

40:14C-1 to 40:14C-15

LEGISLATIVE HISTORY CHECKLIST

WASA 40:14C-1 to 40:14C-15; Repeals ("County Water Supply Financing Law")
40:36.1 to 40:36-10

LAWS OF 1979 CHAPTER 451

Bill No. A1469

Sponsor(s) Van Wagner

Date Introduced June 18, 1978

Committee: Assembly County Government

Senate County and Municipal Government

Amended during passage Yes ~~Yes~~ ~~Amendments during passage denoted by asterisks~~

Date of Passage: Assembly June 28, 1979

Senate Dec. 17, 1979

Date of approval Feb. 22, 1980

Following statements are attached if available:

Sponsor statement Yes ~~Yes~~

Committee Statement: Assembly Yes ~~Yes~~

Senate Yes ~~Yes~~

Fiscal Note ~~Yes~~ No

Veto message ~~Yes~~ No

Message on signing ~~Yes~~ No

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 1469

STATE OF NEW JERSEY

INTRODUCED JUNE 8, 1978

By Assemblyman VAN WAGNER

Referred to Committee on County Government

AN ACT permitting counties to finance, construct, acquire and operate water supply facilities either separately or jointly with municipalities, other counties, private water companies or the State; supplementing Title 40 of the Revised Statutes; and repealing sections 40:36-1 through 40:36-10 of the Revised Statutes.

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

1 1. This act shall be known and may be cited as the "County
2 Water Supply Financing Law."

1 2. It is hereby declared to be in the public interest and to be
2 the policy of this State to foster and promote by all reasonable
3 means the provision and distribution of an adequate supply of
4 water for the inhabitants and businesses of the counties and mu-
5 nicipalities of this State. It is the purpose and object of this act
6 to further implement such policy by authorizing counties, either
7 separately or in combination with municipalities, other counties,
8 private water companies, or the State, to acquire, construct, main-
9 tain, operate or improve facilities for the accumulation, supply
10 or distribution of water and to provide for the financing of such
11 facilities.

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

3 a. "Cost" as applied to water supply facilities or extensions
4 or additions thereto, means and includes the cost of construction,
5 reconstruction or improvement, the cost of all labor, materials,
5A machinery and equipment, the cost of all lands, property, rights
6 and easements acquired, financing charges, interest on bonds
7 issued to finance such facilities prior to and during construction,
8 cost of plans and specifications, surveys or estimates of costs and

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

9 of revenues, cost of engineering and legal services, and all other
10 expenses necessary or incident to determining the feasibility or
11 practicability of such construction, reconstruction or improvement,
12 administrative expenses and such other expenses as may be neces-
13 sary or incident to the construction or acquisition of such facilities,
14 and the financing herein authorized. Any obligation or expense
15 incurred by any county in connection with any of the foregoing
16 items of cost prior to the issuance of bonds or notes as authorized
17 herein may be regarded as part of such cost and reimbursed to
18 the county out of the proceeds of bonds issued under the provisions
19 of this act;

20 b. "Water supply facilities" means the plants, structures and
21 other real and personal property acquired, constructed or op-
22 erated by a county for the purpose of water supply, including
23 reservoirs, basins, dams, canals, aqueducts, standpipes, conduits,
24 pipelines, mains, pumping stations, water distribution systems,
25 compensating reservoirs, waterworks or sources of water supply,
26 wells, purification or filtration plants or other plants or works,
27 connections, right of flowage or diversion, and other plants, struc-
28 tures, boats, conveyances and other real and personal property,
29 and rights therein and appurtenances necessary or useful and
30 convenient for the accumulation, supply or distribution of water.

31 c. "General obligation bonds" means general obligations of the
32 county which are payable from unlimited ad valorem taxes or from
33 such taxes and additionally secured by a pledge of the revenues
34 derived from the assessment of such local improvement charges
35 as may be assessed.

1 4. a. Any county may acquire, construct or operate a water
2 supply facility upon a determination by the board of chosen free-
3 holders that the public health, safety and welfare can best be
4 assured by the acquisition, construction or operation of such a
5 facility by the county, either separately or in combination with a
6 municipality, another county, a private water company or the State.
7 Such determination shall be by resolution ***[**of the board of chosen
8 freeholders or, in the case of a county governed pursuant to the
9 "Optional County Charter Law" (P. L. 1972, c. 154; C. 40:41A-1
10 et seq.) by ordinance of the board of chosen freeholders]***** *or
10A *ordinance, as appropriate, by the county governing body**.

11 b. No water supply facilities may be acquired, constructed or
12 operated by any county, until the county has received all necessary
13 permits and approvals from the appropriate State agency.

1 5. Any county which may hereafter come under the provisions
2 of this act as provided herein is hereby authorized and empowered:

3 a. To purchase, construct, improve, extend, enlarge or recon-
4 struct water supply facilities within or adjacent to such county
5 either alone or jointly with municipalities, other counties or the
6 State and to operate, manage and control all or part of such
7 facilities so purchased or constructed and all properties pertaining
8 thereto;

9 b. To issue general obligation bonds of the county to pay all or
10 part of the cost of such purchase, construction, improvement,
11 extension, enlargement or reconstruction of such facilities;

12 c. To receive and accept from the Federal or State Government
13 or any agency or instrumentality of either thereof grants for or in
14 aid of the planning, purchase, construction, extension, enlargement
15 or reconstruction, or financing of any of such facilities and to
16 receive and accept contributions from any source of either money,
17 property, labor, or other things of value to be held, used and
18 applied only for the purposes for which such grants and contribu-
19 tions may be made;

20 d. To acquire in the name of the county by gift, purchase, or by
21 the exercise of the right of eminent domain, such lands and rights
22 and interests therein, including lands under water and riparian
23 rights, and to acquire such personal property, as it may deem
24 necessary for the purchase, construction, improvement, extension,
25 enlargement or reconstruction, or for the efficient operation of any
26 facilities purchased or constructed under the provisions of this act
27 and to hold and dispose of all real and personal property under
28 its control;

29 e. To make and enter into all contracts and agreements necessary
30 or incidental to the performance of its duties and the execution of
31 its powers under this act and to employ such consulting and other
32 engineers, superintendents, managers, attorneys, financial or other
33 consultants or experts and such other employees and agents as it
34 may deem necessary in its judgment and to fix their compensation;

35 f. Subject to the provisions and restrictions as may be set forth
36 in any resolution **or ordinance** authorizing or securing any bonds
37 issued under the provisions of this act, to enter into contracts with
38 the Federal or State Government, or any agency or instrumentality
39 of either thereof, or with any other county or with any municipality,
40 private corporation, copartnership, association or individual pro-
41 viding for or relating to water supply, which contracts may provide
42 for the furnishing of water supply services either by or to the
43 county, or the joint construction or operation of water supply
43A facilities.

44 g. To fix and collect rates, fees, rents and other charges for the
45 services and facilities furnished by any such county water supply
46 facilities.

1 6. Whenever any county chooses to exercise the powers granted
2 by this act, it shall make or cause to be made such surveys, in-
3 vestigations, studies, borings, maps, plans, drawings and
4 estimates of costs and of revenues as it may deem necessary relat-
5 ing to the provisions of water supply facilities, the purchase or
6 construction of which shall be deemed to be desirable to protect the
7 health and safety of the inhabitants of the county.

8 The obtaining of such surveys, investigations, studies, borings,
9 maps, plans, drawings and estimates is hereby declared to be a
10 county purpose and the costs thereof may be paid out of the general
11 funds of the county or from the proceeds of any bonds issued
12 pursuant to this act.

13 All public or private property damaged or destroyed in carrying
14 out the powers granted by this act shall be restored or repaired
15 and placed in its original condition as nearly as practicable or
16 adequate compensation shall be made therefor out of the funds
17 provided by this act.

1 7. The ***[board of chosen freeholders]*** **governing body** of any
2 county exercising the powers granted by this act is hereby autho-
3 rized to provide by ordinance or resolution, as appropriate, at one
4 time, or from time to time, for the issuance of general obligation
5 bonds of the county pursuant to the provisions of the Local Bond
6 Law, N. J. S. 40A :2-1 et seq., for the purpose of paying all or any
7 part of the cost of any water supply facilities constructed, acquired,
8 improved, extended, enlarged or reconstructed pursuant to the
8A provisions of this act.

9 The proceeds of such bonds shall be used solely for the payment
10 of costs of the water supply facilities for the purchase, construction,
11 reconstruction, enlargement or improvement of which such bonds
12 shall have been authorized.

13 The county may also pledge to the payment of any or all of such
14 bonds so issued all or any part of the revenues derived by the
15 county from the operation or rental of its water supply facilities.

1 8. After the commencement of operation of water supply
2 facilities, the county may prescribe and change from time to time
3 rates or rentals to be charged for the use of the services of such
4 facilities. Such rates or rentals being in the nature of use or service
5 charges or annual rental charges, shall be uniform and equitable
6 for the same type and class of use or service of such facilities.

7 Such rates or rentals and types and classes of use and service may
8 be based on such factors which the ***[board of chosen freeholders]***
9 **governing body** of the county shall deem proper and equitable
10 within the region served by each facility.

1 9. If a county, pursuant to agreement with any municipality, any
2 other county or the State, shall construct or acquire water supply
3 facilities which will benefit any such government, the county may
4 either: a. bear the entire cost of the construction or acquisition of
5 such facilities by itself, or b. share the cost of the construction or
6 acquisition of such improvements with such government. The
7 county may issue its bonds for all or part of the cost of the con-
8 struction or acquisition of such facilities. If the cost thereof is to be
9 shared by such government, the county may issue its bonds for its
9A share of such cost and such government, may issue its bonds for its
10 share of such cost, or the county may issue its bonds for all of the
11 cost of such facilities, and the share of such cost to be borne by such
12 other government shall be repaid to the county by such other gov-
13 ernment in annual installments over a period not exceeding 40 years
14 as shall be agreed upon between the county and such other govern-
15 ment. The amount of said annual installments shall include interest
16 at such rate or rates as the county and such other government shall
17 agree upon, and the county and such other government are hereby
18 authorized to enter into agreements relating to such facilities which
19 agreements shall have such terms and conditions as shall be deemed
20 necessary and proper by such county and such participating govern-
21 ment. Such agreements shall be authorized by resolution or ordi-
22 nance, as appropriate, duly adopted by the ***[board of chosen**
23 **freeholders]*** **governing body** of any such county and by the
24 governing body of any such municipality and by the Commissioner
25 of Environmental Protection for the State. Such annual payments
26 received by a county from such other government may also include
27 an additional amount as shall be agreed upon for the payment of
28 the agreed share of the cost of operation and maintenance and
29 improvement or enlargement of such facilities. Notwithstanding
30 any provisions of any other law or laws now existing or hereafter
31 enacted, none of such annual payments to be made by such other
32 government to such county shall be included in any computation
33 of gross or net indebtedness required under any such other law
33A or laws.

34 Notwithstanding any provisions of any other law or laws now
35 existing or hereafter enacted, the amount of any bonds issued by a
36 county to finance the share of any other government of the cost of
37 the construction or acquisition of such facilities shall not be included
38 in any computation of gross or net indebtedness under any such

39 other law or laws as long as such county and other government have
40 entered into an agreement pursuant to this section under which the
41 share of such other government shall be repaid to such county as
42 provided in this section.

1 10. Any municipality with which a county is authorized to con-
2 tract under the terms and provisions of this act shall have power,
3 by ordinance duly adopted by its governing body to authorize
4 its proper officials to enter into and execute for it a contract, for
5 such periods of time and under such terms as are deemed proper
6 and necessary, with a county, for the provision of water supply
7 facilities notwithstanding that no appropriation was made or
8 provided to cover the estimated cost of such contract, and the
9 governing body of any such contracting municipality shall have
10 full power and authority to do and perform all acts and things
11 on the part of the municipality to be done and performed under
12 the terms and provisions of such contract.

1 11. Notwithstanding any restriction contained in any other law,
2 the State and all public officers, municipalities, counties, political
3 subdivisions and public bodies, and agencies thereof, all banks,
4 bankers, trust companies, savings banks and institutions, building
5 and loan associations, savings and banking businesses, all insurance
6 companies, insurance associations and other persons carrying on
7 any insurance business, and all executors, administrators, guard-
8 ians, trustees and other fiduciaries, may legally invest any sinking
9 fund moneys or other funds belonging to them or within their
10 control in any bonds of a county authorized pursuant to this act,
11 and such bonds are hereby made and shall be authorized security
12 for any and all public deposits. Any such bonds and the interest
13 thereon shall be exempt from taxation except for transfer and
14 inheritance taxes.

1 12. The chief fiscal officer of each municipality which shall have
2 entered into a contract pursuant to this act, shall cause to be
3 paid to the county with which such contract is in force, at such times
4 to be agreed upon, the amount of money certified to the munic-
5 ipality by the county pursuant to this act. The power and obligation
6 of such municipality to provide for and make all such payments
7 shall be unlimited and the sums necessary for such payment shall
8 be included in each annual budget of such municipality; and such
9 municipality shall be irrevocably and unconditionally obligated
10 to levy ad valorem taxes on all taxable property therein, without
11 limit as to rate or amount to the full extent necessary to make all
12 such payments in full as the same become due. If any part of the
13 amount certified to a municipality by a county, pursuant to this
14 act, shall remain unpaid for 30 days following the date fixed for

15 payment by the contract, the municipality thus in default shall be
16 charged with and be liable for, and the chief fiscal officer thereof
17 shall pay to such county, interest upon the amount unpaid at the
18 rate of 8% per annum.

1 13. Each private water company or industry which shall have
2 entered into a contract with a county pursuant to this act, shall
3 pay at such times as shall be provided in such contract to the
4 contracting county, the sum of money certified to it by such county
5 pursuant to this act, on or before the date provided for such pay-
6 ment in such contract. Any such sum of money so certified by a
7 county shall be a lien in favor of such county on and against the
8 property of such private water company or industry. If such sum
9 of money or any part thereof is not paid to the contracting county
10 on or before such contract payment date, the unpaid amount shall
11 bear interest at the rate of 7% therefrom until payment is com-
12 plete and, such county shall make and record, in the same manner
13 as conveyances of interest in real property are recorded, a certifi-
14 cate setting forth the facts and giving notice of the existence and
15 amount of such lien remaining unsatisfied. So far as permitted by
16 law, such lien shall have priority over all other liens theretofore or
17 thereafter attaching except those of Federal, State and local taxes.

1 14. a. Nothing contained in this act shall in any way impair the
2 obligations previously assumed by any other public or private
3 agency for the provision of water supply services and facilities to
4 the citizens and industries of this State.

5 b. In the event a municipal utilities authority has been established
6 in a county pursuant to the provisions of the "municipal and county
7 utilities authorities law," (P. L. 1957, c. 183; C. 40:14B-1 et seq.),
8 no county shall establish any facilities within that county under the
9 provisions of this act which are competitive with any water supply
10 facilities operated by that authority.

1 15. The object and design of this act being the protection and
2 preservation of public health, safety and welfare, this act shall be
3 liberally construed and the powers granted and the duties imposed
4 by this act shall be construed to be independent and severable. If
5 any one or more sections, clauses, sentences or parts of this act
6 shall for any reason be questioned in any court, and shall be
7 adjudged unconstitutional or invalid, such judgment shall not
8 affect, impair or invalidate the remaining provisions thereof, but
9 shall be confined in its operation to the specific provisions so held
10 unconstitutional or invalid.

1 16. Sections 40:36-1 through 40:36-10 of the Revised Statutes,
2 inclusive, are repealed.

1 17. This act shall take effect immediately.

ASSEMBLY, No. 1469

STATE OF NEW JERSEY

INTRODUCED JUNE 8, 1978

By Assemblyman VAN WAGNER

Referred to Committee on County Government

AN ACT permitting counties to finance, construct, acquire and operate water supply facilities either separately or jointly with municipalities, other counties, private water companies or the State; supplementing Title 40 of the Revised Statutes; and repealing sections 40:36-1 through 40:36-10 of the Revised Statutes.

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

1 1. This act shall be known and may be cited as the "County
2 Water Supply Financing Law."

1 2. It is hereby declared to be in the public interest and to be
2 the policy of this State to foster and promote by all reasonable
3 means the provision and distribution of an adequate supply of
4 water for the inhabitants and businesses of the counties and mu-
5 nicipalities of this State. It is the purpose and object of this act
6 to further implement such policy by authorizing counties, either
7 separately or in combination with municipalities, other counties,
8 private water companies, or the State, to acquire, construct, main-
9 tain, operate or improve facilities for the accumulation, supply
10 or distribution of water and to provide for the financing of such
11 facilities.

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

3 a. "Cost" as applied to water supply facilities or extensions
4 or additions thereto, means and includes the cost of construction,
5 reconstruction or improvement, the cost of all labor, materials,
5a machinery and equipment, the cost of all lands, property, rights
6 and easements acquired, financing charges, interest on bonds
7 issued to finance such facilities prior to and during construction,
8 cost of plans and specifications, surveys or estimates of costs and
9 of revenues, cost of engineering and legal services, and all other
10 expenses necessary or incident to determining the feasibility or

11 practicability of such construction, reconstruction or improvement,
12 administrative expenses and such other expenses as may be neces-
13 sary or incident to the construction or acquisition of such facilities,
14 and the financing herein authorized. Any obligation or expense
15 incurred by any county in connection with any of the foregoing
16 items of cost prior to the issuance of bonds or notes as authorized
17 herein may be regarded as part of such cost and reimbursed to
18 the county out of the proceeds of bonds issued under the provisions
19 of this act;

20 b. "Water supply facilities" means the plants, structures and
21 other real and personal property acquired, constructed or op-
22 erated by a county for the purpose of water supply, including
23 reservoirs, basins, dams, canals, aqueducts, standpipes, conduits,
24 pipelines, mains, pumping stations, water distribution systems,
25 compensating reservoirs, waterworks or sources of water supply,
26 wells, purification or filtration plants or other plants or works,
27 connections, right of flowage or diversion, and other plants, struc-
28 tures, boats, conveyances and other real and personal property,
29 and rights therein and appurtenances necessary or useful and
30 convenient for the accumulation, supply or distribution of water.

31 c. "General obligation bonds" means general obligations of the
32 county which are payable from unlimited ad valorem taxes or from
33 such taxes and additionally secured by a pledge of the revenues
34 derived from the assessment of such local improvement charges
35 as may be assessed.

1 4. a. Any county may acquire, construct or operate a water
2 supply facility upon a determination by the board of chosen free-
3 holders that the public health, safety and welfare can best be
4 assured by the acquisition, construction or operation of such a
5 facility by the county, either separately or in combination with a
6 municipality, another county, a private water company or the State.
7 Such determination shall be by resolution of the board of chosen
8 freeholders or, in the case of a county governed pursuant to the
9 "Optional County Charter Law" (P. L. 1972, c. 154; C. 40:41A-1
10 et seq.) by ordinance of the board of chosen freeholders.

11 b. No water supply facilities may be acquired, constructed or
12 operated by any county, until the county has received all necessary
13 permits and approvals from the appropriate State agency.

1 5. Any county which may hereafter come under the provisions
2 of this act as provided herein is hereby authorized and empowered:

3 a. To purchase, construct, improve, extend, enlarge or recon-
4 struct water supply facilities within or adjacent to such county

5 either alone or jointly with municipalities, other counties or the
6 State and to operate, manage and control all or part of such
7 facilities so purchased or constructed and all properties pertaining
8 thereto;

9 b. To issue general obligation bonds of the county to pay all or
10 part of the cost of such purchase, construction, improvement,
11 extension, enlargement or reconstruction of such facilities;

12 c. To receive and accept from the Federal or State Government
13 or any agency or instrumentality of either thereof grants for or in
14 aid of the planning, purchase, construction, extension, enlargement
15 or reconstruction, or financing of any of such facilities and to
16 receive and accept contributions from any source of either money,
17 property, labor, or other things of value to be held, used and
18 applied only for the purposes for which such grants and contribu-
19 tions may be made;

20 d. To acquire in the name of the county by gift, purchase, or by
21 the exercise of the right of eminent domain, such lands and rights
22 and interests therein, including lands under water and riparian
23 rights, and to acquire such personal property, as it may deem
24 necessary for the purchase, construction, improvement, extension,
25 enlargement or reconstruction, or for the efficient operation of any
26 facilities purchased or constructed under the provisions of this act
27 and to hold and dispose of all real and personal property under
28 its control;

29 e. To make and enter into all contracts and agreements necessary
30 or incidental to the performance of its duties and the execution of
31 its powers under this act and to employ such consulting and other
32 engineers, superintendents, managers, attorneys, financial or other
33 consultants or experts and such other employees and agents as it
34 may deem necessary in its judgment and to fix their compensation;

35 f. Subject to the provisions and restrictions as may be set forth
36 in any resolution authorizing or securing any bonds issued under
37 the provisions of this act, to enter into contracts with the Federal
38 or State Government, or any agency or instrumentality of either
39 thereof, or with any other county or with any municipality, private
40 corporation, copartnership, association or individual providing for
41 or relating to water supply, which contracts may provide for the
42 furnishing of water supply services either by or to the county, or
43 the joint construction or operation of water supply facilities.

44 g. To fix and collect rates, fees, rents and other charges for the
45 services and facilities furnished by any such county water supply
46 facilities.

1 6. Whenever any county chooses to exercise the powers granted
2 by this act, it shall make or cause to be made such surveys, in-
3 vestigations, studies, borings, maps, plans, drawings and
4 estimates of costs and of revenues as it may deem necessary relat-
5 ing to the provisions of water supply facilities, the purchase or
6 construction of which shall be deemed to be desirable to protect the
7 health and safety of the inhabitants of the county.

8 The obtaining of such surveys, investigations, studies, borings,
9 maps, plans, drawings and estimates is hereby declared to be a
10 county purpose and the costs thereof may be paid out of the general
11 funds of the county or from the proceeds of any bonds issued
12 pursuant to this act.

13 All public or private property damaged or destroyed in carrying
14 out the powers granted by this act shall be restored or repaired
15 and placed in its original condition as nearly as practicable or
16 adequate compensation shall be made therefor out of the funds
17 provided by this act.

1 7. The board of chosen freeholders of any county exercising the
2 powers granted by this act is hereby authorized to provide by
3 ordinance or resolution, as appropriate, at one time, or from time
4 to time, for the issuance of general obligation bonds of the county
5 pursuant to the provisions of the Local Bond Law, N. J. S. 40A :2-1
6 et seq., for the purpose of paying all or any part of the cost of any
7 water supply facilities constructed, acquired, improved, extended,
8 enlarged or reconstructed pursuant to the provisions of this act.

9 The proceeds of such bonds shall be used solely for the payment
10 of costs of the water supply facilities for the purchase, construction,
11 reconstruction, enlargement or improvement of which such bonds
12 shall have been authorized.

13 The county may also pledge to the payment of any or all of such
14 bonds so issued all or any part of the revenues derived by the
15 county from the operation or rental of its water supply facilities.

1 8. After the commencement of operation of water supply
2 facilities, the county may prescribe and change from time to time
3 rates or rentals to be charged for the use of the services of such
4 facilities. Such rates or rentals being in the nature of use or service
5 charges or annual rental charges, shall be uniform and equitable
6 for the same type and class of use or service of such facilities.
7 Such rates or rentals and types and classes of use and service may
8 be based on such factors which the board of chosen freeholders of
9 the county shall deem proper and equitable within the region served
10 by each facility.

1 9. If a county, pursuant to agreement with any municipality, any
2 other county or the State, shall construct or acquire water supply
3 facilities which will benefit any such government, the county may
4 either: a. bear the entire cost of the construction or acquisition of
5 such facilities by itself, or b. share the cost of the construction or
6 acquisition of such improvements with such government. The
7 county may issue its bonds for all or part of the cost of the con-
8 struction or acquisition of such facilities. If the cost thereof is to be
9 shared by such government, the county may issue its bonds for its
9A share of such cost and such government, may issue its bonds for its
10 share of such cost, or the county may issue its bonds for all of the
11 cost of such facilities, and the share of such cost to be borne by such
12 other government shall be repaid to the county by such other gov-
13 ernment in annual installments over a period not exceeding 40 years
14 as shall be agreed upon between the county and such other govern-
15 ment. The amount of said annual installments shall include interest
16 at such rate or rates as the county and such other government shall
17 agree upon, and the county and such other government are hereby
18 authorized to enter into agreements relating to such facilities which
19 agreements shall have such terms and conditions as shall be deemed
20 necessary and proper by such county and such participating govern-
21 ment. Such agreements shall be authorized by resolution or ordi-
22 nance, as appropriate, duly adopted by the board of chosen
23 freeholders of any such county and by the governing body of any
24 such municipality and by the Commissioner of Environmental Pro-
25 tection for the State. Such annual payments received by a county
26 from such other government may also include an additional amount
27 as shall be agreed upon for the payment of the agreed share of the
28 cost of operation and maintenance and improvement or enlargement
29 of such facilities. Notwithstanding any provisions of any other law
30 or laws now existing or hereafter enacted, none of such annual pay-
31 ments to be made by such other government to such county shall
32 be included in any computation of gross or net indebtedness
33 required under any such other law or laws.

34 Notwithstanding any provisions of any other law or laws now
35 existing or hereafter enacted, the amount of any bonds issued by a
36 county to finance the share of any other government of the cost of
37 the construction or acquisition of such facilities shall not be included
38 in any computation of gross or net indebtedness under any such
39 other law or laws as long as such county and other government have
40 entered into an agreement pursuant to this section under which the
41 share of such other government shall be repaid to such county as
42 provided in this section.

1 10. Any municipality with which a county is authorized to con-
2 tract under the terms and provisions of this act shall have power,
3 by ordinance duly adopted by its governing body to authorize
4 its proper officials to enter into and execute for it a contract, for
5 such periods of time and under such terms as are deemed proper
6 and necessary, with a county, for the provision of water supply
7 facilities notwithstanding that no appropriation was made or
8 provided to cover the estimated cost of such contract, and the
9 governing body of any such contracting municipality shall have
10 full power and authority to do and perform all acts and things
11 on the part of the municipality to be done and performed under
12 the terms and provisions of such contract.

1 11. Notwithstanding any restriction contained in any other law,
2 the State and all public officers, municipalities, counties, political
3 subdivisions and public bodies, and agencies thereof, all banks,
4 bankers, trust companies, savings banks and institutions, building
5 and loan associations, savings and banking businesses, all insurance
6 companies, insurance associations and other persons carrying on
7 any insurance business, and all executors, administrators, guard-
8 ians, trustees and other fiduciaries, may legally invest any sinking
9 fund moneys or other funds belonging to them or within their
10 control in any bonds of a county authorized pursuant to this act,
11 and such bonds are hereby made and shall be authorized security
12 for any and all public deposits. Any such bonds and the interest
13 thereon shall be exempt from taxation except for transfer and
14 inheritance taxes.

1 12. The chief fiscal officer of each municipality which shall have
2 entered into a contract pursuant to this act, shall cause to be
3 paid to the county with which such contract is in force, at such times
4 to be agreed upon, the amount of money certified to the munici-
5 pality by the county pursuant to this act. The power and obligation
6 of such municipality to provide for and make all such payments
7 shall be unlimited and the sums necessary for such payment shall
8 be included in each annual budget of such municipality; and such
9 municipality shall be irrevocably and unconditionally obligated
10 to levy ad valorem taxes on all taxable property therein, without
11 limit as to rate or amount to the full extent necessary to make all
12 such payments in full as the same become due. If any part of the
13 amount certified to a municipality by a county, pursuant to this
14 act, shall remain unpaid for 30 days following the date fixed for
15 payment by the contract, the municipality thus in default shall be
16 charged with and be liable for, and the chief fiscal officer thereof

17 shall pay to such county, interest upon the amount unpaid at the
18 rate of 8% per annum.

1 13. Each private water company or industry which shall have
2 entered into a contract with a county pursuant to this act, shall
3 pay at such times as shall be provided in such contract to the
4 contracting county, the sum of money certified to it by such county
5 pursuant to this act, on or before the date provided for such pay-
6 ment in such contract. Any such sum of money so certified by a
7 county shall be a lien in favor of such county on and against the
8 property of such private water company or industry. If such sum
9 of money or any part thereof is not paid to the contracting county
10 on or before such contract payment date, the unpaid amount shall
11 bear interest at the rate of 7% therefrom until payment is com-
12 plete and, such county shall make and record, in the same manner
13 as conveyances of interest in real property are recorded, a certifi-
14 cate setting forth the facts and giving notice of the existence and
15 amount of such lien remaining unsatisfied. So far as permitted by
16 law, such lien shall have priority over all other liens theretofore or
17 thereafter attaching except those of Federal, State and local taxes.

1 14. a. Nothing contained in this act shall in any way impair the
2 obligations previously assumed by any other public or private
3 agency for the provision of water supply services and facilities to
4 the citizens and industries of this State.

5 b. In the event a municipal utilities authority has been established
6 in a county pursuant to the provisions of the "municipal and county
7 utilities authorities law," (P. L. 1957, c. 183; C. 40:14B-1 et seq.),
8 no county shall establish any facilities within that county under the
9 provisions of this act which are competitive with any water supply
10 facilities operated by that authority.

1 15. The object and design of this act being the protection and
2 preservation of public health, safety and welfare, this act shall be
3 liberally construed and the powers granted and the duties imposed
4 by this act shall be construed to be independent and severable. If
5 any one or more sections, clauses, sentences or parts of this act
6 shall for any reason be questioned in any court, and shall be
7 adjudged unconstitutional or invalid, such judgment shall not
8 affect, impair or invalidate the remaining provisions thereof, but
9 shall be confined in its operation to the specific provisions so held
10 unconstitutional or invalid.

1 16. Sections 40:36-1 through 40:36-10 of the Revised Statutes,
2 inclusive, are repealed.

1 17. This act shall take effect immediately.

STATEMENT

This bill enables counties to finance, acquire, construct, maintain, operate or improve facilities for the storage, accumulation, supply, transfer or distribution of potable water, either separately or in conjunction with municipalities, private water companies, other counties of the State. It is permissive legislation. The bill authorizes counties to construct and operate facilities for the distribution of potable water to the residents, municipalities and industries of the county. The county may finance the water supply facilities from the general revenues of the county or from user fees charged to the recipients of the water.

No water supply facilities may be acquired, constructed, or operated by any county pursuant to this bill, until the county has received all necessary permits and approvals from the appropriate State agency. Nothing contained in the bill may impair the obligations previously assumed by any other public or private agency for the provision of water supply services and facilities to the citizens and industries of this State.

The "municipal and county utilities authorities law" enacted on February 10, 1978 enables any county utilities authority to acquire, construction and operate water supply facilities. This bill authorizes the elected boards of chosen freeholders to acquire, construct and operate water supply facilities. Elected officials should have the opportunity to administer this function directly rather than having to utilize an appointed authority, which may have been established to provide other services, such as sewerage, and to serve another portion of the county, such as the northern rather than the southern portion, as in Monmouth county.

ASSEMBLY COUNTY GOVERNMENT COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1469

STATE OF NEW JERSEY

DATED: APRIL 23, 1979

The purpose of this bill is to allow counties, should they elect to do so, to finance, construct, acquire, maintain, operate or improve facilities for the storage, accumulation, supply, transfer or distribution of potable water. Water supply facilities may be financed from county general revenues or from user fees. Counties are granted the right to issue general obligation bonds for the purpose of financing such facilities. A county may operate and construct potable water supply facilities either separately or with other counties, municipalities, and private water companies.

The bill specifically prohibits a county from establishing any water supply facilities if a municipal utilities authority has been established in a county pursuant to the "Municipal and County Utilities Authorities Law" (P. L. 1957, c. 183; C. 40:14B-1 et seq.). It also provides for careful State supervision of such projects by prohibiting all acquisitions, construction and operation of water supply facilities until a county has acquired all necessary permits and approvals from appropriate State agencies.

The bill repeals sections 40:36-1 through 40:36-10 of the Revised Statutes. These sections authorize counties to establish county water supply commissions. The provisions of this act would give county governing bodies the direct authority to administer water supply facilities and would make an appointed authority superfluous.

The committee amendments are purely technical in nature and serve only to make the bill consistent with the provisions of the "Optional County Charter Law" (P. L. 1972, c. 154; C. 20:41A-1 et seq.).

ASSEMBLY COMMITTEE AMENDMENTS TO
ASSEMBLY, No. 1469

STATE OF NEW JERSEY

ADOPTED APRIL 23, 1979

Amend page 2, section 4, line 7, omit "of the board of chosen", insert "or ordinance, as appropriate, by the county governing body".

Amend page 2, section 4, lines 8-10, omit in their entirety.

Amend page 3, section 4, line 36, after "resolution", insert "or ordinance".

Amend page 4, section 7, line 1, omit "board of chosen freeholders", insert "governing body".

Amend page 4, section 8, line 8, omit "board of chosen freeholders", insert "governing body".

Amend page 5, section 9, lines 22-23, omit "board of chosen freeholders", insert "governing body".

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

FEBRUARY 25, 1980

KATHRYN FORSYTH/PATRICK SWEENEY

Governor Brendan Byrne signed the following bills before departing for Washington to attend the National Governors' Association Mid-Winter Meeting:

A-1138, sponsored by Assemblyman David Schwartz (D-Middlesex) which requires the Commissioner of Community Affairs to establish a pre-retirement education demonstration program through the Division on Aging.

The program would provide public and private agencies, institutions and organizations with guidance and assistance to conduct seminars, workshops or other educational programs on retirement planning.

The program will be supported by federal funds.

A-1469, sponsored by Assemblyman Richard Van Wagner (D-Monmouth) which allows counties to finance, construct, acquire, maintain, operate or improve facilities for the storage, accumulation, supply, transfer or distribution of potable water.

Under the bill, the facilities could be financed by county general revenues, user fees, or general obligation bonds issued by the counties. The county could operate and construct potable water supply facilities either separately or with other counties, municipalities or private water supply companies.

A-3263, sponsored by Assemblyman Eugene Thompson (D-Essex) which requires the Department of Health to collect, analyze and distribute data on the incidence of alcohol use and alcohol-related problems, especially among juveniles.

The bill also increases the size of the Advisory Council on Alcoholism from 15 to 22 members by adding the Commissioners of Corrections and Higher Education, and one representative from the Statewide Health Coordinating Council and by increasing the number of citizen members from eight to twelve.

A-3509, sponsored by Assemblyman Gerald Stockman (D-Mercer) which permits the continuance of a tax exemption when real property is transferred from one tax exempt organization to another.