  
 62 to N. J. S. 40A:18-35 or limiting the rights, duties and powers of  
 63 the trustee;

64 n. Payment of costs or expenses incident to the enforcement of  
 65 bonds or of the provisions of the bond resolution or of any  
 66 covenant or contract with the bondholders;

67 o. The procedure, if any, by which the terms of any covenant or  
 68 contract with, or duty to, the bondholders may be amended or  
 69 abrogated, the amount of bonds the holders of which must consent  
 70 thereto, and the manner in which the consent may be given or  
 71 evidenced; or

72 p. Any other matter or course of conduct which by recital in the  
 73 bond resolution is declared to further secure the principal of or  
 74 interest on the bonds.

40A:18-31. BOND RESOLUTION, ETC.; CONTRACT WITH BONDHOLDERS.

1 The provisions of the bond resolution and all the covenants and  
 2 agreements shall constitute valid and legally binding contracts  
 3 between the sewerage district and the bondholders, regardless of  
 4 the time of the issuance of the bonds, and they shall be enforceable  
 5 by any bondholder or bondholders by appropriate action or pro-  
 6 ceeding in any court of competent jurisdiction.

40A:18-32. NOTICE OF ADOPTION OF BOND RESOLUTION;  
 LIMITATION OF ACTIONS QUESTIONING VALIDITY.

1 The sewerage district may publish a notice in a newspaper  
 2 having a general circulation within the district stating the date of  
 3 adoption of the bond resolution, the amount \***[and maturities]**\* of  
 4 the bonds \**authorized*\* to be issued, and also stating that any action  
 5 or proceeding of any kind questioning the validity of the creation  
 6 and establishment of the sewerage district, or the validity or proper  
 7 authorization of bonds provided for by the bond resolution, or the  
 8 validity of any covenants, agreements or contracts provided for by  
 9 the bond resolution shall be commenced in any court of competent  
 10 jurisdiction within 20 days after the first publication. If an action

11 or proceeding is not commenced within 20 days after publication  
 12 of the notice, then all residents and owners of real property within  
 13 the district and users of the district's sewerage system and all  
 14 other persons whomsoever shall be forever barred from commenc-  
 15 ing any action in any court, or from pleading any defense to any  
 16 action or proceeding, questioning the validity of the creation and  
 17 establishment of the sewerage district, the validity or proper  
 18 authorization of the bonds, or the validity of any covenants, agree-  
 19 ments or contract, and the bonds, covenants, agreements and con-  
 20 tracts shall be conclusively deemed to be valid and binding obliga-  
 21 tions in accordance with their terms and tenor.

40A:18-33. SALE OF OR EXCHANGE OF BONDS.

1 Bonds may be sold, all at one time or in blocks from time to  
 2 time, at public or private sale, or if refunding bonds may also be  
 3 delivered in exchange for the outstanding obligations to be re-  
 4 funded, in a manner as the sewerage district shall, by resolution,  
 5 determine, and at a price or prices, computed according to stan-  
 6 dard tables of bond values, as will yield to the purchasers or to the  
 7 holders of obligations surrendered, income at a rate not exceeding  
 8 that authorized by law to the maturity dates of the bonds as sold  
 9 or exchanged on the money paid or the principal amount of the  
 10 obligations surrendered therefor to the sewerage district.

40A:18-34. INTERIM CERTIFICATES; TEMPORARY BONDS  
 OR OTHER INSTRUMENTS.

1 After the sale of any bonds pursuant to this chapter, the  
 2 sewerage district may authorize the execution and issuance to  
 3 the purchasers of the bonds, interim certificates therefor or of  
 4 temporary bonds or other temporary instruments exchangeable  
 5 for the definitive bonds when they are prepared, executed and  
 6 ready for delivery. The holders of the interim certificates, tempor-  
 7 ary bonds or other temporary instruments shall have all the rights  
 8 and remedies which they would have as holders of the definitive  
 9 bonds.

40A:18-35. DEFAULT IN PAYMENT OF PRINCIPAL OR  
 INTEREST ON BONDS; TRUSTEE.

1 If there be a default in the payment of principal or interest on  
 2 any bonds when due and the default continues for a period of  
 3 30 days, or if the sewerage district fails or refuses to comply with  
 4 the provisions of this chapter or fails or refuses to carry out and  
 5 perform the terms of any covenant, agreement or contract with  
 6 any of the bondholders, and the failure or refusal continues for a

7 period of 30 days after written notice to the sewerage district of  
 8 its existence and nature, the holders of 25% in aggregate principal  
 9 amount of the bonds of the series then outstanding may appoint  
 10 a trustee to represent the bondholders of the series for the pur-  
 11 poses hereinafter provided by filing an instrument or instruments,  
 12 proved and acknowledged in the manner as a deed for recording,  
 13 in the office of the Secretary of State.

40A:18-36. POWERS OF TRUSTEE.

1 The trustee may, and upon the request of the holders of 25%  
 2 in aggregate principal amount of the series then outstanding, shall  
 3 in his or in the name of the sewerage district:

4 a. Commence an action or proceeding in a court of competent  
 5 jurisdiction to enforce all rights of the bondholders, including the  
 6 right to require the sewerage district to charge and collect service  
 7 charges adequate to carry out any contract as to or pledge of  
 8 revenues, and to require the sewerage authority to carry out and  
 9 perform the terms of any contract with the bondholders or its  
 10 duties under this chapter;

11 b. Bring an action upon all or any part of the bonds or interest  
 12 coupons or claims thereon;

13 c. Bring an action to require the sewerage district to account  
 14 as if it was the trustee of an express trust for the bondholders;

15 d. Bring an action to enjoin any acts or things which may be  
 16 unlawful or in violation of the rights of the bondholders;

17 e. Declare all the bonds due and payable, whether or not in  
 18 advance of maturity, upon 30 days' notice in writing to the sewerage  
 19 district and, if all defaults shall be made good, then with the consent  
 20 of 25% of the holders of the principal amount of the bonds then  
 21 outstanding, annul the declaration and its consequences; and

22 f. The trustee shall, in addition to the foregoing, have all of the  
 23 powers necessary or appropriate for the exercise of the functions  
 24 specifically set forth in this section or incidental to the general  
 25 representation of the bondholders of the series in the enforcement  
 26 and protection of their rights.

40A:18-37. RECEIVER.

1 The trustee shall, upon the default referred to in N. J. S.  
 2 40A:18-35, whether or not all of the bond series have been declared  
 3 due and payable, be entitled as of right to the appointment of a  
 4 receiver of the sewerage district. The receiver may take possession  
 5 of all moneys and other property derived from or applicable to  
 6 the acquisition, construction, operation, maintenance or addition  
 7 to the sewer or sewers, sewerage system with appurtenances, dis-  
 8 posal plant or plants and proceed with the acquisition, construction,

9 operation, maintenance, or addition to the sewer or sewers, sewer-  
 10 age system with appurtenances, disposal plant or plants which the  
 11 sewerage district is under any obligation to do and fix, charge,  
 12 collect, enforce and receive service charges and all revenues there-  
 13 after arising subject to any pledge thereof or contract with the  
 14 bondholders relating thereto and perform the public duties and  
 15 carry out the contracts and obligations of the sewerage district  
 16 in the same manner as the sewerage district might do and under  
 17 the direction of the court.

**40A:18-38. FEES AND EXPENSES OF TRUSTEE AND RECEIVER.**

1 In any action or proceeding by the trustee appointed pursuant to  
 2 N. J. S. 40A:18-35, his fees and expenses and those of a receiver  
 3 appointed pursuant to N. J. S. 40A:18-37 may be allowed by the  
 4 court as taxable costs and disbursements and, when so allowed,  
 5 shall be a first charge upon any service charges or revenues of  
 6 sewerage district pledged for the payment or security of bonds of  
 7 the series.

**\*[40A:18-39. NEGOTIABILITY OF BONDS OR OBLIGATIONS**

1 Notwithstanding any other law, any bond or other obligation  
 2 issued pursuant to this chapter shall be fully negotiable in the  
 3 meaning and for all purposes of the "Uniform Commercial Code-  
 4 Investment Securities," N. J. S. 12A:8-101, et seq., and the holder  
 5 or owner of a bond or other obligation, or of any coupon attached  
 6 thereto by accepting the bond, obligation or coupon is conclusively  
 7 deemed to have agreed that the bond, obligation or coupon is and  
 8 shall be fully negotiable with the meaning and for all purposes of  
 9 the "Uniform Commercial Code-Investment Securities," N. J. S.  
 10 12A:8-101 et seq.]\*

**\*[40A:18-40]\* \*40A:18-39\*. PERSONAL LIABILITY ON BONDS;  
 NOT LIABILITY OF STATE OR TOWNSHIP.**

1 Neither the commissioners of the sewerage district nor any  
 2 person executing bonds or other obligations issued pursuant to this  
 3 chapter shall be personally liable on the bonds or other obligations  
 4 by reason of their issuance, and they shall not be in any way a debt  
 5 or liability of the State or township.

**\*[40A:18-41]\* \*40A:18-40\*. BONDS, ETC., EXEMPT  
 FROM TAXATION; EXCEPTION.**

1 All bonds and other obligations issued by a sewerage district  
 2 pursuant to this chapter are declared to be issued by a political  
 3 subdivision of this State and for an essential public and govern-  
 4 mental purpose and to be a public instrumentality, and the bonds

5 and other obligations, and the interest thereon and the income  
6 therefrom, and all service charges, funds, revenues and other  
7 moneys pledged or available to secure the payment of the bonds  
8 and other obligations, or interest thereon, shall at all times be  
9 exempt from taxation, except for transfer inheritance and estate  
10 taxes and taxes on transfers by or in contemplation of death.

\*[40A:18-42]\* \*40A:18-41\*. BONDS AS LEGAL INVESTMENTS.

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

\*[40A:18-43]\* \*40A:18-42\*. AUTHORITY TO ESTABLISH RATES FOR  
SERVICES AND CONNECTIONS.

1 A sewerage district is authorized to charge and collect rents,  
2 rates, fees or other charges (sometimes referred to as "service  
3 charges") for direct or indirect connection with, or the use or  
4 services of, the sewer or sewers, sewerage system or disposal  
5 plant or plants of the sewerage district. The service charges may  
6 be charged to and collected from any person contracting for the  
7 connection or use or services or from the owner or occupant, or  
8 both of them, of any real property which directly or indirectly is  
9 or has been connected with the sewer or sewers, sewerage system  
10 or disposal plant or plants, or from on or which sewage or other  
11 wastes originate or has originated and which have directly or  
12 indirectly entered or may enter the sewer or sewers, sewerage  
13 system or disposal plant or plants. The owner of the real property  
14 shall pay the service charges to the sewerage district at the time  
15 when and place where the service charges are due and payable.

\*[40A:18-44]\* \*40A:18-43\*. RATES, FEES AND CHARGES FOR  
SERVICES TO BE UNIFORM; COMPUTATION.

1 Rents, rates, fees and charges, which may be payable period-  
2 ically, being in the nature of use or service charges, shall, as the  
3 sewerage district deems practical and equitable, be uniform  
4 throughout the district for the same type, class and amount of use  
5 or service of the sewer or sewers, sewerage system, disposal plant

6 or plants. The rents, fees, rates and charges may be based or  
7 computed either on the consumption of water on or in connection  
8 with the real property, making due allowance for commercial use  
9 of water, or on the number and kind of water outlets on or in  
10 connection with the real property, or on the number and kind of  
11 plumbing or sewerage fixtures or facilities on or in the real prop-  
12 erty, or on the number of persons residing or working on or other-  
13 wise connected or identified with the real property, or on the  
14 capacity of the improvements on or connected with the real prop-  
15 erty, or on any other factors determining the type, class and  
16 amount of use or service of the sewer or sewers, sewerage system  
17 or disposal plant or plants or on any combination of those factors.  
18 In determining the rents, rates, fees and charges, the sewerage  
19 district may also give weight to the characteristics of the sewage  
20 and other wastes and any other special matter affecting the cost of  
21 treatment and disposal thereof, including chlorine demand, bio-  
22 chemical oxygen demand, concentration of solids and chemical  
23 composition. In addition to any periodic service charges, a sepa-  
24 rate charge in the nature of a connection fee or tapping fee, in  
25 respect of each connection of any property with the sewer or  
26 sewers, sewerage system, disposal plants or plants may be imposed  
27 upon the person making the connection or upon the owner or  
28 occupant of the property so connected. The connection charges  
29 shall be uniform within each class of users thereof but the amount  
30 thereof shall otherwise be entirely within the discretion of the  
31 district so that the combination of the connection fee or tapping  
32 fee and the periodic service charges shall meet the requirements  
33 of N. J. S. \*[40A:18-45]\* \*40A:18-44\*. In assessing any connec-  
34 tion charges, the sewerage district shall give credit in every  
35 instance to the owner or occupant of any property wherein or  
36 whereon any action or improvement has been taken or effectuated,  
37 in accordance with the reasonable specifications as prescribed by  
38 the sewerage district, which results in a reduction of the costs  
39 actually incurred by the sewerage district in making the connection  
40 below the costs actually incurred in making the connection to the  
41 property wherein or whereon no action or improvement has been  
42 taken or effectuated. The amount of any credit shall be equal to  
43 the percentage difference between the costs actually incurred by the  
44 sewerage district in making the connection to a property wherein or  
45 whereon an action or improvement has been taken or effectuated,  
46 and the average during the preceding year of the costs actually  
47 incurred by the sewerage district in making the connections to  
48 property wherein or whereon action or improvement has not been  
49 taken or effectuated.

\*[40A:18-45]\* \*40A:18-44\*. REVISING SCHEDULE OF  
SERVICE CHARGES.

1 The sewerage district shall, when necessary and from time to  
2 time, revise its schedule of service charges which shall comply with  
3 the terms of any contract of the sewerage district so that the  
4 revenues of the sewerage district will at all times be adequate to  
5 pay all expenses of operation and maintenance of the sewer or  
6 sewers, sewerage system, disposal plant or plants, including re-  
7 serves, insurance, extensions and replacements, and to pay the  
8 principal of and interest on any bonds punctually and to maintain  
9 reserves therefor as may be required by any contract of the  
10 sewerage district or as may be determined to be necessary or  
11 desirable by the sewerage district.

\*[40A:18-46]\* \*40A:18-45\*. PROCEDURE TO REVISE  
SCHEDULE OF SERVICE CHARGES.

1 The schedule of service charges shall be revised by the sewerage  
2 district after a public hearing thereon which shall be held by the  
3 sewerage district at least 10 days after publication of a notice  
4 of the proposed adjustments of the service charges and of the time  
5 and place of the public hearing in at least two newspapers having  
6 a general circulation within the district. The sewerage district  
7 shall provide evidence at the hearing showing that the proposed  
8 adjustment of the service charges is necessary and reasonable, and  
9 shall provide the opportunity for cross examination of the persons  
10 offering the evidence. A transcript of the hearing shall be made  
11 and a copy thereof shall be available upon request to anyone at a  
12 reasonable fee.

\*[40A:18-47]\* \*40A:18-46\*. FILING SCHEDULE OF  
SERVICE CHARGES; INSPECTION.

1 A copy of the schedule of service charges then in effect shall at all  
2 times be kept on file at the office of the sewerage district and shall at  
3 all reasonable times be open to public inspection.

\*[40A:18-48]\* \*40A:18-47\*. FIXING TIME AND PLACE FOR  
PAYMENT OF SERVICE CHARGES; ADVANCE PAYMENT.

1 The sewerage district shall fix the time or times when and the  
2 place or places where service charges shall be due and payable.  
3 The sewerage district may require that service charges shall be paid  
4 in advance for a period of not more than one year.

**\*[40A:18-49]\* \*40A:18-48\***. UNPAID SERVICE CHARGE; INTEREST.

1 If a service charge of the sewerage district with regard to any  
 2 parcel of real property is not paid when due, interest shall accrue  
 3 thereon and be due to the sewerage district at the rate of 1½%  
 4 per month until the service charge, together with interest shall be  
 5 fully paid to the district.

**\*[40A:18-50]\* \*40A:18-49\***. UNPAID SERVICE CHARGE; LIEN.

1 If a service charge of the sewerage district with regard to any  
 2 parcel of real property owned by any person other than the State  
 3 or an agency or political subdivision thereof is not paid when due,  
 4 the service charge or any balance thereof together with all accrued  
 5 interest thereon, shall be a lien on the parcel. The lien shall be  
 6 superior and paramount to the interest in the parcel of any owner,  
 7 lessee, tenant, mortgagee or any other person except the lien of  
 8 municipal taxes. The lien shall be on a parity with and deemed to  
 9 be equal to the lien on the parcel of the municipality for taxes due  
 10 in the same year and not paid when due. The lien shall not affect  
 11 a subsequent purchaser of the parcel for a valuable consideration  
 12 without actual notice of the lien unless the sewerage district has  
 13 filed a statement showing the amount and due date of the unpaid  
 14 balance and identifying the parcel, which identification may be  
 15 sufficiently made by reference to the assessment map of the munic-  
 16 ipality, in the office of the collector or other officer charged with  
 17 the duty of enforcing municipal liens on real property. The infor-  
 18 mation shown in the statement shall be included in any certificate  
 19 with respect to the parcel of real property thereafter made by the  
 20 official of the municipality vested with the power to make official  
 21 certificates of searches for municipal liens. Whenever the service  
 22 charge and any subsequent service charge and all accrued interest  
 23 thereon are paid to the sewerage district, the statement shall be  
 24 promptly cancelled by the district.

**\*[40A:18-51]\* \*40A:18-50\***. FISCAL YEAR.

1 The fiscal year of a sewerage district shall be the calendar year.

**\*[40A:18-52]\* \*40A:18-51\***. BUDGET; GENERALLY.

1 Prior to January 15 of each year the commissioners of the sewer-  
 2 age district shall prepare and adopt a budget for the calendar year.  
 3 The budget shall be prepared in accordance with established munic-  
 4 ipal accounting practices and shall estimate the amount required  
 5 for expenditures of the sewerage district for the calendar year,  
 6 including the expenses of operation, repair and maintenance and  
 7 all amounts to be raised during the year for interest and principal  
 8 on bonds, notes and other obligations issued by the sewerage dis-

9 trict. The budget shall also estimate the revenues to be received  
 10 from rates, rents, rentals and other charges which shall not be  
 11 greater than the rates, rents, rentals and charges received in cash  
 12 by the sewerage district during the preceding calendar year, unless  
 13 prior to the adoption of the budget the sewerage commissioners  
 14 have increased the rates, rents, rentals or charges to be charged  
 15 for the facilities of the sewer or sewers, sewerage system, disposal  
 16 plant or plants of the district during the calendar year, in which  
 17 event the estimated amount of the rates, rents, rentals and other  
 18 charges to be received during the calendar year may be a sum con-  
 19 sisting of the amounts of the rates, rents, rentals or other charges  
 20 actually received in cash during the preceding calendar year, to-  
 21 gether with the amount of the increase in rates, rents, rentals or  
 22 other charges which would have been received during the previous  
 23 calendar year at the percentage of collections for the previous  
 24 calendar year. A certified copy of the budget shall be filed in the  
 25 office of the township clerk before February 1 of each year.

\***[40A:18-53]**\* \*40A:18-52\*. BUDGET; INSUFFICIENCY OF  
 ESTIMATED REVENUES.

1 If the amount of estimated revenues to be received during the  
 2 calendar year as provided in N. J. S. \***[40A:18-52]**\* \*40A:18-51\*  
 3 will be insufficient to pay the estimated cost of operation, repair  
 4 and maintenance and all debt service charges, the sewerage com-  
 5 missioners shall certify the anticipated deficit for the calendar year  
 6 to the township assessor before February 1 of the calendar year.  
 7 The township assessor shall assess the amount so certified upon the  
 8 ratables in the district in the same manner in which township taxes  
 9 are assessed. The township collector shall collect the assessments  
 10 and pay them over to the sewerage commissioners for the opera-  
 11 tion, repair and maintenance of the sewer or sewers, sewerage  
 12 system, disposal plant or plants and the payment of bonds or  
 13 obligations issued by the district.

\***[40A:18-54]**\* \*40A:18-53\*. BUDGET; ARREARS IN  
 PAYMENT OF BONDS.

1 If at the time the budget is certified as provided in N. J. S.  
 2 \***[40A:18-52]**\* \*40A:18-51\*, the sewerage district is in arrears in  
 3 the payment of the principal of and interest on any bonds or other  
 4 obligations issued by the district, the full amount of the arrearages  
 5 shall be certified by the sewerage commissioners to the township  
 6 assessor to be raised by general tax upon all the taxable property  
 7 within the district as provided in N. J. S. \***[40A:18-53]**\*  
 8 \*40A:18-52\* during the calendar year.

\*[40A:18-55]\* \*40A:18-54\*. AUDIT OF ACCOUNTS; FILING.

1 A sewerage district shall have an annual audit of its accounts to  
 2 be made by a registered municipal accountant of New Jersey or a  
 3 certified accountant of New Jersey. The audit shall be completed  
 4 and filed with the district within four months after the close of the  
 5 fiscal year and a copy filed in the township clerk's office within five  
 6 days after the original audit is filed with the district.

\*[40A:18-56]\* \*40A:18-55\*. EXEMPTION OF DISTRICT PROPERTY  
 FROM JUDGMENT LIEN, LEVY OR EXECUTION SALE; EXCEPTION.

1 All property of a sewerage district shall be exempt from levy and  
 2 sale by virtue of an execution, and neither an execution nor other  
 3 judicial process shall issue against the property of a sewerage dis-  
 4 trict nor shall any judgment against a sewerage district be a charge  
 5 or a lien upon its property. Nothing in this section shall apply to  
 6 or limit the rights of any bondholders to pursue any remedy for the  
 7 enforcement of any pledge or lien given by the sewerage district  
 8 upon its property or revenues.

\*[40A:18-57]\* \*40A:18-56\*. CONTRACTS WITH BODIES POLITIC  
 AND SUBDIVISIONS OUTSIDE TERRITORY.

1 The commissioners of a sewerage district are authorized to enter  
 2 into a contract with any body politic or political subdivision thereof  
 3 outside of the district's territory to provide for the use by that  
 4 body or subdivision of the district's sewer or sewers, sewerage  
 5 system, disposal plant or plants. The contract shall provide for the  
 6 period of time for the use and a service charge for the use as may  
 7 be agreed upon.

\*[40A:18-58]\* \*40A:18-57\*. CONTRACTS WITH BODIES POLITIC AND  
 SUBDIVISIONS OUTSIDE TERRITORY; INSTALLATIONS, COSTS  
 AND EXPENSES.

1 Any body politic or political subdivision thereof contracting with  
 2 the commissioners of a sewerage district as provided in N. J. S.  
 3 \*[40A:18-57]\* \*40A:18-56\* for the use of the district's sewer or  
 4 sewers, sewerage system, disposal plant or plants shall, at its  
 5 expense and with the consent of the body politic owning or control-  
 6 ling the street or streets in or under which the installation is to be  
 7 made, install its own sewerage pipelines and appurtenances to  
 8 connect at an agreed point of tie-in with the sewer or sewers,  
 9 sewerage system, disposal plant or plants of the sewerage district.

**\*[40A:18-59]\* \*40A:18-58\*. CONTRACTS WITH BODIES POLITIC  
AND SUBDIVISIONS OUTSIDE TERRITORY; OWNERSHIP AND  
MAINTENANCE OF TIE-IN PIPELINES.**

1 Title and ownership of the sewerage pipelines and appurtenances  
2 installed by a body politic or political subdivision thereof for the  
3 purpose of tie-in with the sewerage system and disposal plant of a  
4 sewerage district shall remain in the body politic or political sub-  
5 division thereof, and the body politic or political subdivision shall  
6 be responsible for the upkeep and maintenance of the pipelines and  
7 appurtenances.

**\*[40A:18-60]\* \*40A:18-59\*. CONTRACTS WITH BODIES POLITIC AND  
POLITICAL SUBDIVISION OUTSIDE TERRITORY;  
RESTRICTION ON TAP-IN OR USE.**

1 The sewerage pipelines and appurtenances shall not be subject  
2 to tap-in or use by any other body politic or political subdivision  
3 other than the body politic or political subdivision installing them.

**\*[40A:18-61]\* \*40A:18-60\*. ASSUMPTION OF SEWERAGE  
DISTRICT INDEBTEDNESS BY TOWNSHIP.**

1 If a sewer district has issued bonds or other obligations to pay  
2 for the cost of construction or improvement of a sewer or sewers,  
3 sewerage system with appurtenances or a disposal plant or plants,  
4 the governing body of the township may, in its discretion, assume  
5 and pay the indebtedness evidenced by the bonds or other obliga-  
6 tions in the manner as hereinafter provided if the value of the  
7 sewer or sewers, sewerage system with appurtenances or disposal  
8 plant or plants is not less than the amount of the bonds or other  
9 obligations so issued.

**\*[40A:18-62]\* \*40A:18-61\*. ASSUMPTION OF SEWERAGE  
DISTRICT INDEBTEDNESS BY TOWNSHIP; PROCEDURE.**

1 Upon the adoption of a resolution by the sewer commissioners  
2 describing the bonds or other obligations issued by the sewer dis-  
3 trict and requesting the governing body of the township to assume  
4 payment of the indebtedness evidenced by the bonds or other obliga-  
5 tions, the governing body of the township shall first determine that  
6 the indebtedness evidenced by the bonds or other obligations was  
7 incurred for the construction or improvement of a sewer or sewers,  
8 sewerage system with appurtenances, disposal plant or plants in  
9 the district and that their value is not less than the amount of the  
10 bonds or other obligations, and that the sewer or sewers, sewerage  
11 system with appurtenances, disposal plant or plants are so con-  
12 structed or improved that they may be made a part of an existing

13 or proposed sewerage system constructed by the township. Upon  
 14 a favorable determination of the foregoing factors, the governing  
 15 body of the township may, by resolution, assume payment by the  
 16 township of the indebtedness evidenced by the bonds or other  
 17 obligations.

\***[40A:18-63]**\* \*40A:18-62\*. ASSUMPTION OF SEWERAGE

DISTRICT INDEBTEDNESS BY TOWNSHIP; PAYMENT.

1 If the governing body of the township assumes the payment of  
 2 any bonds or obligations of the sewer district, they shall become  
 3 obligations of and be paid by the township. The governing body  
 4 of the township may, in its discretion, pay the bonds or other  
 5 obligations out of the proceeds of any bonds, temporary bonds or  
 6 notes which may be issued by the township for the acquisition, con-  
 7 struction, reconstruction, enlargement or extension of a sewer sys-  
 8 tem in the township.

\***[40A:18-64]**\* \*40A:18-63\*. ASSUMPTION OF SEWERAGE

DISTRICT INDEBTEDNESS BY TOWNSHIP; OUTSTANDING

FEES, CHARGES, ETC.; USE OF PROCEEDS.

1 If the governing body of a township assumes the payment of any  
 2 bonds or obligations of a sewer district, all outstanding fees,  
 3 charges or assessments owing to the sewer district shall be paid  
 4 to and collected by the township collector and they shall be applied  
 5 solely to the payment of the bonds or other obligations of the sewer  
 6 district or to the payment of the bonds, temporary bonds or notes,  
 7 the proceeds of which were used to pay the sewer district's in-  
 8 debtedness.

\***[40A:18-65]**\* \*40A:18-64\*. ASSUMPTION OF SEWERAGE

DISTRICT INDEBTEDNESS BY TOWNSHIP; EFFECT.

1 If the governing body of a township assumes the payment of any  
 2 bonds or other obligations of a sewer district, the terms of office  
 3 of the sewerage district shall terminate and the sewerage district  
 4 dissolved. The sewer or sewers, sewerage system with appurte-  
 5 nances, disposal plant or plants shall become the property of the  
 6 township and deemed to be a part of the township sewerage system.  
 1 2. This act shall take effect immediately.

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SENATE, No. 1965

**STATE OF NEW JERSEY**

INTRODUCED DECEMBER 2, 1982

By Senators HURLEY and DORSEY

Referred to Committee on County and Municipal Government

AN ACT concerning the incorporation of certain sewerage districts  
in townships of this State, providing for the election of com-  
missioners and establishing their powers, and enacting chapter  
18 of Title 40A of the New Jersey Statutes.

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

TITLE 40A

CHAPTER 18

SEWERAGE DISTRICTS

- |    |            |  |
|----|------------|--|
| 1  | 40A:18-1.  | Incorporation of sewerage districts.                   |
| 2  | 40A:18-2.  | Commissioners' elections validated.                    |
| 3  | 40A:18-3.  | Sewerage commissioners.                                |
| 4  | 40A:18-4.  | Validation of prior acts, etc.                         |
| 5  | 40A:18-5.  | Election of commissioners; first election; fixing time |
| 6  |            | and place; notice.                                     |
| 7  | 40A:18-6.  | Qualifications for election as commissioner.           |
| 8  | 40A:18-7.  | Nomination of candidates for election as commis-       |
| 9  |            | sioners.   |
| 10 | 40A:18-8.  | Nominating petition; form and content; number of       |
| 11 |            | signatures; candidate's consent.                       |
| 12 | 40A:18-9.  | Verification of nominating petition.                   |
| 13 | 40A:18-10. | Examination of petition.                               |
| 14 | 40A:18-11. | Eligibility of voters.                                 |
| 15 | 40A:18-12. | Number of commissioners to be elected at the first     |
| 16 |            | election; vote required; term.                         |
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- 20 40A:18-16. Subsequent elections; notice.
- 21 40A:18-17. Commissioners; oath.
- 22 40A:18-18. Commissioners; organization.
- 23 40A:18-19. Commissioners; compensation.
- 24 40A:18-20. Commissioners; vacancies.
- 25 40A:18-21. Clerk; term; bond.
- 26 40A:18-22. Clerk; compensation; chief financial officer of district.
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- 37 40A:18-29.1. Interim financing.
- 38 40A:18-30. Bond resolution; provisions; bondholders.
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 90 proceeds.  
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 92 township; effect.

40A:18-1. INCORPORATION OF SEWERAGE DISTRICTS.

1 In any township of this State in which the governing body in the  
 2 manner provided by law prior to April 25, 1977, set off the desig-  
 3 nated by number a sewerage district within the township, and at  
 4 elections held within the district the voters of the district voted  
 5 in favor of the construction within the district of a sewer, sewers  
 6 or sewerage system with appurtenances or a disposal plant or plants  
 7 and also elected sewerage commissioners, the district is hereby  
 8 reincorporated and shall be a body corporate of and shall constitute  
 9 a political subdivision of the State of New Jersey. The district

10 shall be known and designated under the corporate name of "Sewer-  
 11 age District No. . . . . of the Township of . . . . . ,  
 12 in the County of . . . . .". The district shall  
 13 have the same limits, boundaries, territory and number as set forth  
 14 in the original resolution of the governing body setting off and  
 15 designating the district or as the boundaries and territory of the  
 16 district may have been modified, altered or changed by subsequent  
 17 resolutions of the governing body prior to April 25, 1977.

40A:18-2. COMMISSIONERS' ELECTIONS VALIDATED.

1 The elections of all commissioners in sewerage districts described  
 2 in N. J. S. 40A:18-1 between April 25, 1977 and the effective date  
 3 of this chapter are hereby validated and made legal notwithstand-  
 4 ing any defect in or lack of authority to elect commissioners at the  
 5 times of their election.

40A:18-3. SEWERAGE COMMISSIONERS.

1 The sewerage commissioners now in office in any sewerage dis-  
 2 trict as described in N. J. S. 40A:18-1 are constituted the valid and  
 3 legally elected commissioners of the sewerage district and shall  
 4 continue in office until the election of their successors as hereafter  
 5 provided.

40A:18-4. VALIDATION OF PRIOR ACTS, ETC.

1 Any and all acts and things done by commissioners in office  
 2 between April 25, 1977 and the effective date of this chapter in-  
 3 cluding but not limited to contracts entered into in behalf of the  
 4 district for the construction of a sewer or sewers, sewer system,  
 5 disposal plant or plants or for the repair, maintenance and opera-  
 6 tion of any of them; the issuance of bonds, temporary improvement  
 7 notes, improvement certificates, assessments for benefits, the fixing  
 8 of rentals or other charges for service and facilities are hereby  
 9 made legal and validated notwithstanding any lack of authority  
 10 in the commissioners to so do.

40A:18-5. ELECTION OF COMMISSIONERS; FIRST ELECTION;  
 FIXING TIME AND PLACE; NOTICE.

1 Within 45 days after the effective date of this chapter, the com-  
 2 missioners in office shall fix a day and a time between one o'clock  
 3 in the afternoon and nine o'clock in the evening prevailing time,  
 4 and a place within the district where the election of sewerage com-  
 5 missioners shall be held which shall not be more than 90 days after  
 6 the effective date of this chapter. Notice of the time and place of  
 7 the election shall be given by advertisement in a newspaper having

8 a general circulation within the district for at least two weeks prior  
 9 to the time fixed for the election, the advertisement to be made at  
 10 least once in each week. Copies of the advertisement shall be posted  
 11 in five of the most public places within the district at least 10 days  
 12 before the date of the election.

40A:18-6. QUALIFICATIONS FOR ELECTION AS COMMISSIONER.

1 A candidate for election as a commissioner of a sewerage district  
 2 shall be a resident of and a qualified voter within the district.

40A:18-7. NOMINATION OF CANDIDATES FOR ELECTION  
 AS COMMISSIONERS.

1 Candidates for election as commissioners of the sewer district  
 2 shall be nominated by petition. The petition shall be addressed to  
 3 and filed with the clerk of the sewerage district. All petitions and  
 4 amendments thereto shall be filed no later than 20 days before the  
 5 date of election.

40A:18-8. NOMINATING PETITION; FORM AND CONTENT;  
 NUMBER OF SIGNATURES; CANDIDATE'S CONSENT.

1 A petition for the nomination of a candidate for election as a  
 2 commissioner of the sewerage district shall state that the signers  
 3 thereof are qualified voters and residents of the sewerage district  
 4 and requesting that the name of the candidate be placed upon the  
 5 official ballot to be used at the upcoming election. Each signer to  
 6 a petition shall add to his signature his residence designated by  
 7 number and street or contain identification thereof if there is no  
 8 street number. A petition shall contain the name of only one candi-  
 9 date, but several petitions may nominate the same candidate. A  
 10 petition or petitions filed in behalf of a candidate shall contain in  
 11 the aggregate at least 10 signatures. The candidate named in the  
 12 petition shall endorse thereon his consent to the nomination and,  
 13 that if elected he will serve as a commissioner of the sewerage  
 14 district.

40A:18-9. VERIFICATION OF NOMINATING PETITION.

1 An affidavit shall be attached to each petition of one or more of  
 2 the signers that all of the signatures appended thereto were made  
 3 in his or their presence, and that he or they believe them to be the  
 4 genuine signatures of the persons whose name they purport to be.

40A:18-10. EXAMINATION OF PETITION.

1 Within three days after the filing of a petition, the clerk of the  
 2 sewerage district shall examine the petition and certify the result  
 3 of his examination to the commissioners of the sewerage district.

4 If he shall certify that the petition is defective, he shall set forth  
 5 in his certificate the particulars in which the petition is defective  
 6 and immediately notify the candidate of his findings. Within three  
 7 days after notification of insufficiency, the petition may be amended  
 8 by the filing of a supplementary petition signed and verified as pro-  
 9 vided in the case of an original petition. Within three days after  
 10 an amended petition is filed, the clerk shall examine the amended  
 11 petition and certify the result of his examination to the commis-  
 12 sioners of the sewerage district. If he shall certify that the amended  
 13 petition is insufficient, he shall set forth in his certificate the par-  
 14 ticulars in which it is insufficient and immediately notify the candi-  
 15 date of his findings and no further action shall be taken on the  
 16 insufficient petition. The finding of insufficiency shall not prevent  
 17 the filing of a new petition if all of the other provisions relating  
 18 to the filing of nominating petitions are met.

40A :18-11. ELIGIBILITY OF VOTERS.

1 No later than seven days before an election for sewerage com-  
 2 missioners, the clerk of the sewerage district shall obtain the regis-  
 3 try list of the township and the election districts within the sewer-  
 4 age district for the preceding general election to determine the  
 5 eligibility of voters at the election. A person shall not be permitted  
 6 to vote at the election unless that person's name appears on the  
 7 registry list, except that any person who becomes of age or has  
 8 moved into the sewerage district since the preceding general elec-  
 9 tion and possessing all of the qualifications which would entitle that  
 10 person to vote in a general election, shall file an application with  
 11 the clerk of the sewerage district at least two days prior to the  
 12 election.

40A :18-12. NUMBER OF COMMISSIONERS TO BE ELECTED AT THE  
 FIRST ELECTION ; VOTE REQUIRED ; TERM.

1 At the first election of commissioners following the effective date  
 2 of this chapter, the voters of the district shall elect five commis-  
 3 sioners. The five candidates receiving the highest number of votes  
 4 cast shall be elected as commissioners of the sewerage district and  
 5 they shall serve for terms as hereinafter provided.

40A :18-13. MANNER OF CONDUCTING ELECTIONS ;  
 CERTIFYING RESULTS.

1 Prior to the opening of the polls for the election of commissioners,  
 2 the commissioners then in office shall appoint a judge of elections  
 3 and two tellers. The vote for the election of commissioners shall

4 be by ballots furnished by the sewerage district which shall list the  
 5 candidates according to the alphabetical order of their surnames.  
 6 Immediately after the close of the polls, the judge and tellers shall  
 7 count the votes and certify the results of the election to the com-  
 8 missioners of the sewerage district.

40A:18-14. TERMS OF COMMISSIONERS.

1 Within five days after the first election for commissioners follow-  
 2 ing the effective date of this chapter, the elected commissioners  
 3 shall hold a meeting at which they shall divide themselves by lot  
 4 into three classes; the term of the first class consisting of two  
 5 commissioners whose terms shall terminate at the end of one year  
 6 from the date of their election; the term of the second class con-  
 7 sisting of two commissioners whose terms shall terminate at the  
 8 end of two years from the date of their election; and the third  
 9 class consisting of one commissioner whose term shall terminate  
 10 at the end of three years from the date of his election, so that after  
 11 the first election two commissioners shall be elected annually and  
 12 one shall be elected every third year. Except as otherwise provided  
 13 in this section, commissioners shall hold office for three years and  
 14 until their successors are elected.

40A:18-15. SUBSEQUENT ELECTIONS.

1 All subsequent elections for commissioners of the sewerage dis-  
 2 trict following the first election of commissioners shall be held  
 3 annually on the same date between the hours of one o'clock in the  
 4 afternoon and nine o'clock in the evening prevailing time at a place  
 5 to be designated by the commissioners of the sewerage district.

40A:18-16. SUBSEQUENT ELECTIONS; NOTICE.

1 At least six weeks before the date fixed for the annual election  
 2 of commissioners, notice of the time and place fixed for the annual  
 3 election and the closing date for the filing of nominating petitions  
 4 shall be given by advertisement in a newspaper having a general  
 5 circulation within the sewerage district, and a further notice shall  
 6 be published in the same manner at least two weeks prior to the  
 7 election, the advertisement to be at least once in each week.

40A:18-17. COMMISSIONERS; OATH.

1 The newly elected commissioners shall file their respective oaths  
 2 to faithfully and impartially perform their duties as commissioners  
 3 with the township clerk.

## 40A:18-18. COMMISSIONERS; ORGANIZATION.

1 Within seven days after each annual election, the commissioners  
 2 shall meet and organize by the election of one of the commissioners  
 3 as chairman and the appointment of a clerk who need not be one  
 4 of the commissioners.

## 40A:18-19. COMMISSIONERS; COMPENSATION.

1 The commissioners of the sewerage district shall not receive  
 2 any compensation for the performance of their duties but they may  
 3 be reimbursed for their actual expenses incurred in the perform-  
 4 ance of their duties.

## 40A:18-20. COMMISSIONERS; VACANCIES.

1 A vacancy occurring in the office of a commissioner by reason of  
 2 the death or resignation of a commissioner, or that a commissioner  
 3 no longer resides within the territorial limits of the sewerage  
 4 district or for any other reason, shall be filled by a majority vote  
 5 of the remaining commissioners until the next annual election of  
 6 commissioners, at which time the vacancy shall be filled by election  
 7 for the unexpired term only.

## 40A:18-21. CLERK; TERM; BOND.

1 The clerk of the sewerage district shall be appointed for a term  
 2 of one year and until his successor is appointed. He shall give bond  
 3 to the sewerage district for the faithful performance of his duties  
 4 in an amount as shall be determined by the commissioners by a  
 5 surety company authorized to do business in New Jersey.

40A:18-22. CLERK; COMPENSATION; CHIEF FINANCIAL  
OFFICER OF DISTRICT.

1 The clerk of the sewerage district may be compensated for his  
 2 services as the commissioners of the sewerage district shall, by  
 3 resolution, determine. The clerk shall be the chief financial officer of  
 4 the district and the custodian of all district funds. The clerk shall  
 5 not disburse district funds unless authorized to do so by resolution  
 6 of the commissioners.

40A:18-23. EMPLOYMENT OF ADVISERS, EXPERTS,  
OFFICERS, AGENTS AND EMPLOYEES.

1 The commissioners of a sewerage district may appoint and em-  
 2 ploy professional and technical advisers and experts, other officers,  
 3 agents and employees as they may require and determine their  
 4 qualifications, terms of office or employment, duties and  
 5 compensation.

## 40A:18-24. CONFLICT OF INTEREST.

1 A commissioner, officer, agent or employee of a sewerage district  
 2 shall not have or acquire any interest direct or indirect, in the  
 3 sewerage system or any property included or planned to be in-  
 4 cluded in the sewerage system or in any contract or proposed  
 5 contract for materials or services to be furnished to or used by the  
 6 sewerage district.

40A:18-25. POSSESSION OF PROPERTY; ASSUMPTION AND  
 LIABILITY FOR DEBTS AND CONTRACTS.

1 A sewerage district incorporated under this chapter shall be  
 2 vested with the title and possession of all the property, real and  
 3 personal, or other assets of any nature whatsoever and shall assume  
 4 and shall be liable for the payment of all the debts, contracts and  
 5 liabilities, including any bonds, notes, improvement certificates or  
 6 other obligations issued, of its predecessor district which was in  
 7 existence on April 25, 1977.

## 40A:18-26. POWERS OF SEWERAGE DISTRICT.

1 In addition to any other powers conferred upon a sewerage  
 2 district by this chapter or any other law, a sewer district is  
 3 authorized:

- 4 a. To sue and be sued;
- 5 b. To adopt and have a common seal and alter it at pleasure;
- 6 c. To construct, improve, maintain, improve and add to a sewer  
 7 or sewers, sewerage system with appurtenances and a sewage  
 8 disposal plant or plants and to provide for the cost thereof;
- 9 d. To acquire by purchase, gift, devise or condemnation in the  
 10 manner provided by the "Eminent Domain Act of 1971," P. L. 1971,  
 11 c. 361 (C. 20:3-1 et seq.), real property or any interest therein  
 12 necessary or useful for the purposes of the sewerage district and  
 13 to dispose of the real property or any interest therein no longer  
 14 necessary for the purposes of the district;
- 15 e. To acquire by purchase, gift or devise personal property  
 16 necessary or useful for the purposes of the sewerage district and to  
 17 dispose of personal property no longer necessary for the purposes  
 18 of the district;
- 19 f. To enter on any lands, waters or premises for the purpose of  
 20 making surveys, borings, soundings and examinations for the pur-  
 21 poses of the district;
- 22 g. To make, amend and enforce bylaws or rules and regulations  
 23 for the management and regulation of district business and affairs  
 24 and for the use, maintenance and operation of its sewerage system  
 25 and any of its other properties:

26 h. To do and perform any acts and things authorized by this  
27 chapter under, through or by means of its own officers, agents and  
28 employees or by contracts with other persons;

29 i. To enter into contracts, execute instruments, and to do and  
30 perform all acts or things necessary for the purposes of the district  
31 or to carry out any power expressly given in this chapter subject to  
32 the "Local Public Contracts Law," P. L. 1971, c. 198 (C. 40A:11-1  
33 et seq.).

34 j. To apply for and receive from the Federal Government or any  
35 agency thereof, the State or any department or agency thereof  
36 grants for and in aid of the planning, designing, purchasing, con-  
37 struction, extension, improvement, enlargement, reconstruction or  
38 financing of a sewer or sewers, sewerage system with appurten-  
39 ances and a sewage disposal plant or plants.

#### 40A:18-27. MAPS, PLANS AND SPECIFICATIONS; APPROVAL.

1 Before undertaking the construction of a sewer or sewers, sewer-  
2 age system with appurtenances thereto, a disposal plant or plants  
3 or any improvement or addition thereto, the commissioners of  
4 the sewerage district shall have detailed maps, plans and speci-  
5 fications thereof prepared. The maps, plans and specifications shall  
6 not become effective until they have been submitted to and approved  
7 by the Commissioner of the Department of Environmental  
8 Protection.

#### 40A:18-28. BONDS; PURPOSES.

1 A sewerage district may issue bonds to provide to pay all or any  
2 part of the costs for the construction of a sewer or sewers, sewerage  
3 system with appurtenances thereto, a disposal plant or plants, or  
4 any improvements or additions thereto, including maps, plans and  
5 specifications relating thereto, or for the refunding of any bonds  
6 issued and outstanding.

#### 40A:18-29. BONDS; RESOLUTION; INTEREST; SERIES; MATURITY; PRIVILEGES; REDEMPTION.

1 The bonds shall be authorized by resolution of the sewerage  
2 district which may be adopted at the same meeting at which it is  
3 introduced by a majority of all commissioners of the district then  
4 in office, and shall take effect immediately without being published  
5 or posted. The bonds may bear interest at a rate or rates, not in  
6 excess of that authorized by law, may bear a date or dates, may  
7 mature at a time or times not exceeding 30 years from their  
8 respective dates, may be payable in a medium of payment at a  
9 place or places, may carry registration privileges, may be subject

10 to terms of redemption with or without premium, may be executed  
 11 in a manner, may contain terms, conditions and covenants, and  
 12 may be in form, either coupon or registered as the resolution may  
 13 provide.

40A:18-29.1. INTERIM FINANCING.

1 A sewerage district, in anticipation of the issuance of bonds,  
 2 may borrow money and issue negotiable notes if the bond resolu-  
 3 tion so provides. The notes shall be designated "bond anticipation  
 4 notes" and shall contain a recital that they are issued in anticipa-  
 5 tion of the issuance of bonds. The notes may be issued for a  
 6 period not exceeding one year and may be renewed from time to  
 7 time for periods not exceeding one year, but all the notes, including  
 8 the renewals, shall mature and be paid not later than the fifth  
 9 anniversary of the date of the original notes, except that the notes  
 10 shall not be renewed beyond the third anniversary date of the  
 11 original notes unless an amount of the notes, at least equal to the  
 12 first legally payable installment of the bonds in anticipation of  
 13 which the notes are issued, is paid and retired on or before the  
 14 third anniversary date, and if the notes are renewed beyond the  
 15 fourth anniversary date of the original notes, a like amount is paid  
 16 or retired on or before the fourth anniversary date from funds  
 17 other than the proceeds of obligations.

40A:18-30. BOND RESOLUTION; PROVISIONS; BONDHOLDERS.

1 A bond resolution providing for or authorizing the issuance of  
 2 any bonds may contain provisions, and the sewerage district, in  
 3 order to secure the payment of the bonds and in addition to its  
 4 other powers, shall have the authority by provision in the bond  
 5 resolution to covenant and agree with the bondholders, as to:

6 a. The custody, security, use, expenditure or application of the  
 7 proceeds of the bonds;

8 b. The construction and completion, or improvement of or addi-  
 9 tion to, the sewer or sewers, sewerage system with appurtenances,  
 10 disposal plant or plants;

11 c. The use, regulation, operation, maintenance, insurance or  
 12 disposition of all or any part of the sewer or sewers, sewerage  
 13 system with appurtenances, disposal plant or plants, or restrictions  
 14 on the exercise of the powers of the sewerage district to dispose of,  
 15 or to limit or regulate the use of all or any part of the sewer or  
 16 sewers, sewerage system with appurtenances, disposal plant or  
 17 plants;

18 d. Payment of the principal of or interest on the bonds, or any  
 19 other obligations, and the sources and methods thereof, the rank

20 or priority of any bonds as obligations as to any liens or security,  
21 or the acceleration of maturity of any bonds or obligations;

22 e. The use and disposition of any moneys of the sewerage dis-  
23 trict, including revenues derived or to be derived from the opera-  
24 tion of all or any part of the sewer or sewers; sewerage system  
25 with appurtenances, disposal plant or plants;

26 f. Pledging, setting aside, depositing or trusteeing all or any  
27 part of the revenues or other moneys of the sewerage district to  
28 secure the payment of the principal of or interest on the bonds  
29 or any other obligations, or the payment of the operation or main-  
30 tenance of the sewer or sewers, sewerage system with appur-  
31 tenances, disposal plant or plants, and the powers of any trustee  
32 with respect thereto;

33 g. The setting aside out of the revenues or other moneys of the  
34 sewerage districts of reserves, and the source, custody, security,  
35 regulation, application and disposition of the reserves;

36 h. Determination of the revenues of or of the operation and  
37 maintenance of the sewer or sewers, sewerage system with  
38 appurtenances, disposal plant or plants of the district;

39 i. The rents, rates, fees or other charges for the use of the  
40 services and facilities of the sewerage district, and the fixing,  
41 establishment, collection and enforcement thereof, the amount or  
42 amounts of the revenues to be produced thereby, and the disposi-  
43 tion and application of the amounts charged or collected;

44 j. The assumption or payment or discharge of any indebtedness,  
45 liens or other claims relating to any part of the sewer or sewers,  
46 sewerage system with appurtenances, disposal plant or plants or  
47 any obligations having or which may have a lien on district  
48 revenues;

49 k. Limitations on the issuance of additional bonds or other obli-  
50 gations or on the incurrence of indebtedness by the sewerage  
51 district;

52 l. Limitations on the powers of the sewerage district to construct,  
53 acquire or operate, or permit the construction, acquisition or  
54 operation of any structures, facilities or properties which may  
55 compete or tend to compete with the district's sewer or sewers,  
56 sewer system with appurtenances, disposal plant or plants;

57 m. Vesting in a trustee or trustees property rights, powers and  
58 duties in trust as the sewerage district may determine which may  
59 include any or all of the duties of the trustee appointed by the  
60 bondholders pursuant to N. J. S. 40A:18-35, and limiting or abro-  
61 gating the rights of the bondholders to appoint a trustee pursuant  
62 to N. J. S. 40A:18-35 or limiting the rights, duties and powers of  
63 the trustee;

64 n. Payment of costs or expenses incident to the enforcement of  
65 bonds or of the provisions of the bond resolution or of any  
66 covenant or contract with the bondholders;

67 o. The procedure, if any, by which the terms of any covenant or  
68 contract with, or duty to, the bondholders may be amended or  
69 abrogated, the amount of bonds the holders of which must consent  
70 thereto, and the manner in which the consent may be given or  
71 evidenced; or

72 p. Any other matter or course of conduct which by recital in the  
73 bond resolution is declared to further secure the principal of or  
74 interest on the bonds.

40A:18-31. BOND RESOLUTION, ETC.; CONTRACT WITH BONDHOLDERS.

1 The provisions of the bond resolution and all the covenants and  
2 agreements shall constitute valid and legally binding contracts  
3 between the sewerage district and the bondholders, regardless of  
4 the time of the issuance of the bonds, and they shall be enforceable  
5 by any bondholder or bondholders by appropriate action or pro-  
6 ceeding in any court of competent jurisdiction.

40A:18-32. NOTICE OF ADOPTION OF BOND RESOLUTION;

LIMITATION OF ACTIONS QUESTIONING VALIDITY.

1 The sewerage district may publish a notice in a newspaper  
2 having a general circulation within the district stating the date of  
3 adoption of the bond resolution, the amount and maturities of the  
4 bonds to be issued, and also stating that any action or proceeding  
5 of any kind questioning the validity of the creation and establish-  
6 ment of the sewerage district, or the validity or proper authoriza-  
7 tion of bonds provided for by the bond resolution, or the validity  
8 of any covenants, agreements or contracts provided for by the  
9 bond resolution shall be commenced in any court of competent  
10 jurisdiction within 20 days after the first publication. If an action  
11 or proceeding is not commenced within 20 days after publication  
12 of the notice, then all residents and owners of real property within  
13 the district and users of the district's sewerage system and all  
14 other persons whomsoever shall be forever barred from commenc-  
15 ing any action in any court, or from pleading any defense to any  
16 action or proceeding, questioning the validity of the creation and  
17 establishment of the sewerage district, the validity or proper  
18 authorization of the bonds, or the validity of any covenants, agree-  
19 ments or contract, and the bonds, covenants, agreements and con-  
20 tracts shall be conclusively deemed to be valid and binding obliga-  
21 tions in accordance with their terms and tenor.

## 40A:18-33. SALE OF OR EXCHANGE OF BONDS.

1 Bonds may be sold, all at one time or in blocks from time to  
 2 time, at public or private sale, or if refunding bonds may also be  
 3 delivered in exchange for the outstanding obligations to be re-  
 4 funded, in a manner as the sewerage district shall, by resolution,  
 5 determine, and at a price or prices, computed according to stan-  
 6 dard tables of bond values, as will yield to the purchasers or to the  
 7 holders of obligations surrendered, income at a rate not exceeding  
 8 that authorized by law to the maturity dates of the bonds as sold  
 9 or exchanged on the money paid or the principal amount of the  
 10 obligations surrendered therefor to the sewerage district.

40A:18-34. INTERIM CERTIFICATES; TEMPORARY BONDS  
OR OTHER INSTRUMENTS.

1 After the sale of any bonds pursuant to this chapter, the  
 2 sewerage district may authorize the execution and issuance to  
 3 the purchasers of the bonds, interim certificates therefor or of  
 4 temporary bonds or other temporary instruments exchangeable  
 5 for the definitive bonds when they are prepared, executed and  
 6 ready for delivery. The holders of the interim certificates, tempor-  
 7 ary bonds or other temporary instruments shall have all the rights  
 8 and remedies which they would have as holders of the definitive  
 9 bonds.

40A:18-35. DEFAULT IN PAYMENT OF PRINCIPAL OR  
INTEREST ON BONDS; TRUSTEE.

1 If there be a default in the payment of principal or interest on  
 2 any bonds when due and the default continues for a period of  
 3 30 days, or if the sewerage district fails or refuses to comply with  
 4 the provisions of this chapter or fails or refuses to carry out and  
 5 perform the terms of any covenant, agreement or contract with  
 6 any of the bondholders, and the failure or refusal continues for a  
 7 period of 30 days after written notice to the sewerage district of  
 8 its existence and nature, the holders of 25% in aggregate principal  
 9 amount of the bonds of the series then outstanding may appoint  
 10 a trustee to represent the bondholders of the series for the pur-  
 11 poses hereinafter provided by filing an instrument or instruments,  
 12 proved and acknowledged in the manner as a deed for recording,  
 13 in the office of the Secretary of State.

## 40A:18-36. POWERS OF TRUSTEE.

1 The trustee may, and upon the request of the holders of 25%  
 2 in aggregate principal amount of the series then outstanding, shall  
 3 in his or in the name of the sewerage district:

- 4 a. Commence an action or proceeding in a court of competent  
5 jurisdiction to enforce all rights of the bondholders, including the  
6 right to require the sewerage district to charge and collect service  
7 charges adequate to carry out any contract as to or pledge of  
8 revenues, and to require the sewerage authority to carry out and  
9 perform the terms of any contract with the bondholders or its  
10 duties under this chapter;
- 11 b. Bring an action upon all or any part of the bonds or interest  
12 coupons or claims thereon;
- 13 c. Bring an action to require the sewerage district to account  
14 as if it was the trustee of an express trust for the bondholders;
- 15 d. Bring an action to enjoin any acts or things which may be  
16 unlawful or in violation of the rights of the bondholders;
- 17 e. Declare all the bonds due and payable, whether or not in  
18 advance of maturity, upon 30 days' notice in writing to the sewerage  
19 district and, if all defaults shall be made good, then with the consent  
20 of 25% of the holders of the principal amount of the bonds then  
21 outstanding, annul the declaration and its consequences; and
- 22 f. The trustee shall, in addition to the foregoing, have all of the  
23 powers necessary or appropriate for the exercise of the functions  
24 specifically set forth in this section or incidental to the general  
25 representation of the bondholders of the series in the enforcement  
26 and protection of their rights.

40A:18-37. RECEIVER.

1 The trustee shall, upon the default referred to in N. J. S.  
2 40A:18-35, whether or not all of the bond series have been declared  
3 due and payable, be entitled as of right to the appointment of a  
4 receiver of the sewerage district. The receiver may take possession  
5 of all moneys and other property derived from or applicable to  
6 the acquisition, construction, operation, maintenance or addition  
7 to the sewer or sewers, sewerage system with appurtenances, dis-  
8 posal plant or plants and proceed with the acquisition, construction,  
9 operation, maintenance, or addition to the sewer or sewers, sewer-  
10 age system with appurtenances, disposal plant or plants which the  
11 sewerage district is under any obligation to do and fix, charge,  
12 collect, enforce and receive service charges and all revenues there-  
13 after arising subject to any pledge thereof or contract with the  
14 bondholders relating thereto and perform the public duties and  
15 carry out the contracts and obligations of the sewerage district  
16 in the same manner as the sewerage district might do and under  
17 the direction of the court.

## 40A:18-38. FEES AND EXPENSES OF TRUSTEE AND RECEIVER.

1 In any action or proceeding by the trustee appointed pursuant to  
 2 N. J. S. 40A:18-35, his fees and expenses and those of a receiver  
 3 appointed pursuant to N. J. S. 40A:18-37 may be allowed by the  
 4 court as taxable costs and disbursements and, when so allowed,  
 5 shall be a first charge upon any service charges or revenues of  
 6 sewerage district pledged for the payment or security of bonds of  
 7 the series.

## 40A:18-39. NEGOTIABILITY OF BONDS OR OBLIGATIONS.

1 Notwithstanding any other law, any bond or other obligation  
 2 issued pursuant to this chapter shall be fully negotiable in the  
 3 meaning and for all purposes of the "Uniform Commercial Code-  
 4 Investment Securities," N. J. S. 12A:8-101, et seq., and the holder  
 5 or owner of a bond or other obligation, or of any coupon attached  
 6 thereto by accepting the bond, obligation or coupon is conclusively  
 7 deemed to have agreed that the bond, obligation or coupon is and  
 8 shall be fully negotiable with the meaning and for all purposes of  
 9 the "Uniform Commercial Code-Investment Securities," N. J. S.  
 10 12A:8-101 et seq.

## 40A:18-40. PERSONAL LIABILITY ON BONDS;

## NOT LIABILITY OF STATE OR TOWNSHIP.

1 Neither the commissioners of the sewerage district nor any  
 2 person executing bonds or other obligations issued pursuant to this  
 3 chapter shall be personally liable on the bonds or other obligations  
 4 by reason of their issuance, and they shall not be in any way a debt  
 5 or liability of the State or township.

## 40A:18-41. BONDS, ETC., EXEMPT FROM TAXATION; EXCEPTION.

1 All bonds and other obligations issued by a sewerage district  
 2 pursuant to this chapter are declared to be issued by a political  
 3 subdivision of this State and for an essential public and govern-  
 4 mental purpose and to be a public instrumentality, and the bonds  
 5 and other obligations, and the interest thereon and the income  
 6 therefrom, and all service charges, funds, revenues and other  
 7 moneys pledged or available to secure the payment of the bonds  
 8 and other obligations, or interest thereon, shall at all times be  
 9 exempt from taxation, except for transfer inheritance and estate  
 10 taxes and taxes on transfers by or in contemplation of death.

## 40A:18-42. BONDS AS LEGAL INVESTMENTS.

1 Notwithstanding any other law, the State and all public officers,  
 2 municipalities, counties, political subdivisions, public bodies and  
 3 agencies thereof, all banks, bankers, trust companies, savings

4 banks and institutions, savings and loan associations, investment  
 5 companies, and other persons carrying on a banking business, all  
 6 insurance companies, insurance associations and other persons  
 7 carrying on an insurance business, and all executors, adminis-  
 8 trators, guardians, trustees and other fiduciaries may legally invest  
 9 any fund or moneys belonging to them or within their control in  
 10 any bonds issued pursuant to this chapter, and the bonds shall be  
 11 authorized security for all public deposits.

40A:18-43. AUTHORITY TO ESTABLISH RATES FOR  
 SERVICES AND CONNECTIONS.

1 A sewerage district is authorized to charge and collect rents,  
 2 rates, fees or other charges (sometimes referred to as "service  
 3 charges") for direct or indirect connection with, or the use or  
 4 services of, the sewer or sewers, sewerage system or disposal  
 5 plant or plants of the sewerage district. The service charges may  
 6 be charged to and collected from any person contracting for the  
 7 connection or use or services or from the owner or occupant, or  
 8 both of them, of any real property which directly or indirectly is  
 9 or has been connected with the sewer or sewers, sewerage system  
 10 or disposal plant or plants, or from on or which sewage or other  
 11 wastes originate or has originated and which have directly or  
 12 indirectly entered or may enter the sewer or sewers, sewerage  
 13 system or disposal plant or plants. The owner of the real property  
 14 shall pay the service charges to the sewerage district at the time  
 15 when and place where the service charges are due and payable.

40A:18-44. RATES, FEES AND CHARGES FOR SERVICES  
 TO BE UNIFORM; COMPUTATION.

1 Rents, rates, fees and charges, which may be payable period-  
 2 ically, being in the nature of use or service charges, shall, as the  
 3 sewerage district deems practical and equitable, be uniform  
 4 throughout the district for the same type, class and amount of use  
 5 or service of the sewer or sewers, sewerage system, disposal plant  
 6 or plants. The rents, fees, rates and charges may be based or  
 7 computed either on the consumption of water on or in connection  
 8 with the real property, making due allowance for commercial use  
 9 of water, or on the number and kind of water outlets on or in  
 10 connection with the real property, or on the number and kind of  
 11 plumbing or sewerage fixtures or facilities on or in the real prop-  
 12 erty, or on the number of persons residing or working on or other-  
 13 wise connected or identified with the real property, or on the  
 14 capacity of the improvements on or connected with the real prop-

erty, or on any other factors determining the type, class and amount of use or service of the sewer or sewers, sewerage system or disposal plant or plants or on any combination of those factors. In determining the rents, rates, fees and charges, the sewerage district may also give weight to the characteristics of the sewage and other wastes and any other special matter affecting the cost of treatment and disposal thereof, including chlorine demand, biochemical oxygen demand, concentration of solids and chemical composition. In addition to any periodic service charges, a separate charge in the nature of a connection fee or tapping fee, in respect of each connection of any property with the sewer or sewers, sewerage system, disposal plants or plants may be imposed upon the person making the connection or upon the owner or occupant of the property so connected. The connection charges shall be uniform within each class of users thereof but the amount thereof shall otherwise be entirely within the discretion of the district so that the combination of the connection fee or tapping fee and the periodic service charges shall meet the requirements of N. J. S. 40A:18-45. In assessing any connection charges, the sewerage district shall give credit in every instance to the owner or occupant of any property wherein or whereon any action or improvement has been taken or effectuated, in accordance with the reasonable specifications as prescribed by the sewerage district, which results in a reduction of the costs actually incurred by the sewerage district in making the connection below the costs actually incurred in making the connection to the property wherein or whereon no action or improvement has been taken or effectuated. The amount of any credit shall be equal to the percentage difference between the costs actually incurred by the sewerage district in making the connection to a property wherein or whereon an action or improvement has been taken or effectuated, and the average during the preceding year of the costs actually incurred by the sewerage district in making the connections to property wherein or whereon action or improvement has not been taken or effectuated.

40A:18-45. REVISING SCHEDULE OF SERVICE CHARGES.

The sewerage district shall, when necessary and from time to time, revise its schedule of service charges which shall comply with the terms of any contract of the sewerage district so that the revenues of the sewerage district will at all times be adequate to pay all expenses of operation and maintenance of the sewer or sewers, sewerage system, disposal plant or plants, including re-

7 serves, insurance, extensions and replacements, and to pay the  
 8 principal of and interest on any bonds punctually and to maintain  
 9 reserves therefor as may be required by any contract of the  
 10 sewerage district or as may be determined to be necessary or  
 11 desirable by the sewerage district.

40A:18-46. PROCEDURE TO REVISE SCHEDULE OF SERVICE CHARGES.

1 The schedule of service charges shall be revised by the sewerage  
 2 district after a public hearing thereon which shall be held by the  
 3 sewerage district at least 10 days after publication of a notice  
 4 of the proposed adjustments of the service charges and of the time  
 5 and place of the public hearing in at least two newspapers having  
 6 a general circulation within the district. The sewerage district  
 7 shall provide evidence at the hearing showing that the proposed  
 8 adjustment of the service charges is necessary and reasonable, and  
 9 shall provide the opportunity for cross examination of the persons  
 10 offering the evidence. A transcript of the hearing shall be made  
 11 and a copy thereof shall be available upon request to anyone at a  
 12 reasonable fee.

40A:18-47. FILING SCHEDULE OF SERVICE CHARGES; INSPECTION.

1 A copy of the schedule of service charges then in effect shall at all  
 2 times be kept on file at the office of the sewerage district and shall at  
 3 all reasonable times be open to public inspection.

40A:18-48. FIXING TIME AND PLACE FOR PAYMENT OF SERVICE  
 CHARGES; ADVANCE PAYMENT.

1 The sewerage district shall fix the time or times when and the  
 2 place or places where service charges shall be due and payable.  
 3 The sewerage district may require that service charges shall be paid  
 4 in advance for a period of not more than one year.

40A:18-49. UNPAID SERVICE CHARGE; INTEREST.

1 If a service charge of the sewerage district with regard to any  
 2 parcel of real property is not paid when due, interest shall accrue  
 3 thereon and be due to the sewerage district at the rate of  $1\frac{1}{2}\%$   
 4 per month until the service charge, together with interest shall be  
 5 fully paid to the district.

40A:18-50. UNPAID SERVICE CHARGE; LIEN.

1 If a service charge of the sewerage district with regard to any  
 2 parcel of real property owned by any person other than the State  
 3 or an agency or political subdivision thereof is not paid when due,  
 4 the service charge or any balance thereof together with all accrued  
 5 interest thereon, shall be a lien on the parcel. The lien shall be

6 superior and paramount to the interest in the parcel of any owner,  
7 lessee, tenant, mortgagee or any other person except the lien of  
8 municipal taxes. The lien shall be on a parity with and deemed to  
9 be equal to the lien on the parcel of the municipality for taxes due  
10 in the same year and not paid when due. The lien shall not affect  
11 a subsequent purchaser of the parcel for a valuable consideration  
12 without actual notice of the lien unless the sewerage district has  
13 filed a statement showing the amount and due date of the unpaid  
14 balance and identifying the parcel, which identification may be  
15 sufficiently made by reference to the assessment map of the munic-  
16 ipality, in the office of the collector or other officer charged with  
17 the duty of enforcing municipal liens on real property. The infor-  
18 mation shown in the statement shall be included in any certificate  
19 with respect to the parcel of real property thereafter made by the  
20 official of the municipality vested with the power to make official  
21 certificates of searches for municipal liens. Whenever the service  
22 charge and any subsequent service charge and all accrued interest  
23 thereon are paid to the sewerage district, the statement shall be  
24 promptly cancelled by the district.

40A:18-51. FISCAL YEAR.

1 The fiscal year of a sewerage district shall be the calendar year.

40A:18-52. BUDGET; GENERALLY.

1 Prior to January 15 of each year the commissioners of the sewer-  
2 age district shall prepare and adopt a budget for the calendar year.  
3 The budget shall be prepared in accordance with established munic-  
4 ipal accounting practices and shall estimate the amount required  
5 for expenditures of the sewerage district for the calendar year,  
6 including the expenses of operation, repair and maintenance and  
7 all amounts to be raised during the year for interest and principal  
8 on bonds, notes and other obligations issued by the sewerage dis-  
9 trict. The budget shall also estimate the revenues to be received  
10 from rates, rents, rentals and other charges which shall not be  
11 greater than the rates, rents, rentals and charges received in cash  
12 by the sewerage district during the preceding calendar year, unless  
13 prior to the adoption of the budget the sewerage commissioners  
14 have increased the rates, rents, rentals or charges to be charged  
15 for the facilities of the sewer or sewers, sewerage system, disposal  
16 plant or plants of the district during the calendar year, in which  
17 event the estimated amount of the rates, rents, rentals and other  
18 charges to be received during the calendar year may be a sum con-  
19 sisting of the amounts of the rates, rents, rentals or other charges

20 actually received in cash during the preceding calendar year, to-  
 21 gether with the amount of the increase in rates, rents, rentals or  
 22 other charges which would have been received during the previous  
 23 calendar year at the percentage of collections for the previous  
 24 calendar year. A certified copy of the budget shall be filed in the  
 25 office of the township clerk before February 1 of each year.

40A:18-53. BUDGET; INSUFFICIENCY OF ESTIMATED REVENUES

1 If the amount of estimated revenues to be received during the  
 2 calendar year as provided in N. J. S. 40A:18-52 will be insufficient  
 3 to pay the estimated cost of operation, repair and maintenance and  
 4 all debt service charges, the sewerage commissioners shall certify  
 5 the anticipated deficit for the calendar year to the township assessor  
 6 before February 1 of the calendar year. The township assessor  
 7 shall assess the amount so certified upon the ratables in the district  
 8 in the same manner in which township taxes are assessed. The  
 9 township collector shall collect the assessments and pay them over  
 10 to the sewerage commissioners for the operation, repair and mainte-  
 11 nance of the sewer or sewers, sewerage system, disposal plant or  
 12 plants and the payment of bonds or obligations issued by the  
 13 district.

40A:18-54. BUDGET; ARREARS IN PAYMENT OF BONDS.

1 If at the time the budget is certified as provided in N. J. S.  
 2 40A:18-52, the sewerage district is in arrears in the payment of  
 3 the principal of and interest on any bonds or other obligations  
 4 issued by the district, the full amount of the arrearages shall be  
 5 certified by the sewerage commissioners to the township assessor  
 6 to be raised by general tax upon all the taxable property within  
 7 the district as provided in N. J. S. 40A:18-53 during the calendar  
 8 year.

40A:18-55. AUDIT OF ACCOUNTS; FILING.

1 A sewerage district shall have an annual audit of its accounts to  
 2 be made by a registered municipal accountant of New Jersey or a  
 3 certified accountant of New Jersey. The audit shall be completed  
 4 and filed with the district within four months after the close of the  
 5 fiscal year and a copy filed in the township clerk's office within five  
 6 days after the original audit is filed with the district.

40A:18-56. EXEMPTION OF DISTRICT PROPERTY FROM JUDGMENT  
 LIEN, LEVY OR EXECUTION SALE; EXCEPTION.

1 All property of a sewerage district shall be exempt from levy and  
 2 sale by virtue of an execution, and neither an execution nor other

3 judicial process shall issue against the property of a sewerage dis-  
 4 trict nor shall any judgment against a sewerage district be a charge  
 5 or a lien upon its property. Nothing in this section shall apply to  
 6 or limit the rights of any bondholders to pursue any remedy for the  
 7 enforcement of any pledge or lien given by the sewerage district  
 8 upon its property or revenues.

40A:18-57. CONTRACTS WITH BODIES POLITIC AND SUBDIVISIONS

OUTSIDE TERRITORY.

1 The commissioners of a sewerage district are authorized to enter  
 2 into a contract with any body politic or political subdivision thereof  
 3 outside of the district's territory to provide for the use by that  
 4 body or subdivision of the district's sewer or sewers, sewerage  
 5 system, disposal plant or plants. The contract shall provide for the  
 6 period of time for the use and a service charge for the use as may  
 7 be agreed upon.

40A:18-58. CONTRACTS WITH BODIES POLITIC AND SUBDIVISIONS

OUTSIDE TERRITORY; INSTALLATIONS, COSTS AND

EXPENSES.

1 Any body politic or political subdivision thereof contracting with  
 2 the commissioners of a sewerage district as provided in N. J. S.  
 3 40A:18-57 for the use of the district's sewer or sewers, sewerage  
 4 system, disposal plant or plants shall, at its expense and with the  
 5 consent of the body politic owning or controlling the street or streets  
 6 in or under which the installation is to be made, install its own  
 7 sewerage pipelines and appurtenances to connect at an agreed point  
 8 of tie-in with the sewers or sewers, sewerage system, disposal plant  
 9 or plants of the sewerage district.

40A:18-59. CONTRACTS WITH BODIES POLITIC AND SUBDIVISIONS

OUTSIDE TERRITORY; OWNERSHIP AND MAINTENANCE

OF TIE-IN PIPELINES.

1 Title and ownership of the sewerage pipelines and appurtenances  
 2 installed by a body politic or political subdivision thereof for the  
 3 purpose of tie-in with the sewerage system and disposal plant of a  
 4 sewerage district shall remain in the body politic or political sub-  
 5 division thereof, and the body politic or political subdivision shall  
 6 be responsible for the upkeep and maintenance of the pipelines and  
 7 appurtenances.

40A:18-60. CONTRACTS WITH BODIES POLITIC AND POLITICAL  
SUBDIVISIONS OUTSIDE TERRITORY; RESTRICTION  
ON TAP-IN OR USE.

1 The sewerage pipelines and appurtenances shall not be subject  
2 to tap-in or use by any other body politic or political subdivision  
3 other than the body politic or political subdivision installing them.

40A:18-61. ASSUMPTION OF SEWERAGE DISTRICT INDEBTEDNESS  
BY TOWNSHIP.

1 If a sewer district has issued bonds or other obligations to pay  
2 for the cost of construction or improvement of a sewer or sewers,  
3 sewerage system with appurtenances or a disposal plant or plants,  
4 the governing body of the township may, in its discretion, assume  
5 and pay the indebtedness evidenced by the bonds or other obliga-  
6 tions in the manner as hereinafter provided if the value of the  
7 sewer or sewers, sewerage system with appurtenances or disposal  
8 plant or plants is not less than the amount of the bonds or other  
9 obligations so issued.

40A:18-62. ASSUMPTION OF SEWERAGE DISTRICT INDEBTEDNESS  
BY TOWNSHIP; PROCEDURE.

1 Upon the adoption of a resolution by the sewer commissioners  
2 describing the bonds or other obligations issued by the sewer dis-  
3 trict and requesting the governing body of the township to assume  
4 payment of the indebtedness evidenced by the bonds or other obliga-  
5 tions, the governing body of the township shall first determine that  
6 the indebtedness evidenced by the bonds or other obligations was  
7 incurred for the construction or improvement of a sewer or sewers,  
8 sewerage system with appurtenances, disposal plant or plants in  
9 the district and that their value is not less than the amount of the  
10 bonds or other obligations, and that the sewer or sewers, sewerage  
11 system with appurtenances, disposal plant or plants are so con-  
12 structed or improved that they may be made a part of an existing  
13 or proposed sewerage system constructed by the township. Upon  
14 a favorable determination of the foregoing factors, the governing  
15 body of the township may, by resolution, assume payment by the  
16 township of the indebtedness evidenced by the bonds or other  
17 obligations.

## 40A:18-63. ASSUMPTION OF SEWERAGE DISTRICT INDEBTEDNESS

## BY TOWNSHIP; PAYMENT.

1 If the governing body of the township assumes the payment of  
 2 any bonds or obligations of the sewer district, they shall become  
 3 obligations of and be paid by the township. The governing body  
 4 of the township may, in its discretion, pay the bonds or other  
 5 obligations out of the proceeds of any bonds, temporary bonds or  
 6 notes which may be issued by the township for the acquisition, con-  
 7 struction, reconstruction, enlargement or extension of a sewer sys-  
 8 tem in the township.

## 40A:18-64. ASSUMPTION OF SEWERAGE DISTRICT INDEBTEDNESS

BY TOWNSHIP; OUTSTANDING FEES, CHARGES,  
ETC.; USE OF PROCEEDS.

1 If the governing body of a township assumes the payment of any  
 2 bonds or obligations of a sewer district, all outstanding fees,  
 3 charges or assessments owing to the sewer district shall be paid  
 4 to and collected by the township collector and they shall be applied  
 5 solely to the payment of the bonds or other obligations of the sewer  
 6 district or to the payment of the bonds, temporary bonds or notes,  
 7 the proceeds of which were used to pay the sewer district's in-  
 8 debtedness.

## 40A:18-65. ASSUMPTION OF SEWERAGE DISTRICT INDEBTEDNESS

## BY TOWNSHIP; EFFECT.

1 If the governing body of a township assumes the payment of any  
 2 bonds or other obligations of a sewer district, the terms of office  
 3 of the sewerage district shall terminate and the sewerage district  
 4 dissolved. The sewer or sewers, sewerage system with appurte-  
 5 nances, disposal plant or plants shall become the property of the  
 6 township and deemed to be a part of the township sewerage system.

1 2. This act shall take effect immediately.

## STATEMENT

At the sponsor's request, this bill has been drafted by the Division of Legal Services in furtherance of its duty to conduct a continuous examination of the general and permanent statutory law of this State for the purpose of discovering defects in the law and to prepare legislative bills to remedy the defects.

On April 25, 1977, P. L. 1977, c. 75, the "Water Quality Planning Act," was enacted. The basic purpose of the act is to provide for

areawide planning and policy formulation in determining future pollution control strategy by all concerned agencies including sewerage treatment agencies.

At the time P. L. 1977, c. 75 was enacted township sewerage districts in Cape May County, which had been established pursuant to P. L. 1901, c. 269, as amended and supplemented, R. S. 40:154-1 et seq., were actively engaged in providing sewerage services within their respective districts and are continuing to provide those services. One of those districts, Middle Township Sewerage District No. 3, has undertaken a project to improve its facilities and has received a Step 1 Planning Grant of approximately \$40,000.00 for that purpose and contemplated the issuance of bonds to cover the costs. The district was advised by bond counsel that the statutory provisions relating to township sewerage districts were repealed by section 12 of P. L. 1977, c. 75, and that statutory authority for the operation of township sewerage districts no longer existed.

It has been ascertained that the statutory provisions relating to township sewerage districts were inadvertently repealed by section 12 of P. L. 1977, c. 75 under mistaken assumption that there were no township sewerage districts in existence at that time.

The purpose of this bill is to reestablish those township sewerage districts which were in existence on April 25, 1977, to validate the election of commissioners and all acts and things done in those districts since that date. The bill also provides for the election of commissioners, their terms of office and the manner in which the affairs and business of the district shall be conducted.

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[OFFICIAL COPY REPRINT]  
SENATE, No. 1965

STATE OF NEW JERSEY

INTRODUCED DECEMBER 2, 1982

By Senators HURLEY and DORSEY

Referred to Committee on County and Municipal Government

AN ACT concerning the incorporation of certain sewerage districts in townships of this State, providing for the election of commissioners and establishing their powers, and enacting chapter 18 of Title 40A of the New Jersey Statutes.

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

TITLE 40A

CHAPTER 18

SEWERAGE DISTRICTS

- 1 40A:18-1. Incorporation of sewerage districts.
- 2 40A:18-2. Commissioners' elections validated.
- 3 40A:18-3. Sewerage commissioners.
- 4 40A:18-4. Validation of prior acts, etc.
- 5 40A:18-5. Election of commissioners; first election; fixing time  
6 and place; notice.
- 7 40A:18-6. Qualifications for election as commissioner.
- 8 40A:18-7. Nomination of candidates for election as commis-  
9 sioners.
- 10 40A:18-8. Nominating petition; form and content; number of  
11 signatures; candidate's consent.
- 12 40A:18-9. Verification of nominating petition.
- 13 40A:18-10. Examination of petition.
- 14 40A:18-11. Eligibility of voters.
- 15 40A:18-12. Number of commissioners to be elected at the first  
16 election; vote required; term.
- 17 40A:18-13. Manner of conducting elections; certifying results.

**EXPLANATION**—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

\*—Senate committee amendments adopted March 7, 1983.

- 18 40A:18-14. Terms of commissioners.
- 19 40A:18-15. Subsequent elections.
- 20 40A:18-16. Subsequent elections; notice.
- 21 40A:18-17. Commissioners; oath.
- 22 40A:18-18. Commissioners; organization.
- 23 40A:18-19. Commissioners; compensation.
- 24 40A:18-20. Commissioners; vacancies.
- 25 40A:18-21. Clerk; term; bond.
- 26 40A:18-22. Clerk; compensation; chief financial officer of district.
- 27 40A:18-23. Employment of advisors, experts, officers, agents and  
28 employees.
- 29 40A:18-24. Conflict of interest.
- 30 40A:18-25. Possession of property; assumption and liability for  
31 debts and contracts.
- 32 40A:18-26. Powers of sewerage district.
- 33 40A:18-27. Maps, plans and specifications; approval.
- 34 40A:18-28. Bonds; purposes.
- 35 40A:18-29. Bonds; resolution; interest; series; maturity; privi-  
36 leges; redemption.
- 37 40A:18-29.1. Interim financing.
- 38 40A:18-30. Bond resolution; provisions; bondholders.
- 39 40A:18-31. Bond resolution, etc.; contract with bondholders.
- 40 40A:18-32. Notice of adoption of bond resolution; limitation of  
41 actions questioning validity.
- 42 40A:18-33. Sale of or exchange of bonds.
- 43 40A:18-34. Interim certificates; temporary bonds or other instru-  
44 ments.
- 45 40A:18-35. Default in payment of principal or interest on bonds;  
46 trustee.
- 47 40A:18-36. Powers of trustee.
- 48 40A:18-37. Receiver.
- 49 40A:18-38. Fees and expenses of trustee and receiver.
- 50 \***[40A:18-39. Negotiability of bonds or obligations.]**\*
- 51 \***[40A:18-40]**\* \*40A:18-39\*. Personal liability on bonds; not  
52 liability of State or township.
- 53 \***[40A:18-41]**\* \*40A:18-40\*. Bonds, etc., exempt from taxation;  
54 exception.
- 55 \***[40A:18-42]**\* \*40A:18-41\* Bonds as legal investments.
- 56 \***[40A:18-43]**\* \*40A:18-42\*. Authority to establish rates for  
57 services and connections.
- 58 \***[40A:18-44]**\* \*40A:18-43\*. Rates, fees and charges for services  
59 to be uniform; computation.
- 60 \***[40A:18-45]**\* \*40A:18-44\*. Revising schedule of service charges.

- 61 \***[40A:18-46]**\* \*40A:18-45\*. Procedure to revise schedule of  
 62 service charges.
- 63 \***[40A:18-47]**\* \*40A:18-46\*. Filing schedule of service charges;  
 64 inspection.
- 65 \***[40A:18-48]**\* \*40A:18-47\*. Fixing time and place for payment  
 66 of service charges; advance payment.
- 67 \***[40A:18-49]**\* \*40A:18-48\*. Unpaid service charge; interest.
- 68 \***[40A:18-50]**\* \*40A:18-49\*. Unpaid service charge; lien.
- 69 \***[40A:18-51]**\* \*40A:18-50\*. Fiscal year.
- 70 \***[40A:18-52]**\* \*40A:18-51\*. Budget; generally.
- 71 \***[40A:18-53]**\* \*40A:18-52\*. Budget; insufficiency of estimated  
 72 revenues.
- 73 \***[40A:18-54]**\* \*40A:18-53\*. Budget; arrears in payment of  
 74 bonds.
- 75 \***[40A:18-55]**\* \*40A:18-54\*. Audit of accounts; filing.
- 76 \***[40A:18-56]**\* \*40A:18-55\*. Exemption of district property  
 77 from judgment lien, levy or execution sale; exception.
- 78 \***[40A:18-57]**\* \*40A:18-56\*. Contracts with bodies politic and  
 79 subdivisions outside territory.
- 80 \***[40A:18-58]**\* \*40A:18-57\*. Contracts with bodies politic and  
 81 subdivisions outside territory; installations, costs and  
 82 expenses.
- 83 \***[40A:18-59]**\* \*40A:18-58\*. Contracts with bodies politic and  
 84 subdivisions outside territory; ownership and main-  
 85 tenance of tie-in pipelines.
- 86 \***[40A:18-60]**\* \*40A:18-59\*. Contracts with bodies politic and  
 87 political subdivisions outside territory; restriction on  
 88 tap-in or use.
- 89 \***[40A:18-61]**\* \*40A:18-60\*. Assumption of sewerage district  
 90 indebtedness by township.
- 91 \***[40A:18-62]**\* \*40A:18-61\*. Assumption of sewerage district  
 92 indebtedness by township; procedure.
- 93 \***[40A:18-63]**\* \*40A:18-62\*. Assumption of sewerage district  
 94 indebtedness by township; payment.
- 95 \***[40A:18-64]**\* \*40A:18-63\*. Assumption of sewerage district  
 96 indebtedness by township; outstanding fees, charges,  
 97 etc.; use of proceeds.
- 98 \***[40A:18-65]**\* \*40A:18-64\*. Assumption of sewerage district  
 99 indebtedness by township; effect.

#### 40A:18-1. INCORPORATION OF SEWERAGE DISTRICTS.

- 1 In any township of this State in which the governing body in the  
 2 manner provided by law prior to April 25, 1977, set off the desig-  
 3 nated by number a sewerage district within the township, and at

4 elections held within the district the voters of the district voted  
 5 in favor of the construction within the district of a sewer, sewers  
 6 or sewerage system with appurtenances or a disposal plant or plants  
 7 and also elected sewerage commissioners, the district is hereby  
 8 reincorporated and shall be a body corporate of and shall constitute  
 9 a political subdivision of the State of New Jersey. The district  
 10 shall be known and designated under the corporate name of "Sewer-  
 11 age District No. . . . . of the Township of . . . . . ,  
 12 in the County of . . . . .". The district shall  
 13 have the same limits, boundaries, territory and number as set forth  
 14 in the original resolution of the governing body setting off and  
 15 designating the district or as the boundaries and territory of the  
 16 district may have been modified, altered or changed by subsequent  
 17 resolutions of the governing body prior to April 25, 1977.

40A:18-2. COMMISSIONERS' ELECTIONS VALIDATED.

1 The elections of all commissioners in sewerage districts described  
 2 in N. J. S. 40A:18-1 between April 25, 1977 and the effective date  
 3 of this chapter are hereby validated and made legal notwithstand-  
 4 ing any defect in or lack of authority to elect commissioners at the  
 5 times of their election.

40A:18-3. SEWERAGE COMMISSIONERS.

1 The sewerage commissioners now in office in any sewerage dis-  
 2 trict as described in N. J. S. 40A:18-1 are constituted the valid and  
 3 legally elected commissioners of the sewerage district and shall  
 4 continue in office until the election of their successors as hereafter  
 5 provided.

40A:18-4. VALIDATION OF PRIOR ACTS, ETC.

1 Any and all acts and things done by commissioners in office  
 2 between April 25, 1977 and the effective date of this chapter in-  
 3 cluding but not limited to contracts entered into in behalf of the  
 4 district for the construction of a sewer or sewers, sewer system,  
 5 disposal plant or plants or for the repair, maintenance and opera-  
 6 tion of any of them; the issuance of bonds, temporary improvement  
 7 notes, improvement certificates, assessments for benefits, the fixing  
 8 of rentals or other charges for service and facilities are hereby  
 9 made legal and validated notwithstanding any lack of authority  
 10 in the commissioners to so do.

40A:18-5. ELECTION OF COMMISSIONERS; FIRST ELECTION;  
 FIXING TIME AND PLACE; NOTICE.

1 Within 45 days after the effective date of this chapter, the com-  
 2 missioners in office shall fix a day and a time between one o'clock

3 in the afternoon and nine o'clock in the evening prevailing time,  
 4 and a place within the district where the election of sewerage com-  
 5 missioners shall be held which shall not be more than 90 days after  
 6 the effective date of this chapter. Notice of the time and place of  
 7 the election shall be given by advertisement in a newspaper having  
 8 a general circulation within the district for at least two weeks prior  
 9 to the time fixed for the election, the advertisement to be made at  
 10 least once in each week. Copies of the advertisement shall be posted  
 11 in five of the most public places within the district at least 10 days  
 12 before the date of the election.

40A:18-6. QUALIFICATIONS FOR ELECTION AS COMMISSIONER.

1 A candidate for election as a commissioner of a sewerage district  
 2 shall be a resident of and a qualified voter within the district.

40A:18-7. NOMINATION OF CANDIDATES FOR ELECTION  
 AS COMMISSIONERS.

1 Candidates for election as commissioners of the sewer district  
 2 shall be nominated by petition. The petition shall be addressed to  
 3 and filed with the clerk of the sewerage district. All petitions and  
 4 amendments thereto shall be filed no later than 20 days before the  
 5 date of election.

40A:18-8. NOMINATING PETITION; FORM AND CONTENT;  
 NUMBER OF SIGNATURES; CANDIDATE'S CONSENT.

1 A petition for the nomination of a candidate for election as a  
 2 commissioner of the sewerage district shall state that the signers  
 3 thereof are qualified voters and residents of the sewerage district  
 4 and requesting that the name of the candidate be placed upon the  
 5 official ballot to be used at the upcoming election. Each signer to  
 6 a petition shall add to his signature his residence designated by  
 7 number and street or contain identification thereof if there is no  
 8 street number. A petition shall contain the name of only one candi-  
 9 date, but several petitions may nominate the same candidate. A  
 10 petition or petitions filed in behalf of a candidate shall contain in  
 11 the aggregate at least 10 signatures. The candidate named in the  
 12 petition shall endorse thereon his consent to the nomination and,  
 13 that if elected he will serve as a commissioner of the sewerage  
 14 district.

40A:18-9. VERIFICATION OF NOMINATING PETITION.

1 An affidavit shall be attached to each petition of one or more of  
 2 the signers that all of the signatures appended thereto were made  
 3 in his or their presence, and that he or they believe them to be the  
 4 genuine signatures of the persons whose name they purport to be.

## 40A:18-10. EXAMINATION OF PETITION.

1 Within three days after the filing of a petition, the clerk of the  
2 sewerage district shall examine the petition and certify the result  
3 of his examination to the commissioners of the sewerage district.  
4 If he shall certify that the petition is defective, he shall set forth  
5 in his certificate the particulars in which the petition is defective  
6 and immediately notify the candidate of his findings. Within three  
7 days after notification of insufficiency, the petition may be amended  
8 by the filing of a supplementary petition signed and verified as pro-  
9 vided in the case of an original petition. Within three days after  
10 an amended petition is filed, the clerk shall examine the amended  
11 petition and certify the result of his examination to the commis-  
12 sioners of the sewerage district. If he shall certify that the amended  
13 petition is insufficient, he shall set forth in his certificate the par-  
14 ticulars in which it is insufficient and immediately notify the candi-  
15 date of his findings and no further action shall be taken on the  
16 insufficient petition. The finding of insufficiency shall not prevent  
17 the filing of a new petition if all of the other provisions relating  
18 to the filing of nominating petitions are met.

## 40A:18-11. ELIGIBILITY OF VOTERS.

1 No later than seven days before an election for sewerage com-  
2 missioners, the clerk of the sewerage district shall obtain the regis-  
3 try list of the township and the election districts within the sewer-  
4 age district for the preceding general election to determine the  
5 eligibility of voters at the election. A person shall not be permitted  
6 to vote at the election unless that person's name appears on the  
7 registry list, except that any person who becomes of age or has  
8 moved into the sewerage district since the preceding general elec-  
9 tion and possessing all of the qualifications which would entitle that  
10 person to vote in a general election, shall file an application with  
11 the clerk of the sewerage district at least two days prior to the  
12 election.

40A:18-12. NUMBER OF COMMISSIONERS TO BE ELECTED AT THE  
FIRST ELECTION; VOTE REQUIRED; TERM.

1 At the first election of commissioners following the effective date  
2 of this chapter, the voters of the district shall elect five commis-  
3 sioners. The five candidates receiving the highest number of votes  
4 cast shall be elected as commissioners of the sewerage district and  
5 they shall serve for terms as hereinafter provided.

40A:18-13. MANNER OF CONDUCTING ELECTIONS;  
CERTIFYING RESULTS.

1 Prior to the opening of the polls for the election of commissioners,  
2 the commissioners then in office shall appoint a judge of elections  
3 and two tellers. The vote for the election of commissioners shall  
4 be by ballots furnished by the sewerage district which shall list the  
5 candidates according to the alphabetical order of their surnames.  
6 Immediately after the close of the polls, the judge and tellers shall  
7 count the votes and certify the results of the election to the com-  
8 missioners of the sewerage district.

40A:18-14. TERMS OF COMMISSIONERS.

1 Within five days after the first election for commissioners follow-  
2 ing the effective date of this chapter, the elected commissioners  
3 shall hold a meeting at which they shall divide themselves by lot  
4 into three classes; the term of the first class consisting of two  
5 commissioners whose terms shall terminate at the end of one year  
6 from the date of their election; the term of the second class con-  
7 sisting of two commissioners whose terms shall terminate at the  
8 end of two years from the date of their election; and the third  
9 class consisting of one commissioner whose term shall terminate  
10 at the end of three years from the date of his election, so that after  
11 the first election two commissioners shall be elected annually and  
12 one shall be elected every third year. Except as otherwise provided  
13 in this section, commissioners shall hold office for three years and  
14 until their successors are elected.

40A:18-15. SUBSEQUENT ELECTIONS.

1 All subsequent elections for commissioners of the sewerage dis-  
2 trict following the first election of commissioners shall be held  
3 annually on the same date between the hours of one o'clock in the  
4 afternoon and nine o'clock in the evening prevailing time at a place  
5 to be designated by the commissioners of the sewerage district.

40A:18-16. SUBSEQUENT ELECTIONS; NOTICE.

1 At least six weeks before the date fixed for the annual election  
2 of commissioners, notice of the time and place fixed for the annual  
3 election and the closing date for the filing of nominating petitions  
4 shall be given by advertisement in a newspaper having a general  
5 circulation within the sewerage district, and a further notice shall  
6 be published in the same manner at least two weeks prior to the  
7 election, the advertisement to be at least once in each week.

## 40A:18-17. COMMISSIONERS; OATH.

1 The newly elected commissioners shall file their respective oaths  
2 to faithfully and impartially perform their duties as commissioners  
3 with the township clerk.

## 40A:18-18. COMMISSIONERS; ORGANIZATION.

1 Within seven days after each annual election, the commissioners  
2 shall meet and organize by the election of one of the commissioners  
3 as chairman and the appointment of a clerk who need not be one  
4 of the commissioners.

## 40A:18-19. COMMISSIONERS; COMPENSATION.

1 The commissioners of the sewerage district shall not receive  
2 any compensation for the performance of their duties but they may  
3 be reimbursed for their actual expenses incurred in the perform-  
4 ance of their duties.

## 40A:18-20. COMMISSIONERS; VACANCIES.

1 A vacancy occurring in the office of a commissioner by reason of  
2 the death or resignation of a commissioner, or that a commissioner  
3 no longer resides within the territorial limits of the sewerage  
4 district or for any other reason, shall be filled by a majority vote  
5 of the remaining commissioners until the next annual election of  
6 commissioners, at which time the vacancy shall be filled by election  
7 for the unexpired term only.

## 40A:18-21. CLERK; TERM; BOND.

1 The clerk of the sewerage district shall be appointed for a term  
2 of one year and until his successor is appointed. He shall give bond  
3 to the sewerage district for the faithful performance of his duties  
4 in an amount as shall be determined by the commissioners by a  
5 surety company authorized to do business in New Jersey.

40A:18-22. CLERK; COMPENSATION; CHIEF FINANCIAL  
OFFICER OF DISTRICT.

1 The clerk of the sewerage district may be compensated for his  
2 services as the commissioners of the sewerage district shall, by  
3 resolution, determine. The clerk shall be the chief financial officer of  
4 the district and the custodian of all district funds. The clerk shall  
5 not disburse district funds unless authorized to do so by resolution  
6 of the commissioners.

40A:18-23. EMPLOYMENT OF ADVISERS, EXPERTS,  
OFFICERS, AGENTS and EMPLOYEES.

1 The commissioners of a sewerage district may appoint and em-  
2 ploy professional and technical advisers and experts, other officers,  
3 agents and employees as they may require and determine their  
4 qualifications, terms of office or employment, duties and  
5 compensation.

## 40A:18-24. CONFLICT OF INTEREST.

1 A commissioner, officer, agent or employee of a sewerage district  
 2 shall not have or acquire any interest direct or indirect, in the  
 3 sewerage system or any property included or planned to be in-  
 4 cluded in the sewerage system or in any contract or proposed  
 5 contract for materials or services to be furnished to or used by the  
 6 sewerage district.

40A:18-25. POSSESSION OF PROPERTY; ASSUMPTION AND  
 LIABILITY FOR DEBTS AND CONTRACTS.

1 A sewerage district incorporated under this chapter shall be  
 2 vested with the title and possession of all the property, real and  
 3 personal, or other assets of any nature whatsoever and shall assume  
 4 and shall be liable for the payment of all the debts, contracts and  
 5 liabilities, including any bonds, notes, improvement certificates or  
 6 other obligations issued, of its predecessor district which was in  
 7 existence on April 25, 1977.

## 40A:18-26. POWERS OF SEWERAGE DISTRICT.

1 In addition to any other powers conferred upon a sewerage  
 2 district by this chapter or any other law, a sewer district is  
 3 authorized:

- 4 a. To sue and be sued;
- 5 b. To adopt and have a common seal and alter it at pleasure;
- 6 c. To construct, improve, maintain, improve and add to a sewer  
 7 or sewers, sewerage system with appurtenances and a sewage  
 8 disposal plant or plants and to provide for the cost thereof;
- 9 d. To acquire by purchase, gift, devise or condemnation in the  
 10 manner provided by the "Eminent Domain Act of 1971," P. L. 1971,  
 11 c. 361 (C. 20:3-1 et seq.), real property or any interest therein  
 12 necessary or useful for the purposes of the sewerage district and  
 13 to dispose of the real property or any interest therein no longer  
 14 necessary for the purposes of the district;
- 15 e. To acquire by purchase, gift or devise personal property  
 16 necessary or useful for the purposes of the sewerage district and to  
 17 dispose of personal property no longer necessary for the purposes  
 18 of the district;
- 19 f. To enter on any lands, waters or premises for the purpose of  
 20 making surveys, borings, soundings and examinations for the pur-  
 21 poses of the district;
- 22 g. To make, amend and enforce bylaws or rules and regulations  
 23 for the management and regulation of district business and affairs  
 24 and for the use, maintenance and operation of its sewerage system  
 25 and any of its other properties;

26 h. To do and perform any acts and things authorized by this  
 27 chapter under, through or by means of its own officers, agents and  
 28 employees or by contracts with other persons ;

29 i. To enter into contracts, execute instruments, and to do and  
 30 perform all acts or things necessary for the purposes of the district  
 31 or to carry out any power expressly given in this chapter subject to  
 32 the "Local Public Contracts Law," P. L. 1971, c. 198 (C. 40A :11-1  
 33 et seq.).

34 j. To apply for and receive from the Federal Government or any  
 35 agency thereof, the State or any department or agency thereof  
 36 grants for and in aid of the planning, designing, purchasing, con-  
 37 struction, extension, improvement, enlargement, reconstruction or  
 38 financing of a sewer or sewers, sewerage system with appurten-  
 39 ances and a sewage disposal plant or plants.

40A:18-27. MAPS, PLANS AND SPECIFICATIONS; APPROVAL.

1 Before undertaking the construction of a sewer or sewers, sewer-  
 2 age system with appurtenances thereto, a disposal plant or plants  
 3 or any improvement or addition thereto, the commissioners of  
 4 the sewerage district shall have detailed maps, plans and specifi-  
 5 cations thereof prepared. The maps, plans and specifications shall  
 6 not become effective until they have been submitted to and approved  
 7 by the Commissioner of the Department of Environmental  
 8 Protection.

40A:18-28. BONDS; PURPOSES.

1 A sewerage district may issue bonds to provide to pay all or any  
 2 part of the costs for the construction of a sewer or sewers, sewerage  
 3 system with appurtenances thereto, a disposal plant or plants, or  
 4 any improvements or additions thereto, including maps, plans and  
 5 specifications relating thereto, or for the refunding of any bonds  
 6 issued and outstanding.

40A:18-29. BONDS; RESOLUTION; INTEREST; SERIES;  
 MATURITY; PRIVILEGES; REDEMPTION.

1 The bonds shall be authorized by resolution of the sewerage  
 2 district which may be adopted at the same meeting at which it is  
 3 introduced by a majority of all commissioners of the district then  
 4 in office, and shall take effect immediately without being published  
 5 or posted. The bonds may bear interest at a rate or rates, not in  
 6 excess of that authorized by law, may bear a date or dates, may  
 7 mature at a time or times not exceeding 30 years from their  
 8 respective dates, may be payable in a medium of payment at a  
 9 place or places, may carry registration privileges, may be subject

10 to terms of redemption with or without premium, may be executed  
 11 in a manner, may contain terms, conditions and covenants, and  
 12 may be in form, either coupon or registered as the resolution may  
 13 provide.

40A:18-29.1. INTERIM FINANCING.

1 A sewerage district, in anticipation of the issuance of bonds,  
 2 may borrow money and issue negotiable notes if the bond resolu-  
 3 tion so provides. The notes shall be designated "bond anticipation  
 4 notes" and shall contain a recital that they are issued in anticipa-  
 5 tion of the issuance of bonds. The notes may be issued for a  
 6 period not exceeding one year and may be renewed from time to  
 7 time for periods not exceeding one year, but all the notes, including  
 8 the renewals, shall mature and be paid not later than the fifth  
 9 anniversary of the date of the original notes, except that the notes  
 10 shall not be renewed beyond the third anniversary date of the  
 11 original notes unless an amount of the notes, at least equal to the  
 12 first legally payable installment of the bonds in anticipation of  
 13 which the notes are issued, is paid and retired on or before the  
 14 third anniversary date, and if the notes are renewed beyond the  
 15 fourth anniversary date of the original notes, a like amount is paid  
 16 or retired on or before the fourth anniversary date from funds  
 17 other than the proceeds of obligations.

40A:18-30. BOND RESOLUTION; PROVISIONS; BONDHOLDERS.

1 A bond resolution providing for or authorizing the issuance of  
 2 any bonds may contain provisions, and the sewerage district, in  
 3 order to secure the payment of the bonds and in addition to its  
 4 other powers, shall have the authority by provision in the bond  
 5 resolution to covenant and agree with the bondholders, as to:

6 a. The custody, security, use, expenditure or application of the  
 7 proceeds of the bonds;

8 b. The construction and completion, or improvement of or addi-  
 9 tion to, the sewer or sewers, sewerage system with appurtenances,  
 10 disposal plant or plants;

11 c. The use, regulation, operation, maintenance, insurance or  
 12 disposition of all or any part of the sewer or sewers, sewerage  
 13 system with appurtenances, disposal plant or plants, or restrictions  
 14 on the exercise of the powers of the sewerage district to dispose of,  
 15 or to limit or regulate the use of all or any part of the sewer or  
 16 sewers, sewerage system with appurtenances, disposal plant or  
 17 plants;

18 d. Payment of the principal of or interest on the bonds, or any  
 19 other obligations, and the sources and methods thereof, the rank

20 or priority of any bonds as obligations as to any liens or security,  
21 or the acceleration of maturity of any bonds or obligations;

22 e. The use and disposition of any moneys of the sewerage dis-  
23 trict, including revenues derived or to be derived from the opera-  
24 tion of all or any part of the sewer or sewers; sewerage system  
25 with appurtenances, disposal plant or plants;

26 f. Pledging, setting aside, depositing or trusteeing all or any  
27 part of the revenues or other moneys of the sewerage district to  
28 secure the payment of the principal of or interest on the bonds  
29 or any other obligations, or the payment of the operation or main-  
30 tenance of the sewer or sewers, sewerage system with appur-  
31 tenances, disposal plant or plants, and the powers of any trustee  
32 with respect thereto;

33 g. The setting aside out of the revenues or other moneys of the  
34 sewerage districts of reserves, and the source, custody, security,  
35 regulation, application and disposition of the reserves;

36 h. Determination of the revenues of or of the operation and  
37 maintenance of the sewer or sewers, sewerage system with  
38 appurtenances, disposal plant or plants of the district;

39 i. The rents, rates, fees or other charges for the use of the  
40 services and facilities of the sewerage district, and the fixing,  
41 establishment, collection and enforcement thereof, the amount or  
42 amounts of the revenues to be produced thereby, and the disposi-  
43 tion and application of the amounts charged or collected;

44 j. The assumption or payment or discharge of any indebtedness,  
45 liens or other claims relating to any part of the sewer or sewers,  
46 sewerage system with appurtenances, disposal plant or plants or  
47 any obligations having or which may have a lien on district  
48 revenues;

49 k. Limitations on the issuance of additional bonds or other obli-  
50 gations or on the incurrence of indebtedness by the sewerage  
51 district;

52 l. Limitations on the powers of the sewerage district to construct,  
53 acquire or operate, or permit the construction, acquisition or  
54 operation of any structures, facilities or properties which may  
55 compete or tend to compete with the district's sewer or sewers,  
56 sewer system with appurtenances, disposal plant or plants;

57 m. Vesting in a trustee or trustees property rights, powers and  
58 duties in trust as the sewerage district may determine which may  
59 include any or all of the duties of the trustee appointed by the  
60 bondholders pursuant to N. J. S. 40A:18-35, and limiting or abro-  
61 gating the rights of the bondholders to appoint a trustee pursuant  
62 to N. J. S. 40A:18-35 or limiting the rights, duties and powers of  
63 the trustee;

64 n. Payment of costs or expenses incident to the enforcement of  
65 bonds or of the provisions of the bond resolution or of any  
66 covenant or contract with the bondholders;

67 o. The procedure, if any, by which the terms of any covenant or  
68 contract with, or duty to, the bondholders may be amended or  
69 abrogated, the amount of bonds the holders of which must consent  
70 thereto, and the manner in which the consent may be given or  
71 evidenced; or

72 p. Any other matter or course of conduct which by recital in the  
73 bond resolution is declared to further secure the principal of or  
74 interest on the bonds.

40A:18-31. BOND RESOLUTION, ETC.; CONTRACT WITH BONDHOLDERS.

1 The provisions of the bond resolution and all the covenants and  
2 agreements shall constitute valid and legally binding contracts  
3 between the sewerage district and the bondholders, regardless of  
4 the time of the issuance of the bonds, and they shall be enforceable  
5 by any bondholder or bondholders by appropriate action or pro-  
6 ceeding in any court of competent jurisdiction.

40A:18-32. NOTICE OF ADOPTION OF BOND RESOLUTION;  
LIMITATION OF ACTIONS QUESTIONING VALIDITY.

1 The sewerage district may publish a notice in a newspaper  
2 having a general circulation within the district stating the date of  
3 adoption of the bond resolution, the amount \***[and maturities]**\* of  
4 the bonds \**authorized*\* to be issued, and also stating that any action  
5 or proceeding of any kind questioning the validity of the creation  
6 and establishment of the sewerage district, or the validity or proper  
7 authorization of bonds provided for by the bond resolution, or the  
8 validity of any covenants, agreements or contracts provided for by  
9 the bond resolution shall be commenced in any court of competent  
10 jurisdiction within 20 days after the first publication. If an action  
11 or proceeding is not commenced within 20 days after publication  
12 of the notice, then all residents and owners of real property within  
13 the district and users of the district's sewerage system and all  
14 other persons whomsoever shall be forever barred from commenc-  
15 ing any action in any court, or from pleading any defense to any  
16 action or proceeding, questioning the validity of the creation and  
17 establishment of the sewerage district, the validity or proper  
18 authorization of the bonds, or the validity of any covenants, agree-  
19 ments or contract, and the bonds, covenants, agreements and con-  
20 tracts shall be conclusively deemed to be valid and binding obliga-  
21 tions in accordance with their terms and tenor.

## 40A:18-33. SALE OF OR EXCHANGE OF BONDS.

1 Bonds may be sold, all at one time or in blocks from time to  
2 time, at public or private sale, or if refunding bonds may also be  
3 delivered in exchange for the outstanding obligations to be re-  
4 funded, in a manner as the sewerage district shall, by resolution,  
5 determine, and at a price or prices, computed according to stan-  
6 dard tables of bond values, as will yield to the purchasers or to the  
7 holders of obligations surrendered, income at a rate not exceeding  
8 that authorized by law to the maturity dates of the bonds as sold  
9 or exchanged on the money paid or the principal amount of the  
10 obligations surrendered therefor to the sewerage district.

40A:18-34. INTERIM CERTIFICATES; TEMPORARY BONDS  
OR OTHER INSTRUMENTS.

1 After the sale of any bonds pursuant to this chapter, the  
2 sewerage district may authorize the execution and issuance to  
3 the purchasers of the bonds, interim certificates therefor or of  
4 temporary bonds or other temporary instruments exchangeable  
5 for the definitive bonds when they are prepared, executed and  
6 ready for delivery. The holders of the interim certificates, tempor-  
7 ary bonds or other temporary instruments shall have all the rights  
8 and remedies which they would have as holders of the definitive  
9 bonds.

40A:18-35. DEFAULT IN PAYMENT OF PRINCIPAL OR  
INTEREST ON BONDS; TRUSTEE.

1 If there be a default in the payment of principal or interest on  
2 any bonds when due and the default continues for a period of  
3 30 days, or if the sewerage district fails or refuses to comply with  
4 the provisions of this chapter or fails or refuses to carry out and  
5 perform the terms of any covenant, agreement or contract with  
6 any of the bondholders, and the failure or refusal continues for a  
7 period of 30 days after written notice to the sewerage district of  
8 its existence and nature, the holders of 25% in aggregate principal  
9 amount of the bonds of the series then outstanding may appoint  
10 a trustee to represent the bondholders of the series for the pur-  
11 poses hereinafter provided by filing an instrument or instruments,  
12 proved and acknowledged in the manner as a deed for recording,  
13 in the office of the Secretary of State.

## 40A:18-36. POWERS OF TRUSTEE.

1 The trustee may, and upon the request of the holders of 25%  
2 in aggregate principal amount of the series then outstanding, shall  
3 in his or in the name of the sewerage district:

- 4 a. Commence an action or proceeding in a court of competent  
5 jurisdiction to enforce all rights of the bondholders, including the  
6 right to require the sewerage district to charge and collect service  
7 charges adequate to carry out any contract as to or pledge of  
8 revenues, and to require the sewerage authority to carry out and  
9 perform the terms of any contract with the bondholders or its  
10 duties under this chapter;
- 11 b. Bring an action upon all or any part of the bonds or interest  
12 coupons or claims thereon;
- 13 c. Bring an action to require the sewerage district to account  
14 as if it was the trustee of an express trust for the bondholders;
- 15 d. Bring an action to enjoin any acts or things which may be  
16 unlawful or in violation of the rights of the bondholders;
- 17 e. Declare all the bonds due and payable, whether or not in  
18 advance of maturity, upon 30 days' notice in writing to the sewerage  
19 district and, if all defaults shall be made good, then with the consent  
20 of 25% of the holders of the principal amount of the bonds then  
21 outstanding, annul the declaration and its consequences; and
- 22 -f. The trustee shall, in addition to the foregoing, have all of the  
23 powers necessary or appropriate for the exercise of the functions  
24 specifically set forth in this section or incidental to the general  
25 representation of the bondholders of the series in the enforcement  
26 and protection of their rights.

#### 40A:18-37. RECEIVER.

1 The trustee shall, upon the default referred to in N. J. S.  
2 40A:18-35, whether or not all of the bond series have been declared  
3 due and payable, be entitled as of right to the appointment of a  
4 receiver of the sewerage district. The receiver may take possession  
5 of all moneys and other property derived from or applicable to  
6 the acquisition, construction, operation, maintenance or addition  
7 to the sewer or sewers, sewerage system with appurtenances, dis-  
8 posal plant or plants and proceed with the acquisition, construction,  
9 operation, maintenance, or addition to the sewer or sewers, sewer-  
10 age system with appurtenances, disposal plant or plants which the  
11 sewerage district is under any obligation to do and fix, charge,  
12 collect, enforce and receive service charges and all revenues there-  
13 after arising subject to any pledge thereof or contract with the  
14 bondholders relating thereto and perform the public duties and  
15 carry out the contracts and obligations of the sewerage district  
16 in the same manner as the sewerage district might do and under  
17 the direction of the court.

## 40A:18-38. FEES AND EXPENSES OF TRUSTEE AND RECEIVER.

1 In any action or proceeding by the trustee appointed pursuant to  
 2 N. J. S. 40A:18-35, his fees and expenses and those of a receiver  
 3 appointed pursuant to N. J. S. 40A:18-37 may be allowed by the  
 4 court as taxable costs and disbursements and, when so allowed,  
 5 shall be a first charge upon any service charges or revenues of  
 6 sewerage district pledged for the payment or security of bonds of  
 7 the series.

\*~~40A:18-39.~~ NEGOTIABILITY OF BONDS OR OBLIGATIONS

1 Notwithstanding any other law, any bond or other obligation  
 2 issued pursuant to this chapter shall be fully negotiable in the  
 3 meaning and for all purposes of the "Uniform Commercial Code-  
 4 Investment Securities," N. J. S. 12A:8-101, et seq., and the holder  
 5 or owner of a bond or other obligation, or of any coupon attached  
 6 thereto by accepting the bond, obligation or coupon is conclusively  
 7 deemed to have agreed that the bond, obligation or coupon is and  
 8 shall be fully negotiable with the meaning and for all purposes of  
 9 the "Uniform Commercial Code-Investment Securities," N. J. S.  
 10 12A:8-101 et seq.]\*

\*~~40A:18-40]~~\* \*40A:18-39\*. PERSONAL LIABILITY ON BONDS;  
 NOT LIABILITY OF STATE OR TOWNSHIP.

1 Neither the commissioners of the sewerage district nor any  
 2 person executing bonds or other obligations issued pursuant to this  
 3 chapter shall be personally liable on the bonds or other obligations  
 4 by reason of their issuance, and they shall not be in any way a debt  
 5 or liability of the State or township.

\*~~40A:18-41]~~\* \*40A:18-40\*. BONDS, ETC., EXEMPT  
 FROM TAXATION; EXCEPTION.

1 All bonds and other obligations issued by a sewerage district  
 2 pursuant to this chapter are declared to be issued by a political  
 3 subdivision of this State and for an essential public and govern-  
 4 mental purpose and to be a public instrumentality, and the bonds  
 5 and other obligations, and the interest thereon and the income  
 6 therefrom, and all service charges, funds, revenues and other  
 7 moneys pledged or available to secure the payment of the bonds  
 8 and other obligations, or interest thereon, shall at all times be  
 9 exempt from taxation, except for transfer inheritance and estate  
 10 taxes and taxes on transfers by or in contemplation of death.

\*~~40A:18-42]~~\* \*40A:18-41\*. BONDS AS LEGAL INVESTMENTS.

1 Notwithstanding any other law, the State and all public officers,  
 2 municipalities, counties, political subdivisions, public bodies and  
 3 agencies thereof, all banks, bankers, trust companies, savings

4 banks and institutions, savings and loan associations, investment  
 5 companies, and other persons carrying on a banking business, all  
 6 insurance companies, insurance associations and other persons  
 7 carrying on an insurance business, and all executors, adminis-  
 8 trators, guardians, trustees and other fiduciaries may legally invest  
 9 any fund or moneys belonging to them or within their control in  
 10 any bonds issued pursuant to this chapter, and the bonds shall be  
 11 authorized security for all public deposits.

\*[40A:18-43]\* \*40A:18-42\*. AUTHORITY TO ESTABLISH RATES FOR  
 SERVICES AND CONNECTIONS.

1 A sewerage district is authorized to charge and collect rents,  
 2 rates, fees or other charges (sometimes referred to as "service  
 3 charges") for direct or indirect connection with, or the use or  
 4 services of, the sewer or sewers, sewerage system or disposal  
 5 plant or plants of the sewerage district. The service charges may  
 6 be charged to and collected from any person contracting for the  
 7 connection or use or services or from the owner or occupant, or  
 8 both of them, of any real property which directly or indirectly is  
 9 or has been connected with the sewer or sewers, sewerage system  
 10 or disposal plant or plants, or from on or which sewage or other  
 11 wastes originate or has originated and which have directly or  
 12 indirectly entered or may enter the sewer or sewers, sewerage  
 13 system or disposal plant or plants. The owner of the real property  
 14 shall pay the service charges to the sewerage district at the time  
 15 when and place where the service charges are due and payable.

\*[40A:18-44]\* \*40A:18-43\*. RATES, FEES AND CHARGES FOR  
 SERVICES TO BE UNIFORM; COMPUTATION.

1 Rents, rates, fees and charges, which may be payable period-  
 2 ically, being in the nature of use or service charges, shall, as the  
 3 sewerage district deems practical and equitable, be uniform  
 4 throughout the district for the same type, class and amount of use  
 5 or service of the sewer or sewers, sewerage system, disposal plant  
 6 or plants. The rents, fees, rates and charges may be based or  
 7 computed either on the consumption of water on or in connection  
 8 with the real property, making due allowance for commercial use  
 9 of water, or on the number and kind of water outlets on or in  
 10 connection with the real property, or on the number and kind of  
 11 plumbing or sewerage fixtures or facilities on or in the real prop-  
 12 erty, or on the number of persons residing or working on or other-  
 13 wise connected or identified with the real property, or on the  
 14 capacity of the improvements on or connected with the real prop-

erty, or on any other factors determining the type, class and amount of use or service of the sewer or sewers, sewerage system or disposal plant or plants or on any combination of those factors. In determining the rents, rates, fees and charges, the sewerage district may also give weight to the characteristics of the sewage and other wastes and any other special matter affecting the cost of treatment and disposal thereof, including chlorine demand, biochemical oxygen demand, concentration of solids and chemical composition. In addition to any periodic service charges, a separate charge in the nature of a connection fee or tapping fee, in respect of each connection of any property with the sewer or sewers, sewerage system, disposal plants or plants may be imposed upon the person making the connection or upon the owner or occupant of the property so connected. The connection charges shall be uniform within each class of users thereof but the amount thereof shall otherwise be entirely within the discretion of the district so that the combination of the connection fee or tapping fee and the periodic service charges shall meet the requirements of N. J. S. \***[40A:18-45]**\* \*40A:18-44\*. In assessing any connection charges, the sewerage district shall give credit in every instance to the owner or occupant of any property wherein or whereon any action or improvement has been taken or effectuated, in accordance with the reasonable specifications as prescribed by the sewerage district, which results in a reduction of the costs actually incurred by the sewerage district in making the connection below the costs actually incurred in making the connection to the property wherein or whereon no action or improvement has been taken or effectuated. The amount of any credit shall be equal to the percentage difference between the costs actually incurred by the sewerage district in making the connection to a property wherein or whereon an action or improvement has been taken or effectuated, and the average during the preceding year of the costs actually incurred by the sewerage district in making the connections to property wherein or whereon action or improvement has not been taken or effectuated.

\***[40A:18-45]**\* \*40A:18-44\*. REVISING SCHEDULE OF  
SERVICE CHARGES.

1 The sewerage district shall, when necessary and from time to  
2 time, revise its schedule of service charges which shall comply with  
3 the terms of any contract of the sewerage district so that the  
4 revenues of the sewerage district will at all times be adequate to  
5 pay all expenses of operation and maintenance of the sewer or  
6 sewers, sewerage system, disposal plant or plants, including re-

7 serves, insurance, extensions and replacements, and to pay the  
 8 principal of and interest on any bonds punctually and to maintain  
 9 reserves therefor as may be required by any contract of the  
 10 sewerage district or as may be determined to be necessary or  
 11 desirable by the sewerage district.

\*[40A:18-46]\* \*40A:18-45\*. PROCEDURE TO REVISE  
 SCHEDULE OF SERVICE CHARGES.

1 The schedule of service charges shall be revised by the sewerage  
 2 district after a public hearing thereon which shall be held by the  
 3 sewerage district at least 10 days after publication of a notice  
 4 of the proposed adjustments of the service charges and of the time  
 5 and place of the public hearing in at least two newspapers having  
 6 a general circulation within the district. The sewerage district  
 7 shall provide evidence at the hearing showing that the proposed  
 8 adjustment of the service charges is necessary and reasonable, and  
 9 shall provide the opportunity for cross examination of the persons  
 10 offering the evidence. A transcript of the hearing shall be made  
 11 and a copy thereof shall be available upon request to anyone at a  
 12 reasonable fee.

\*[40A:18-47]\* \*40A:18-46\*. FILING SCHEDULE OF  
 SERVICE CHARGES; INSPECTION.

1 A copy of the schedule of service charges then in effect shall at all  
 2 times be kept on file at the office of the sewerage district and shall at  
 3 all reasonable times be open to public inspection.

\*[40A:18-48]\* \*40A:18-47\*. FIXING TIME AND PLACE FOR  
 PAYMENT OF SERVICE CHARGES; ADVANCE PAYMENT.

1 The sewerage district shall fix the time or times when and the  
 2 place or places where service charges shall be due and payable.  
 3 The sewerage district may require that service charges shall be paid  
 4 in advance for a period of not more than one year.

\*[40A:18-49]\* \*40A:18-48\*. UNPAID SERVICE CHARGE; INTEREST.

1 If a service charge of the sewerage district with regard to any  
 2 parcel of real property is not paid when due, interest shall accrue  
 3 thereon and be due to the sewerage district at the rate of 1½%  
 4 per month until the service charge, together with interest shall be  
 5 fully paid to the district.

\*[40A:18-50]\* \*40A:18-49\*. UNPAID SERVICE CHARGE; LIEN.

1 If a service charge of the sewerage district with regard to any  
 2 parcel of real property owned by any person other than the State  
 3 or an agency or political subdivision thereof is not paid when due,  
 4 the service charge or any balance thereof together with all accrued  
 5 interest thereon, shall be a lien on the parcel. The lien shall be

6 superior and paramount to the interest in the parcel of any owner,  
 7 lessee, tenant, mortgagee or any other person except the lien of  
 8 municipal taxes. The lien shall be on a parity with and deemed to  
 9 be equal to the lien on the parcel of the municipality for taxes due  
 10 in the same year and not paid when due. The lien shall not affect  
 11 a subsequent purchaser of the parcel for a valuable consideration  
 12 without actual notice of the lien unless the sewerage district has  
 13 filed a statement showing the amount and due date of the unpaid  
 14 balance and identifying the parcel, which identification may be  
 15 sufficiently made by reference to the assessment map of the munic-  
 16 ipality, in the office of the collector or other officer charged with  
 17 the duty of enforcing municipal liens on real property. The infor-  
 18 mation shown in the statement shall be included in any certificate  
 19 with respect to the parcel of real property thereafter made by the  
 20 official of the municipality vested with the power to make official  
 21 certificates of searches for municipal liens. Whenever the service  
 22 charge and any subsequent service charge and all accrued interest  
 23 thereon are paid to the sewerage district, the statement shall be  
 24 promptly cancelled by the district.

\*[40A:18-51]\* \*40A:18-50\*. FISCAL YEAR.

1 The fiscal year of a sewerage district shall be the calendar year.

\*[40A:18-52]\* \*40A:18-51\*. BUDGET; GENERALLY.

1 Prior to January 15 of each year the commissioners of the sewer-  
 2 age district shall prepare and adopt a budget for the calendar year.  
 3 The budget shall be prepared in accordance with established munic-  
 4 ipal accounting practices and shall estimate the amount required  
 5 for expenditures of the sewerage district for the calendar year,  
 6 including the expenses of operation, repair and maintenance and  
 7 all amounts to be raised during the year for interest and principal  
 8 on bonds, notes and other obligations issued by the sewerage dis-  
 9 trict. The budget shall also estimate the revenues to be received  
 10 from rates, rents, rentals and other charges which shall not be  
 11 greater than the rates, rents, rentals and charges received in cash  
 12 by the sewerage district during the preceding calendar year, unless  
 13 prior to the adoption of the budget the sewerage commissioners  
 14 have increased the rates, rents, rentals or charges to be charged  
 15 for the facilities of the sewer or sewers, sewerage system, disposal  
 16 plant or plants of the district during the calendar year, in which  
 17 event the estimated amount of the rates, rents, rentals and other  
 18 charges to be received during the calendar year may be a sum con-  
 19 sisting of the amounts of the rates, rents, rentals or other charges

20 actually received in cash during the preceding calendar year, to-  
 21 gether with the amount of the increase in rates, rents, rentals or  
 22 other charges which would have been received during the previous  
 23 calendar year at the percentage of collections for the previous  
 24 calendar year. A certified copy of the budget shall be filed in the  
 25 office of the township clerk before February 1 of each year.

**\*[40A:18-53]\* \*40A:18-52\*. BUDGET; INSUFFICIENCY OF  
 ESTIMATED REVENUES.**

1 If the amount of estimated revenues to be received during the  
 2 calendar year as provided in N. J. S. **\*[40A:18-52]\* \*40A:18-51\***  
 3 will be insufficient to pay the estimated cost of operation, repair  
 4 and maintenance and all debt service charges, the sewerage com-  
 5 missioners shall certify the anticipated deficit for the calendar year  
 6 to the township assessor before February 1 of the calendar year.  
 7 The township assessor shall assess the amount so certified upon the  
 8 ratables in the district in the same manner in which township taxes  
 9 are assessed. The township collector shall collect the assessments  
 10 and pay them over to the sewerage commissioners for the opera-  
 11 tion, repair and maintenance of the sewer or sewers, sewerage  
 12 system, disposal plant or plants and the payment of bonds or  
 13 obligations issued by the district.

**\*[40A:18-54]\* \*40A:18-53\*. BUDGET; ARREARS IN  
 PAYMENT OF BONDS.**

1 If at the time the budget is certified as provided in N. J. S.  
 2 **\*[40A:18-52]\* \*40A:18-51\***, the sewerage district is in arrears in  
 3 the payment of the principal of and interest on any bonds or other  
 4 obligations issued by the district, the full amount of the arrearages  
 5 shall be certified by the sewerage commissioners to the township  
 6 assessor to be raised by general tax upon all the taxable property  
 7 within the district as provided in N. J. S. **\*[40A:18-53]\***  
 8 **\*40A:18-52\*** during the calendar year.

**\*[40A:18-55]\* \*40A:18-54\*. AUDIT OF ACCOUNTS; FILING.**

1 A sewerage district shall have an annual audit of its accounts to  
 2 be made by a registered municipal accountant of New Jersey or a  
 3 certified accountant of New Jersey. The audit shall be completed  
 4 and filed with the district within four months after the close of the  
 5 fiscal year and a copy filed in the township clerk's office within five  
 6 days after the original audit is filed with the district.

9 trict. The budget shall also estimate the revenues to be received  
 10 from rates, rents, rentals and other charges which shall not be  
 11 greater than the rates, rents, rentals and charges received in cash  
 12 by the sewerage district during the preceding calendar year, unless  
 13 prior to the adoption of the budget the sewerage commissioners  
 14 have increased the rates, rents, rentals or charges to be charged  
 15 for the facilities of the sewer or sewers, sewerage system, disposal  
 16 plant or plants of the district during the calendar year, in which  
 17 event the estimated amount of the rates, rents, rentals and other  
 18 charges to be received during the calendar year may be a sum con-  
 19 sisting of the amounts of the rates, rents, rentals or other charges  
 20 actually received in cash during the preceding calendar year, to-  
 21 gether with the amount of the increase in rates, rents, rentals or  
 22 other charges which would have been received during the previous  
 23 calendar year at the percentage of collections for the previous  
 24 calendar year. A certified copy of the budget shall be filed in the  
 25 office of the township clerk before February 1 of each year.

\***[40A:18-53]**\* \*40A:18-52\*. BUDGET; INSUFFICIENCY OF  
 ESTIMATED REVENUES.

1 If the amount of estimated revenues to be received during the  
 2 calendar year as provided in N. J. S. \***[40A:18-52]**\* \*40A:18-51\*  
 3 will be insufficient to pay the estimated cost of operation, repair  
 4 and maintenance and all debt service charges, the sewerage com-  
 5 missioners shall certify the anticipated deficit for the calendar year  
 6 to the township assessor before February 1 of the calendar year.  
 7 The township assessor shall assess the amount so certified upon the  
 8 ratables in the district in the same manner in which township taxes  
 9 are assessed. The township collector shall collect the assessments  
 10 and pay them over to the sewerage commissioners for the opera-  
 11 tion, repair and maintenance of the sewer or sewers, sewerage  
 12 system, disposal plant or plants and the payment of bonds or  
 13 obligations issued by the district.

\***[40A:18-54]**\* \*40A:18-53\*. BUDGET; ARREARS IN  
 PAYMENT OF BONDS.

1 If at the time the budget is certified as provided in N. J. S.  
 2 \***[40A:18-52]**\* \*40A:18-51\*, the sewerage district is in arrears in  
 3 the payment of the principal of and interest on any bonds or other  
 4 obligations issued by the district, the full amount of the arrearages  
 5 shall be certified by the sewerage commissioners to the township  
 6 assessor to be raised by general tax upon all the taxable property  
 7 within the district as provided in N. J. S. \***[40A:18-53]**\*  
 8 \*40A:18-52\* during the calendar year.

**\*[40A:18-55]\* \*40A:18-54\*. AUDIT OF ACCOUNTS; FILING.**

1 A sewerage district shall have an annual audit of its accounts to  
 2 be made by a registered municipal accountant of New Jersey or a  
 3 certified accountant of New Jersey. The audit shall be completed  
 4 and filed with the district within four months after the close of the  
 5 fiscal year and a copy filed in the township clerk's office within five  
 6 days after the original audit is filed with the district.

**\*[40A:18-56]\* \*40A:18-55\*. EXEMPTION OF DISTRICT PROPERTY  
 FROM JUDGMENT LIEN, LEVY OR EXECUTION SALE; EXCEPTION.**

1 All property of a sewerage district shall be exempt from levy and  
 2 sale by virtue of an execution, and neither an execution nor other  
 3 judicial process shall issue against the property of a sewerage dis-  
 4 trict nor shall any judgment against a sewerage district be a charge  
 5 or a lien upon its property. Nothing in this section shall apply to  
 6 or limit the rights of any bondholders to pursue any remedy for the  
 7 enforcement of any pledge or lien given by the sewerage district  
 8 upon its property or revenues.

**\*[40A:18-57]\* \*40A:18-56\*. CONTRACTS WITH BODIES POLITIC  
 AND SUBDIVISIONS OUTSIDE TERRITORY.**

1 The commissioners of a sewerage district are authorized to enter  
 2 into a contract with any body politic or political subdivision thereof  
 3 outside of the district's territory to provide for the use by that  
 4 body or subdivision of the district's sewer or sewers, sewerage  
 5 system, disposal plant or plants. The contract shall provide for the  
 6 period of time for the use and a service charge for the use as may  
 7 be agreed upon.

**\*[40A:18-58]\* \*40A:18-57\*. CONTRACTS WITH BODIES POLITIC AND  
 SUBDIVISIONS OUTSIDE TERRITORY; INSTALLATIONS, COSTS  
 AND EXPENSES.**

1 Any body politic or political subdivision thereof contracting with  
 2 the commissioners of a sewerage district as provided in N. J. S.  
 3 **\*[40A:18-57]\* \*40A:18-56\*** for the use of the district's sewer or  
 4 sewers, sewerage system, disposal plant or plants shall, at its  
 5 expense and with the consent of the body politic owning or control-  
 6 ling the street or streets in or under which the installation is to be  
 7 made, install its own sewerage pipelines and appurtenances to  
 8 connect at an agreed point of tie-in with the sewer or sewers,  
 9 sewerage system, disposal plant or plants of the sewerage district.

\***[40A:18-63]**\* \*40A:18-62\*. ASSUMPTION OF SEWERAGE

## DISTRICT INDEBTEDNESS BY TOWNSHIP; PAYMENT.

1 If the governing body of the township assumes the payment of  
 2 any bonds or obligations of the sewer district, they shall become  
 3 obligations of and be paid by the township. The governing body  
 4 of the township may, in its discretion, pay the bonds or other  
 5 obligations out of the proceeds of any bonds, temporary bonds or  
 6 notes which may be issued by the township for the acquisition, con-  
 7 struction, reconstruction, enlargement or extension of a sewer sys-  
 8 tem in the township.

\***[40A:18-64]**\* \*40A:18-63\*. ASSUMPTION OF SEWERAGE

## DISTRICT INDEBTEDNESS BY TOWNSHIP; OUTSTANDING

## FEES, CHARGES, ETC.; USE OF PROCEEDS.

1 If the governing body of a township assumes the payment of any  
 2 bonds or obligations of a sewer district, all outstanding fees,  
 3 charges or assessments owing to the sewer district shall be paid  
 4 to and collected by the township collector and they shall be applied  
 5 solely to the payment of the bonds or other obligations of the sewer  
 6 district or to the payment of the bonds, temporary bonds or notes,  
 7 the proceeds of which were used to pay the sewer district's in-  
 8 debtedness.

\***[40A:18-65]**\* \*40A:18-64\*. ASSUMPTION OF SEWERAGE

## DISTRICT INDEBTEDNESS BY TOWNSHIP; EFFECT.

1 If the governing body of a township assumes the payment of any  
 2 bonds or other obligations of a sewer district, the terms of office  
 3 of the sewerage district shall terminate and the sewerage district  
 4 dissolved. The sewer or sewers, sewerage system with appurte-  
 5 nances, disposal plant or plants shall become the property of the  
 6 township and deemed to be a part of the township sewerage system.

1 2. This act shall take effect immediately.

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ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

**SENATE, No. 1965**

[OFFICIAL COPY REPRINT]

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**STATE OF NEW JERSEY**

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DATED: JUNE 16, 1983

Senate Bill No. 1965 OCR would reestablish certain township sewerage districts which inadvertently lost their statutory authorization when the "Water Quality Planning Act" (P. L. 1965, c. 75) was signed into law on April 25, 1977.

Section 12 of the "Water Quality Planning Act" repealed R. S. 40:154-1 et seq. which authorized the creation, financing and operation of township sewerage districts. At the time, it was assumed that no districts were operating under the provisions of that chapter of the Revised Statutes.

In 1982, it was discovered that certain township sewerage districts in Cape May county had been organized under that chapter and were still actively engaged in providing sewerage services within their districts. With the enactment of P. L. 1977, c. 75, those districts lost their statutory authorization; they had, technically, ceased to exist on April 25, 1977, when P. L. 1977, c. 75 was signed into law.

Senate Bill No. 1965 OCR reestablishes those township sewerage districts which were in existence on April 25, 1977, validates the election of commissioners and all acts and actions done in those districts since that date.

The bill also includes provisions for the election of commissioners, their terms of office and the manner in which the affairs and business of the district are to be conducted.

SENATE COUNTY AND MUNICIPAL GOVERNMENT  
COMMITTEE

STATEMENT TO  
**SENATE, No. 1965**  
with Senate committee amendments

**STATE OF NEW JERSEY**

DATED: MARCH 7, 1983

Senate Bill No. 1965 would reestablish certain township sewerage districts which were in existence on April 25, 1977, the effective date of the "Water Quality Planning Act" (P. L. 1975, c. 75) which repealed inadvertently the authorizing statutes for these township sewerage districts on the mistaken assumption that none were in existence at that time.

At the time P. L. 1977, c. 75 was enacted, township sewerage districts in Cape May county, which had been established pursuant to P. L. 1901, c. 269, as amended and supplemented, R. S. 40:154-1 et seq., were actively engaged in providing sewerage services within their respective districts and are continuing to provide those services. One of those districts, Middle Township Sewerage District No. 3, has undertaken a project to improve its facilities and has received a Step 1 Planning Grant of approximately \$40,000.00 for that purpose and contemplated the issuance of bonds to cover the costs. The district was advised by bond counsel that the statutory provisions relating to township sewerage districts were repealed by section 12 of P. L. 1977, c. 75, and that statutory authority for the operation of township sewerage districts no longer existed.

This bill reestablishes those township sewerage districts which were in existence on April 25, 1977, validates the election of commissioners and all acts and things done in those districts since that date. The bill also provides for the election of commissioners, their terms of office and the manner in which the affairs and business of the district shall be conducted.

The Senate committee amendment, requested by the sponsor, deletes section 40A:18-39 from the bill. The section concerns the negotiability of district bonds, and is contrary to recent federal Internal Revenue Code revisions.

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

SENATE BILL NO. 1965 (OCR)

August 29, 1983

To the Senate:

Pursuant to Article V, Section I, paragraph 14 of the Constitution, I herewith return Senate Bill No. 1965 (OCR) with my recommendations for reconsideration.

This bill would reestablish certain sewerage districts which were inadvertently abolished by the Water Quality Planning Act in 1977.

The Water Quality Planning Act enacted in 1977, P.L. 1977, c. 75, repealed the statutory authorization for the establishment of township sewerage districts which had been set forth in N.J.S. 40:154-1 et seq. At that time it was assumed that no districts were operating under those provisions and therefore the statutory authorization was unnecessary.

Last year it was discovered that sewerage districts organized under the township sewerage district law are still actively engaged in providing sewerage services within their districts.

This bill will reestablish those township sewerage districts which were in existence at the time of the repeal and validates the election of their commissioners and the actions taken by the commissioners in those districts. The bill does not authorize the establishment of new township sewerage districts, but merely provides legal authorization for the continued existence of those township sewerage districts in operation at the time of the 1977 repealer.

The bill provides for the election of commissioners, their terms of office and establishes their powers which include the issuance of bonds, the construction, improvement, maintenance of sewerage systems, and the ability to collect assessments to pay for the district's costs. The bill also contains provisions governing the sewerage district's fiscal year, budget, audits and contracts. In addition, the township is given the power to assume the indebtedness of the sewerage district.

I am recommending an amendment to correct one flaw in the bill. As drafted, section 40A:18-29 of the bill would enable a sewerage district to authorize by resolution the issuance of bonds without meeting any publication

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or posting requirements. This provision would effectively enable a sewerage district to undertake extensive construction and to incur substantial indebtedness to pay for that construction without sufficient public involvement. I recommend that this provision be amended to provide for hearing and notice requirements to the public similar to those under the Local Bond Law before the sewerage district is permitted to authorize the issuance of bonds.

Accordingly, I herewith return Senate Bill No. 1965 (OCR) and recommend it be amended as follows:

Page 10, Section 40A:18-29, lines 1 to 5: Delete lines 1 to 4 in entirety and "or posted" on line 5 and insert:

"A bond resolution shall be introduced in writing at a meeting of the commissioners of the district and shall be passed upon first reading, which may be by title.

The bond resolution shall be published after first reading together with notice of the introduction thereof and of the date, which shall be at least 10 days after introduction and first reading, and the time and place of further consideration for final passage, which may be at an adjournment of the meeting or another meeting.

The publication shall be at least 1 week prior to the date for further consideration. At the time and place so advertised, or at any time and place to which the meeting or further consideration shall from time to time be adjourned, the bond resolution may be read by its title, if,

(1) at least 1 week prior to the date or further consideration, there shall have been posted, on the bulletin board or other place upon which public notices are customarily posted,

(a) a copy of the bond resolution, and

(b) a notice that copies of the bond resolution will be made available during the week and up to and including the date of the meeting or further consideration to the members of the general public of the district who shall request the copies, naming the place at which the copies will be so made available, and

(2) the copies of the bond resolution shall have been made available accordingly, but otherwise the bond resolution shall be read in full. All persons interested shall then be given an opportunity to be heard.

After the hearing, the commissioners may proceed to amend the bond resolution and thereupon finally adopt or reject it, with or without amendments.

If any amendment is adopted substantially altering matters to be contained in the bond resolution the amended bond resolution shall not be finally adopted until at least 1 week thereafter and until it shall have been published once at least 2 days prior to the date for further consideration, together with notice of the date, time and place at which it will be further considered for final adoption. At the time and place so advertised, or at any time and place to which

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EXECUTIVE DEPARTMENT

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the meeting or further consideration shall from time to time be adjourned, the amended bond resolution may be read by its title, if,

(1) at least 1 week prior to the date of further consideration, there shall have been posted, on the bulletin board or other place upon which public notices are customarily posted,

(a) a copy of the bond resolution, and

(b) a notice that copies of the bond resolution will be made available during the week and up to and including the date of the meeting or further consideration to the members of the general public of the district who shall request copies, naming the place at which the copies will be so made available, and

(2) the copies of said bond resolution shall have been made available accordingly, but otherwise the bond resolution shall be read in full. All persons interested shall again be given an opportunity to be heard. After the hearing, the commissioners may proceed to reject, finally adopt or further amend the bond ordinance.

A bond resolution shall be finally adopted by the recorded affirmative voters of at least a majority of all commissioners of the district."

Respectfully,

/s/ Thomas H. Kean  
GOVERNOR

[seal]

/s/ W. Cary Edwards

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Chief Counsel

Tuesday, January 17, 1984

Page Two

The funds come from the settlement in the Federal Government lawsuit against Exxon Corporation for overcharging. The \$4 million appropriated here is part of \$7.5 million already received by New Jersey. The other \$3.5 million was appropriated to the Department of Energy. New Jersey stands to eventually receive a total of \$60 million in overcharge funds.

S-886, sponsored by State Senator Wynona M. Lipman, D-Essex which requires State contracting agencies, under some conditions to allocate a proportion of State contracts to small businesses. The bill was conditionally vetoed by the Governor, who recommended clarification of responsibilities between the Departments of Treasury and Commerce and Economic Development.

S-1674, also sponsored by Senator Lipman which revises the procedures for licensing child care centers. The bill also creates a 15-member Council on Child Care within the Department of Human Services and the Department of Community Affairs.

S-3744, sponsored by State Senator Gerald R. Stockman, D-Mercer, which authorizes a United States Magistrate to solemnize marriages in New Jersey.

S-1965, sponsored by State Senator James R. Hurley, R-Cumberland, which provides for the incorporation of certain township sewerage districts, provides for election of commissioners and establishes their powers.

S-3578, sponsored by State Senator John F. Russo, D-Ocean which permits the governing bodies of fire districts to provide for and authorize advance payments to officers and employees for official travel expenses.

S-3798, sponsored by State Senator Walter R. Foran, R-Hunterdon, which appropriates \$288,743 in federal funds to the Department of Law and Public Safety for Marine Police operations. The bill was merged with A-4121, sponsored by Assemblyman Anthony M. Villane, Jr., R-Monmouth.

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