

40:14B-13.1

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40:14B-13.1

(Sewerage system--
municipal--reorganiza-
tion--provide for transi-
tion)

LAWS OF: 1986

CHAPTER 110

BILL NO: A1807

Sponsor(s): Haytaian and Littell

Date Introduced: January 30, 1986

Committee: Assembly: Independent Authorities

Senate: County & Municipal Government

Amended during passage: Yes According to Governor's recommenda-
tions

Date of Passage: Assembly: May 13, 1986 Re-enacted Sept. 11, 1986

Senate: June 2, 1986 Re-enacted Sept. 18, 1986

Date of Approval: September 23, 1986

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

Following were printed:

Reports: No

Hearings: No

110 86
9-23-86
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ASSEMBLY, No. 1807

STATE OF NEW JERSEY

INTRODUCED JANUARY 30, 1986

By Assemblymen HAYTAIAN and LITTELL

A SUPPLEMENT to the "municipal and county utilities authorities law," approved August 22, 1957 (P. L. 1957, c. 183; C. 40:14B-1 et seq.) as said short title was amended by P. L. 1977, c. 384.

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

1 1. Notwithstanding the provisions of P. L. 1957, c. 183 (C.
2 40:14B-1 et seq.) or any other law to the contrary, the governing
3 body of any ***[municipality]*** **local unit** which has created a
4 municipal utilities authority may, pending the conclusion of pro-
5 ceedings to dissolve the authority in accordance with the provisions
6 of section 13 of P. L. 1957, c. 183 (C. 40:14B-13) **and the provisions*
7 *of the "Local Authorities Fiscal Control Law," P. L. 1983, c. 313*
8 *(C. 40A:5A-1 et seq.)**, and pursuant to a duly adopted ordinance
9 **or resolution** therefor, commence in its own name the acquisi-
10 tion, construction, maintenance and operation of a new sewerage
11 system, including the expenditure of its own moneys for the costs
12 related thereto, for the purposes of the provision of adequate
13 sewerage collection, treatment, purification and disposal service
14 within the ***[municipality]*** **local unit**. **Any actions undertaken*
15 *by the governing body during the proceedings must be consistent*
16 *with the "Water Quality Planning Act," P. L. 1977, c. 75 (C.*
17 *58:11A-1 et seq.) and with P. L. 1970, c.33 (C. 13:1D-1 et seq.)**

1 2. This act shall take effect immediately.

SEWERAGE

New sewerage prior dissolve MUA

Permits municipalities to begin development and financing of a new sewerage system prior to the final dissolution of an existing municipal utilities authority.

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:

*—Assembly committee amendments adopted March 6, 1986.

ASSEMBLY, No. 1807

STATE OF NEW JERSEY

INTRODUCED JANUARY 30, 1986

By Assemblymen HAYTAIAN and LITTELL

A SUPPLEMENT to the "municipal and county utilities authorities law," approved August 22, 1957 (P. L. 1957, c. 183; C. 40:14B-1 et seq.) as said short title was amended by P. L. 1977, c. 384.

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

1 1. Notwithstanding the provisions of P. L. 1957, c. 183 (C.
2 40:14B-1 et seq.) or any other law to the contrary, the governing
3 body of any municipality which has created a municipal utilities
4 authority may, pending the conclusion of proceedings to dissolve
5 the authority in accordance with the provisions of section 13
6 of P. L. 1957, c. 183 (C. 40:14B-13), and pursuant to a duly
7 adopted ordinance therefor, commence in its own name the acqui-
8 sition, construction, maintenance and operation of a new sewerage
9 system, including the expenditure of its own moneys for the costs
10 related thereto, for the purposes of the provision of adequate
11 sewerage collection, treatment, purification and disposal service
12 within the municipality.

1 2. This act shall take effect immediately.

STATEMENT

This bill would permit a municipality under the jurisdiction of a municipal utilities authority to proceed with the development and financing of a new sewer project pending the conclusion of proceedings to dissolve the authority. The existing law (P. L. 1957, c. 183; C. 40:14B-1 et seq.) prohibits a local government affiliated with sewerage authorities governed by the "municipal

and county utilities authorities law" from contracting for, providing new, or improving existing sewerage facilities on its own behalf. Since the statutory requirements governing the dissolution of sewerage authorities created by two or more municipalities entail a lengthy and complicated procedure which would inadvertently serve to inflate the construction costs of pending sewer projects, the exemption granted in this bill would permit a municipality so affected to complete its sewerage system without further unnecessary and costly delay.

SEWERAGE

New sewerage prior dissolve MUA

Permits municipalities to begin development and financing of a new sewerage system prior to the final dissolution of an existing municipal utilities authority.

ASSEMBLY INDEPENDENT AND REGIONAL
AUTHORITIES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1807

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MARCH 6, 1986

The Assembly Independent and Regional Authorities Committee reports favorably Assembly Bill No. 1807 with committee amendments.

As amended, this bill permits the governing body of a county or municipality which has created a municipal utilities authority to commence the acquisition, construction, maintenance and operation of a new sewerage system pending the conclusion of proceedings to dissolve an existing authority, in order to provide adequate sewerage collection, treatment, purification and disposal service within the local government unit.

Under current law, a municipal authority may be dissolved on condition that either the authority members have not been appointed or the municipal authority consents to the dissolution and the municipal authority has no outstanding debts or obligations. Subsequent to the dissolution of the authority, the property of the municipal authority is vested in the local unit which created the authority.

This bill would permit the local unit to expend public moneys to develop a new sewerage authority to serve the needs of the local unit pending the conclusion of proceedings to dissolve the existing authority.

The committee amendments are intended to insure that the dissolution of the municipal utilities authority complies with the requirements of (1) the "Local Authorities Fiscal Control Law," P. L. 1983, c. 313 (C. 40A:5A-1 et seq.), which establishes certain procedures for dissolving an existing local authority and imposes other criteria which must be met in order to dissolve a local authority; (2) the "Water Quality Planning Act," P. L. 1977, c. 75 (C. 58:11A-1 et seq.); and (3) P. L. 1970, c. 33 (C. 13:1D-1 et seq.), which established the Department of Environmental Protection.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1807

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STATE OF NEW JERSEY

DATED: MAY 12, 1986

The Senate County and Municipal Government Committee reports favorably Assembly Bill No. 1807 OCR.

Assembly Bill No. 1807 OCR permits the governing body of a county or municipality which has created a municipal utilities authority to commence the acquisition, construction, maintenance and operation of a new sewerage system pending the conclusion of proceedings to dissolve an existing authority, in order to provide adequate sewerage collection, treatment, purification and disposal service within the local government unit.

Under current law, a local unit may dissolve a municipal utilities authority upon the approval of the Local Finance Board in the Department of Community Affairs and on condition that either the authority members have not been appointed or the authority members consent to the dissolution and the municipal authority has no outstanding debts or obligations. Subsequent to the dissolution of the authority, the property of the municipal authority is vested in the local unit which created the authority.

This bill would permit the local unit to expend public moneys to develop a new sewerage system to serve the needs of the local unit pending the conclusion of proceedings to dissolve the existing utilities authority. Any actions of the local unit must be consistent with the "Water Quality Planning Act," P. L. 1977, c. 75 (C. 58:11A-1 et seq.); and with P. L. 1970, c. 33 (C. 13:1D-1 et seq.), which established the Department of Environmental Protection.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

September 5, 1986

ASSEMBLY BILL NO. 1807 (OCR)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the Constitution, I herewith return Assembly Bill No. 1807 (OCR) with my objections and recommendations for amendment.

This bill would permit a local unit of government that has created a municipal utilities authority to commence in its own name the acquisition, construction, maintenance and operation of a new sewerage system before conclusion of proceedings to dissolve the existing municipal utilities authority.

I have been advised that the intention of those favoring this legislation is to permit a municipality that is a constituent member of a regional municipal utilities authority to set up a new sewerage system while dissolution of the original municipal utilities authority is pending. As it has reached my desk, however, this bill does not accomplish the purpose it was set out to do. This is because the regional municipal utilities authorities the sponsor intended to affect was established by a board of chosen freeholders, and it is therefore the freeholder board, and not a municipal governing body, that would be authorized under this bill to set up a new sewerage system.

The modification I am suggesting to this bill would permit its intended municipal beneficiary to set up a new sewerage system pending the dissolution of the municipal utilities authority. My recommendations limit the terms of this bill to the situation the sponsor intended the bill to address.

I wish to stress that this legislation does not excuse any municipal utilities authority in this State from payment of any outstanding debts or obligations.

Therefore, I herewith return Assembly Bill No. 1807 (OCR) and recommend that it be amended as follows:

Page 1, Section 1, Line 3: Delete "local unit", insert "municipality located in a county of the third class having a county population of at least 80,000 persons but not more than 85,000 persons according to the most recent federal decennial census,"; After "which", insert "municipality"; After "created", insert ", participated in the creation of or joined".

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

2

Page 1, Section 1, Line 4: After "authority", insert "or has entered into a contract with a municipal utilities authority for the treatment and disposal of sewage within the whole or portions of the municipality pursuant to section 49 of P.L. 1957, c.183 (C.40:14B-49),"; Delete "conclusion", insert "dissolution".

Page 1, Section 1, Lines 4-5: Delete "proceedings to dissolve".

Page 1, Section 1, Line 9: Delete "or resolution"; After "name", insert "or by creating another municipal utilities authority pursuant to law".

Page 1 Section 1, Line 13: Delete "sewerage", insert "sewage".

Page 1, Section 1, Line 14: Delete "local unit", insert "municipality".

Page 1, Section 1, Line 15: After "governing body", insert "of the municipality"; Delete "during the proceedings".

Respectfully,

/s/ Thomas H. Kean

GOVERNOR

[seal]

Attest:

/s/ Michael R. Cole

Chief Counsel