

40A:11-15

LEGISLATIVE HISTORY CHECKLIST

(Local Public Contract Law--  
energy conservation eliminates one  
year limitation.)

NJSA 40A:11-15

LAWS 1981

CHAPTER 551

Bill No. A3603

Sponsor(s) Jackman and Hollenbeck

Date Introduced Nov. 16, 1981

Committee: Assembly Energy and Natural Resources

Senate

Amended during passage  Yes  No

Date of Passage: Assembly Jan. 4, 1982

Senate Jan. 11, 1982

Date of approval January 12, 1982

Following statements are attached if available:

Sponsor statement  Yes  No

Committee Statement: Assembly  Yes  No

Senate  Yes  No

Fiscal Note  Yes  No

Veto Message  Yes  No

Message on signing  Yes  No

Following were printed:

Reports  Yes  No

Hearings  Yes  No

6/22/81

MAR

1981

ASSEMBLY, No. 3603

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 16, 1981

By Assemblymen JACKMAN and HOLLENBECK

Referred to Committee on Energy and Natural Resources

AN ACT concerning certain contracts for the purchase or lease of energy conservation equipment or services, and amending P. L. 1971, c. 198.

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

1 1. Section 15 of P. L. 1971, c. 198 (C. 40A:11-15) is amended  
2 to read as follows:

3 15. Duration of certain contracts. All purchases, contracts or  
4 agreements shall be made for a period not to exceed 12 consecutive  
5 months, except that contracts or agreements may be entered into  
6 for longer periods of time as follows:

7 (1) **Supplying of**

8 (a) Fuel for heating purposes, for any term not exceeding  
9 in the aggregate, 2 years;

10 (b) Fuel or oil for use of airplanes, automobiles, motor  
11 vehicles or equipment for any term not exceeding in the aggregate,  
12 2 years;

13 (2) Deleted by amendment;

14 (3) The collection and disposal of garbage and refuse, for any  
15 term not exceeding in the aggregate, 5 years;

16 (4) The recycling of solid waste, for any term not exceeding 25  
17 years, when such contract is in conformance with a solid waste  
18 management plan approved pursuant to P. L. 1970, c. 39  
19 (C. 13:1E-1 et seq.), and with the approval of the Division of  
20 Local Government Services and the Department of Environmental  
21 Protection;

22 (5) Data processing service, for any term of not more than 3  
23 years;

24 (6) Insurance, for any term of not more than 3 years;

25 (7) Leasing or servicing of automobiles, motor vehicles, elec-

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

26 tronic communications equipment, machinery and equipment of  
27 every nature and kind, for a period not to exceed 3 years; provided,  
28 however, such contracts shall be entered into only subject to and  
29 in accordance with the rules and regulations promulgated by the  
30 Director of the Division of Local Government Services of the  
31 Department of Community Affairs;

32 (8) The supplying of any product or the rendering of any service  
33 by a telephone company which is subject to the jurisdiction of the  
34 Board of Public [Utility Commissioners] *Utilities* for a term not  
35 exceeding 5 years;

36 (9) Any single project for the construction, reconstruction or  
37 rehabilitation of any public building, structure or facility, or any  
38 public works projects, including the retention of the services of  
39 any architect or engineer in connection therewith, for the length  
40 of time authorized and necessary for the completion of the actual  
41 construction;

42 (10) The providing of food services to county colleges and county  
43 assisted institutions of higher education for any term not exceed-  
44 ing 3 years;

45 (11) On-site inspections undertaken by private agencies pur-  
46 suant to the "State Uniform Construction Code Act" (P. L. 1975,  
47 c. 217; C. 52:27D-119 et seq.) for any term of not more than 3  
48 years;

49 (12) *The performance of work or services or the furnishing of*  
50 *materials or supplies for the purpose of conserving energy in build-*  
51 *ings owned by, or operations conducted by, the contracting unit,*  
52 *the entire price of which to be established as a percentage of the*  
53 *resultant savings in energy costs, for a term not to exceed ten years;*  
54 *provided, however, that such contracts shall be entered into only*  
55 *subject to and in accordance with rules and regulations promulgated*  
56 *by the Department of Energy establishing a methodology for com-*  
57 *puting energy cost savings.*

58 All multi-year leases and contracts entered into pursuant to this  
59 section 15, except contracts for the leasing or servicing of equip-  
60 ment supplied by a telephone company which is subject to the  
61 jurisdiction of the Board of Public Utilities or construction con-  
62 tracts authorized pursuant to subsection (9) *above* or contracts  
63 and agreements for the provisions of work or the supplying of  
64 equipment to promote energy conservation authorized pursuant to  
65 subsection (12) *above*, shall contain a clause making them subject  
66 to the availability and appropriation annually of sufficient funds as  
67 may be required to meet the extended obligation, or contain an  
68 annual cancellation clause.

69 The Division of Local Government Services shall adopt and  
70 promulgate rules and regulations concerning the methods of ac-  
71 counting for all contracts that do not coincide with the fiscal year.

1 2. This act shall take effect immediately.

---

#### STATEMENT

Rising energy costs, combined with capped budgets and limited revenues, are putting local governments in an ever-worsening economic plight. Significant energy conservation efforts, however, require prohibitively high capital investments.

Many firms selling energy efficient equipment or energy consulting services are willing to enter into multi-year contracts or agreements which would establish as the price of their equipment or service a percentage of the savings in energy costs. Attractive as these arrangements may seem, the 1 year limitation on local public contracts precludes municipalities and counties from taking advantage of them.

This bill, therefore, amends the "Local Public Contracts Law" to eliminate the 1 year limitation on shared-savings arrangements for energy-conservation purposes.

A3603 (1981)

A-3603, sponsored by Assemblyman Christopher Jackman (D-Hudson), amends the "Local Public Contracts Law" to permit a municipality to enter into a contract wherein energy conservation work and services would be performed for the municipality and would be paid for with a percentage of the savings in energy costs. The contract could run for a maximum of ten years.

A-3055, sponsored by Assemblyman Raymond Lesniak (D-Union), empowers the Department of Environmental Protection to designate dangerous pesticides and establish a fee schedule for the enforcement of the Pesticide Control Act.

A-3547, sponsored by Assemblyman Daniel Dalton (D-Camden), would shield real estate from levies or judgements for the payment of wage taxes and penalties. The intent of the bill is to block the City of Philadelphia from attaching or disposing of the property of New Jersey residents to satisfy judgements for unpaid Philadelphia city wage taxes. However, the legislation does not deny recognition of the wage tax judgements, simply one method of enforcement.

A-3378, sponsored by Assemblyman Martin Herman (D-Gloucester), appropriates \$350,000 from the Clean Waters Fund for a loan to Logan Township. The loan would be utilized for provision of potable water supplies to home where private wells have been contaminated by the discharge of hazardous substances.

A-3199, sponsored by Assemblyman Robert Hollenbeck (D-Bergen), establishes a "Drought Surcharge Fund", pursuant to Executive Order 104, financed from levies collected from excess water users and appropriates monies to the Drought Coordinator in the D.E.P. for water conservation educational and promotion programs, administrative costs to the D.E.P. and water purveyors. The bill also provides that customers and users who paid fines for excess water usage may apply for reimbursement in cases of hardship or improper levies.

A-3490, sponsored by Assemblyman Daniel Dalton (D-Camden), extends State sales tax exemptions available to the metals and glass recycling industry to the paper recycling industry.

NOTE: This list is not complete. Descriptions of signed legislation will be issued as soon as possible.