

40:14B-3

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40:14B-3, 40:14B-20

(Solid waste disposal or  
sewerage treatment  
systems-permit county or  
municipal loans to private  
sector for construction  
and operation)

LAWS OF: 1984

CHAPTER: 178

Bill No: S1284

Sponsor(s): Feldman

Date Introduced: February 23, 1984

Committee: Assembly: County Government

Senate: County and Municipal Government

Amended during passage: No

Date of Passage: Assembly: October 11, 1984

Senate: Sept. 13, 1984

Date of Approval: November 5, 1984

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly No

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

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SENATE, No. 1284

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 23, 1984

By Senator FELDMAN

Referred to Committee on County and Municipal Government

AN ACT to amend the "municipal and county utilities authorities law," approved August 22, 1957 (P. L. 1957, c. 183) 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. Section 3 of P. L. 1957, c. 183 (C. 40:14B-3) is amended to  
2 read as follows:

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

5 (1) "Municipality" shall mean any city of any class, any bor-  
6 ough, village, town, township, or any other municipality other than  
7 a county or a school district, and except when used in section 4, 5,  
8 6, 11, 12, 13, 42 or 45 of this act, any agency thereof or any two  
9 or more thereof acting jointly or any joint meeting or other agency  
10 of any two or more thereof;

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

12 (3) "Governing body" shall mean, in the case of a county, the  
13 board of chosen freeholders, or in the case of those counties  
14 organized pursuant to the provisions of the "Optional County  
15 Charter Law" (P. L. 1972, c. 154; C. 40:41A-1 et seq.), the board  
16 of chosen freeholders and the county executive, the county super-  
17 visor or the county manager, as appropriate, and, in the case of a  
18 municipality, the commission, council, board or body, by whatever  
19 name it may be known, having charge of the finances of the  
20 municipality;

21 (4) "Person" shall mean any person, association, corporation,

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.

22 nation, state or any agency or subdivision thereof, other than a  
23 county or municipality of the State or a municipal authority;

24 (5) "Municipal authority" shall mean a public body created or  
25 organized pursuant to section 4, 5 or 6 of this act and shall include  
26 a municipal utilities authority created by one or more munici-  
27 palities and a county utilities authority created by a county;

28 (6) Subject to the exceptions provided in section 10, 11 or 12 of  
29 this act, "district" shall mean the area within the territorial  
30 boundaries of the county, or of the municipality or municipalities,  
31 which created or joined in or caused the creation or organization of  
32 a municipal authority;

33 (7) "Local unit" shall mean the county, or any municipality,  
34 which created or joined in or caused the creation or organization  
35 of a municipal authority;

36 (8) "Water system" shall mean the plants, structures and other  
37 real and personal property acquired, constructed or operated or  
38 to be acquired, constructed or operated by a municipal authority  
39 *or by any person to whom a municipal authority has extended*  
40 *credit for this purpose* for the purposes of the municipal authority,  
41 including reservoirs, basins, dams, canals, aqueducts, standpipes,  
42 conduits, pipelines, mains, pumping stations, water distribution  
43 systems, compensating reservoirs, waterworks or sources of water  
44 supply, wells, purification or filtration plants or other plants and  
45 works, connections, rights of flowage or division, and other plants,  
46 structures, boats, conveyances, and other real and personal prop-  
47 erty, and rights therein, and appurtenances necessary or useful  
48 and convenient for the accumulation, supply or distribution of  
49 water;

50 (9) "Sewerage system" shall mean the plants, structures, on-site  
51 wastewater systems and other real and personal property acquired,  
52 constructed or operated or to be acquired, constructed, maintained  
53 or operated by a municipal authority *or by any person to whom*  
54 *a municipal authority has extended credit for this purpose* for the  
55 purposes of the municipal authority, including sewers, conduits,  
56 pipelines, mains, pumping and ventilating stations, sewage treat-  
57 ment or disposal systems, plants and works, connections, outfalls,  
58 compensating reservoirs, and other plants, structures, boats, con-  
59 veyances, and other real and personal property, and rights therein,  
60 and appurtenances necessary or useful and convenient for the  
61 collection, treatment, purification or disposal in a sanitary manner  
62 of any sewage, liquid or solid wastes, night soil or industrial  
63 wastes;

64 (10) "Utility system" shall mean a water system, solid waste

65 system, sewerage system, or a hydroelectric system or any com-  
66 bination of such systems, acquired, constructed or operated or to  
67 be acquired, constructed or operated by a municipal authority or  
68 *by any person to whom a municipal authority has extended credit*  
69 *for this purpose;*

70 (11) "Cost" shall mean, in addition to the usual connotations  
71 thereof, the cost of acquisition or construction of all or any part  
72 of a utility system and of all or any property, rights, easements,  
73 privileges, agreements and franchises deemed by the municipal  
74 authority to be necessary or useful and convenient therefor or in  
75 connection therewith, including interest or discount on bonds, cost  
76 of issuance of bonds, engineering and inspection costs and legal  
77 expenses, cost of financial, professional and other estimates and  
78 advice, organization, administrative, operating and other expenses  
79 of the municipal authority prior to and during such acquisition or  
80 construction, and all such other expenses as may be necessary or  
81 incident to the financing, acquisition, construction and completion  
82 of said utility system or part thereof and the placing of the same in  
83 operation, and also such provision or reserves for working capital,  
84 operating, maintenance or replacement expenses or for payment or  
85 security of principal of or interest on bonds during or after such  
86 acquisition or construction as the municipal authority may deter-  
87 mine, and also reimbursements to the municipal authority or any  
88 county, municipality or other person of any moneys theretofore  
89 expended for the purposes of the municipal authority or to any  
90 county or municipality of any moneys theretofore expended for or  
91 in connection with water supply, solid waste, water distribution,  
92 sanitation or hydroelectric facilities;

93 (12) "Real property" shall mean lands both within or without  
94 the State, and improvements thereof or thereon, or any rights or  
95 interests therein;

96 (13) "Construct" and "construction" shall connote and include  
97 acts of construction, reconstruction, replacement, extension, im-  
98 provement and betterment of a utility system;

99 (14) "Industrial wastes" shall mean liquid or other wastes  
100 resulting from any processes of industry, manufacture, trade or  
101 business or from the development of any natural resource, and  
102 shall include any chemical wastes or hazardous wastes;

103 (15) "Sewage" shall mean the water-carried wastes created in  
104 and carried, or to be carried, away from, or to be processed by on-  
105 site wastewater systems, residences, hotels, apartments, schools,  
106 hospitals, industrial establishments, or any other public or private  
107 building, together with such surface or ground water and indus-  
108 trial wastes and leacheate as may be present;

109 (16) "On-site wastewater system" means any of several facili-  
110 ties, septic tanks or other devices, used to collect, treat, reclaim, or  
111 dispose of wastewater or sewage on or adjacent to the property on  
112 which the wastewater or sewage is produced, or to convey such  
113 wastewater or sewage from said property to such facilities as the  
114 authority may establish for its disposal;

115 (17) "Pollution" means the condition of water resulting from  
116 the introduction therein of substances of a kind and in quantities  
117 rendering it detrimental or immediately or potentially dangerous  
118 to the public health, or unfit for public or commercial use;

119 (18) "Bonds" shall mean bonds or other obligations issued  
120 pursuant to this act;

121 (19) "Service charges" shall mean water service charges, solid  
122 waste service charges, sewer service charges, hydroelectric service  
123 charges or any combination of such charges, as said terms are  
124 defined in section 21 or 22 of this act or in section 7 of this amend-  
125 atory and supplementary act;

126 (20) "Compensating reservoir" shall mean the structures, facil-  
127 ities and appurtenances for the impounding, transportation and  
128 release of water for the replenishment in periods of drought or at  
129 other necessary times of all or a part of waters in or border-  
130 ing the State diverted into a utility system operated by a municipal  
131 authority;

132 (21) "Sewage authority" shall mean a public body created  
133 pursuant to the Sewerage Authorities Law (P. L. 1946, c. 138) or  
134 the acts amendatory thereof or supplemental thereto;

135 (22) "County sewer authority" shall mean a sanitary sewer  
136 district authority created pursuant to the act entitled "An act  
137 relating to the establishment of sewerage districts in first- and  
138 second-class counties, the creation of Sanitary Sewer District  
139 Authorities by the establishing of such districts, prescribing the  
140 powers and duties of any such authority and of other public bodies  
141 in connection with the construction of sewers and sewage disposal  
142 facilities in any such district, and providing the ways and means  
143 for paying the costs of construction and operation thereof,"  
144 approved April 23, 1946 (P. L. 1946, c. 123), or the acts amendatory  
145 thereof or supplemental thereto;

146 (23) "Chemical waste" shall mean a material normally generated  
147 by or used in chemical, petrochemical, plastic, pharmaceutical,  
148 biochemical or microbiological manufacturing processes or petro-  
149 leum refining processes, which has been selected for waste disposal  
150 and which is known to hydrolize, ionize or decompose, which is  
151 soluble, burns or oxidizes, or which may react with any of the  
152 waste materials which are introduced into the landfill, or which

153 is buoyant on water, or which has a viscosity less than that of water  
154 or which produces a foul odor. Chemical waste may be either  
155 hazardous or nonhazardous;

156 (24) "Effluent" shall mean liquids which are treated in and  
157 discharged by sewage treatment plants;

158 (25) "Hazardous wastes" shall mean any waste or combination  
159 of waste which poses a present or potential threat to human health,  
160 living organisms or the environment. "Hazardous waste" shall  
161 include, but not be limited to, waste material that is toxic, corrosive,  
162 irritating, sensitizing, radioactive, biologically infectious, explosive  
163 or flammable;

164 (26) "Leachate" shall mean a liquid that has been in contact  
165 with solid waste and contains dissolved or suspended materials  
166 from that solid waste;

167 (27) "Recycling" shall mean the separation, collection, processing  
168 or recovery of metals, glass, paper, *solid waste* and other materials  
169 for reuse or for energy production and shall include resource  
170 recovery;

171 (28) "Sludge" shall mean any solid, semisolid, or liquid waste  
172 generated from a municipal, industrial or other sewage treatment  
173 plant, water supply treatment plant, or air pollution control  
174 facility, or any other such waste having similar characteristics  
175 and effects; "sludge" shall not include effluent;

176 (29) "Solid waste" shall mean garbage, refuse, and other  
177 discarded materials resulting from industrial, commercial and  
178 agricultural operations, and from domestic and community activ-  
179 ities, and shall include all other waste materials including sludge,  
180 chemical waste, hazardous wastes and liquids, except for liquids  
181 which are treated in public sewage treatment plants and except for  
182 solid animal and vegetable wastes collected by swine producers  
183 licensed by the State Department of Agriculture to collect, prepare  
184 and feed such wastes to swine on their own farms;

185 (30) "Solid waste system" shall mean and include the plants,  
186 structures and other real and personal property acquired, con-  
187 structed or operated or to be acquired, constructed or operated  
188 by an authority *or by any person to whom a municipal authority*  
189 *has extended credit for this purpose* pursuant to the provisions  
190 of this act, including transfer stations, incinerators, recycling  
191 facilities, *including facilities for the generation, transmission*  
192 *and distribution of energy derived from the processing of solid*  
193 *waste*, sanitary landfill facilities or other property or plants for  
194 the collection, recycling or disposal of solid waste and all vehicles,  
195 equipment and other real and personal property and rights thereon

196 and appurtenances necessary or useful and convenient for the  
197 collection, recycling, or disposal of solid waste in a sanitary  
198 manner;

199 (31) "Hydroelectric system" shall mean the plants, structures  
200 and other real and personal property acquired, constructed or  
201 operated or to be acquired, constructed or operated by an authority  
202 pursuant to the provisions of this act, including all that which is  
203 necessary or useful and convenient for the generation, transmission  
204 and sale of hydroelectric power at wholesale;

205 (32) "Hydroelectric power" shall mean the production of electric  
206 current by the energy of moving water;

207 (33) "Sale of hydroelectric power at wholesale" shall mean any  
208 sale of hydroelectric power to any person for purposes of resale  
209 of such power.

1 2. Section 20 of P. L. 1957, c. 183 (C. 40:14B-20) is amended to  
2 read as follows:

3 20. Every municipal authority shall be a public body politic and  
4 corporate constituting a political subdivision of the State estab-  
5 lished as an instrumentality exercising public and essential govern-  
6 mental functions to provide for the public health and welfare and  
7 shall have perpetual succession and have the following powers:

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

10 (2) To sue and be sued;

11 (3) In the name of the municipal authority and on its behalf, to  
12 acquire, hold, use and dispose of its service charges and other  
13 revenues and other moneys;

14 (4) In the name of the municipal authority but for the local unit  
15 or units, to acquire, rent, hold, *lease as lessor*, use and dispose of  
16 other personal property for the purposes of the municipal autho-  
17 rity;

18 (5) In the name of the municipal authority but for the local unit  
19 or units and subject to the limitations of this act, to acquire by  
20 purchase, gift, condemnation or otherwise, or lease as lessee, real  
21 property and easements therein, necessary or useful and convenient  
22 for the purposes of the municipal authority, and subject to mort-  
23 gages, deeds of trust or other liens, or otherwise, and to hold, *lease*  
24 *as lessor*, and to use the same, and to dispose of property so  
25 acquired no longer necessary for the purposes of the municipal  
26 authority;

27 (6) To produce, develop, purchase, accumulate, distribute and  
28 sell water and water services, facilities and products within or with-  
29 out the district, provided that no water shall be sold at retail in

30 any municipality without the district unless the governing body of  
31 such municipality shall have adopted a resolution requesting the  
32 municipal authority to sell water at retail in such municipality, and  
33 the board of public utility commissioners shall have approved such  
34 resolution as necessary and proper for the public convenience;

35 (7) To provide for and secure the payment of any bonds and the  
36 rights of the holders thereof, and to purchase, hold and dispose of  
37 any bonds;

38 (8) To accept gifts or grants of real or personal property, money,  
39 material, labor or supplies for the purposes of the municipal au-  
40 thority, and to make and perform such agreements and contracts  
41 as may be necessary or convenient in connection with the procuring  
42 acceptance or disposition of such gifts or grants;

43 (9) To enter on any lands, waters or premises for the purpose  
44 of making surveys, borings, soundings and examinations for the  
45 purposes of the municipal authority, and whenever the operation of  
46 a septic tank or other component of an on-site wastewater system  
47 shall result in the creation of pollution or contamination source on  
48 private property such that under the provisions of R. S. 26:3-49, a  
49 local board of health would have the authority to notify the owner  
50 and require said owner to abate the same, representatives of an  
51 authority shall have the power to enter, at all reasonable times, any  
52 premises on which such pollution or contamination source shall  
53 exist, for the purpose of inspecting, rehabilitating, securing sam-  
54 ples of any discharges, improving, repairing, replacing, or upgrad-  
55 ing such septic tank or other component of an on-site wastewater  
56 system;

57 (10) To establish an inspection program to be performed at least  
58 once every three years on all on-site wastewater systems installed  
59 within the district which inspection program shall contain the fol-  
60 lowing minimum notice provisions: (i) not less than 30 days prior  
61 to the date of the inspection of any on-site wastewater system as  
62 described herein, the authority shall notify the owner and resident  
63 of the property that the inspection will occur; and (ii) not less  
64 than 60 days prior to the date of the performance of any work other  
65 than an inspection, the municipal authority shall provide notice to  
66 the owner and resident of the property in which the work will be  
67 performed. The notice to be provided to such owner and resident  
68 under this subsection shall include a description of the deficiency  
69 which necessitates the work and the proposed remedial action, and  
70 the proposed date for beginning and duration of the contemplated  
71 remedial action;

72 (11) To prepare and file in the office of the municipal authority



73 records of all inspections, rehabilitation, maintenance, and work,  
74 performed with respect to on-site wastewater disposal systems;

75 (12) To make and enforce bylaws or rules and regulations for  
76 the management and regulation of its business and affairs and for  
77 the use, maintenance and operation of the utility system and any  
78 other of its properties, and to amend the same;

79 (13) To do and perform any acts and things authorized by this  
80 act under, through or by means of its own officers, agents and  
81 employees, or by contracts with any person; [and]

82 (14) To enter into any and all contracts, execute any and all  
83 instruments, and do and perform any and all acts or things neces-  
84 sary, convenient or desirable for the purposes of the municipal  
85 authority or to carry out any power expressly given in this act  
86 subject to "Local Public Contracts Law," P. L. 1971, c. 198 (C.  
87 40A:11-1et seq.); and

88 (15) *To extend credit or make loans to any person for the*  
89 *planning, designing, acquiring, constructing, reconstructing, im-*  
90 *proving, equipping, furnishing, and operating by that person of*  
91 *any part of a solid waste system, sewage treatment system, waste-*  
92 *water treatment or collection system for the provision of services*  
93 *and facilities within or without the district, which in the case of a*  
94 *solid waste system shall be in a manner consistent with the "Solid*  
95 *Waste Management Act," P. L. 1970, c. 39 (C. 13:1E-1 et seq.) and*  
96 *in conformance with the solid waste management plans adopted by*  
97 *the solid waste management districts created therein. The credits*  
98 *or loans may be secured by loan and security agreements, mort-*  
99 *gages, leases and any other instruments, upon such terms as the*  
100 *authority shall deem reasonable, including provision for the*  
101 *establishment and maintenance of reserve and insurance funds, and*  
102 *to require the inclusion in any mortgage, lease, contract, loan and*  
103 *security agreement or other instrument, provisions for the con-*  
104 *struction, use, operation and maintenance and financing of that part*  
105 *of the aforementioned systems as the authority may deem necessary*  
106 *or desirable.*

1 3. This act shall take effect immediately.

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#### STATEMENT

This bill amends the "municipal and county utilities authorities law," P. L. 1957, c. 183 to empower an authority to extend credit or make loans to any person for the acquisition, construction and operation by that person of any part of a solid waste system, sewerage treatment system, or wastewater treatment or collection

system, providing services and facilities within or without the authority's district. The bill requires that the solid waste services and facilities be consistent with the "Solid Waste Management Act" and with solid waste management plans of the solid waste management district. The credits or loans may be secured by loan and security agreements, mortgages, leases or other instruments upon such terms as the authority deems reasonable.

The bill also permits authorities to lease, as lessors, land and other property to persons in carrying out its purpose. Property of an authority is held in its name, but for the local unit or units creating the authority. The power of an authority to lease property as lessee, is currently provided in the statute.

The definition section of the "municipal and county utilities authorities law," in order to make that law applicable to water, sewerage, utility and solid wastes systems constructed or operated by persons to whom the authority has extended credit for such purpose. The definition of "solid waste system" was amended further to include facilities for the generation, transmission and distribution of energy derived from the processing of solid waste.

A number of counties have designated county utilities authorities to implement their solid waste management plans pursuant to the "Solid Waste Management Act," P. L. 1970, c. 39 (C. 13:1E-1 et seq.). This bill will permit such an authority to designate a facility developer from the private sector to undertake construction, ownership and operations of a solid waste disposal system and to issue its tax exempt revenue bonds to finance part of the cost of the facility through a loan to the facility developer. This will benefit the users of the system by insuring the lowest possible interest rates for moneys borrowed to finance such systems. The bill also clarifies existing law regarding the power of utilities authorities to lease, as lessor, land and other property in carrying out its purposes.

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SENATE COUNTY AND MUNICIPAL GOVERNMENT  
COMMITTEE

STATEMENT TO

SENATE, No. 1284

STATE OF NEW JERSEY

DATED: MAY 17, 1984

This bill amends the "municipal and county utilities authorities law," P. L. 1957, c. 183 to empower an authority to extend credit or make loans to any person for the acquisition, construction and operation by that person of any part of a solid waste system, sewerage treatment system, or wastewater treatment or collection system, providing services and facilities within or without the authority's district. The bill requires that the solid waste services and facilities be consistent with the "Solid Waste Management Act" and with solid waste management plans of the solid waste management district. The credits or loans may be secured by loan and security agreements, mortgages, leases or other instruments upon such terms as the authority deems reasonable.

The bill also permits authorities to lease, as lessor, land and other property to persons in carrying out its purposes. Property of an authority is held in its name, but for the local unit or units creating the authority. The power of an authority to lease property, as lessee, is currently provided in the statute.

The definition section of the "municipal and county utilities authorities law", is amended in order to make that law applicable to water, sewerage, utility and solid wastes systems constructed or operated by persons to whom the authority has extended credit for such purpose. The definition of "solid waste system" was amended further to include facilities for the generation, transmission and distribution of energy derived from the processing of solid waste.

A number of counties have designated county utilities authorities to implement their solid waste management plans pursuant to the "Solid Waste Management Act," P. L. 1970, c. 39 (C. 13:1E-1 et seq.). This bill will permit such an authority to designate a facility developer from the private sector to undertake construction, ownership and operations of a solid waste disposal system and to issue its tax exempt revenue bonds to finance part of the cost of the facility through a loan to the facility developer. This will benefit the users of the system by insuring the lowest possible interest rates for moneys borrowed to finance such systems. The bill also clarifies existing law regarding the power of utilities authorities to lease, as lessor, land and other property in carrying out its purposes.

ASSEMBLY COUNTY GOVERNMENT AND  
REGIONAL AUTHORITIES COMMITTEE

STATEMENT TO

**SENATE, No. 1284**

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 20, 1984

Senate Bill No. 1284 would amend the "municipal and county utilities authorities law," P. L. 1957, c. 183 (C. 40:14B-1 et seq.) to empower a utilities authority to extend credit or make loans to any persons for the acquisition, construction and operation by the person of any part of a solid waste, sewerage treatment, water or utilities system which provides services and facilities within or without the authority's district. The credits or loans may be secured by loan and security agreements, mortgages, leases, or other instruments upon such terms as the authority deems reasonable.

In order to accomplish these purposes, the bill would permit a utilities authority to lease as lessor, land and other property. In addition, the definition section of P. L. 1957, c. 183 is amended to include water, sewerage, solid waste and utility systems which are constructed or operated by persons to whom the authority has extended credit for such purposes. The definition of "solid waste system" was amended further to include facilities for the generation, transmission and distribution of energy derived from the processing of solid waste. The bill would also require that any solid waste system be provided in a manner consistent with the "Solid Waste Management Act," P. L. 1970, c. 39 (C. 13:1E-1 et seq.) and with the solid waste management plans of a solid waste management district.

Currently, a number of counties have designated county utilities authorities to implement their solid waste management plans. This bill would permit such an authority to designate a facility developer from the private sector to undertake construction, ownership and operation of a solid waste disposal system and to issue its tax exempt revenue bonds to finance part of the cost of the facility through a loan to the facility developer. According to the sponsor, this arrangement would benefit the users of the system by insuring the lowest possible interest rates for moneys borrowed to finance such systems.

The committee reported the bill favorably.

A-299, Et al  
Thursday, November 8, 1984  
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The Governor also signed the following bills:

A-883, sponsored by Assemblyman Robert P. Hollenbeck, D-Bergen, which provides for the assessment and taxation of real property that is exempt from taxation but used by a private party in connection with an activity conducted for profit.

A-2461, sponsored by Assemblyman Delores G. Cooper, R-Atlantic, which extends for six years the extra protections granted to tenants who are threatened with displacement from their homes in Atlantic City through the conversion or demolition of their buildings. The law providing protection was originally passed in 1978 with a life of three years. It was extended in 1981 for an additional three years. This bill provides an additional six year extension.

S-1284, sponsored by State Senator Matthew Feldman, D-Bergen, which permits a county or municipal utilities authority to loan money to a private developer for the construction and operation of a solid waste system, sewerage treatment system in wastewater treatment or collection system.

# # #