

40A:2-45

LEGISLATIVE HISTORY CHECKLIST
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(Surplus municipal utilities)

NJSA: 40A:2-45

LAWS OF: 1996 CHAPTER: 76

BILL NO: S427

SPONSOR(S): Haines

DATE INTRODUCED: January 18, 1996

COMMITTEE: ASSEMBLY: Local Government
SENATE: Transportation

AMENDED DURING PASSAGE: Yes Amendments during passage denoted
Second reprint enacted by superscript numbers

DATE OF PASSAGE: ASSEMBLY: June 20, 1996
SENATE: March 18, 1996

DATE OF APPROVAL: July 25, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBP:pp

P.L. 1996, CHAPTER 76, *approved July 25, 1996*
Senate No. 427 (*Second Reprint*)

1 AN ACT concerning certain public utilities and amending
2 N.J.S.40A:2-45.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. N.J.S.40A:2-45 is amended to read as follows:

8 40A:2-45. Any **[municipal]** ¹municipal¹ public utility shall be
9 deemed to be a self-liquidating purpose if the cash receipts from fees,
10 rents or other charges in a fiscal year are sufficient to meet operating
11 and maintenance costs (exclusive of depreciation and obsolescence)
12 and interest and debt redemption charges payable or accruing in such
13 year without recourse to general taxation or the deficit, if any,
14 anticipated in the dedicated utility assessment budget. There may be
15 included in such cash receipts any fees, rents and other charges
16 collected from other departments or utilities of the local unit at a rate
17 not in excess of the fees, rents or other charges to other consumers,
18 customers or users, or if there be no other consumers, customers or
19 users properly comparable, then not in excess of the comparable fees,
20 rents and other charges of privately owned or operated utilities or
21 enterprises. Any **[municipal]** ¹municipal¹ ²public² utility **[**which
22 qualifies under the "Municipal Qualified Bond Act," P.L.1976, c.38
23 (C.40A:3-1 et seq.),**]** may include interest on investments and deposits
24 and appropriated surplus as revenues, in addition to the other revenues
25 authorized by this section, in a determination of whether that
26 **[municipal]** ¹municipal¹ public utility shall be deemed to be a
27 self-liquidating purpose ²[, provided that such public utility qualifies
28 under the "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1
29 et seq.), or the public utility shall have ¹[appropriated such sums]
30 anticipated surplus funds¹ for the purpose of paying operating 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.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate STR committee amendments adopted February 22, 1996.

² Assembly ALG committee amendments adopted May 13, 1996.

1 maintenance costs in its annual budget submitted to and approved by
2 the Director of the Division of Local Government Services in the
3 Department of Community Affairs]².

4 (cf: P.L.1991, c.196, s.1)

5

6 2. This act shall take effect immediately .

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11 Permits all municipal public utilities to include certain types of funds
12 as revenues in order to be deemed a self-liquidating purpose.

SENATE, No. 427

STATE OF NEW JERSEY

INTRODUCED JANUARY 18, 1996

By Senator HAINES

1 AN ACT concerning certain public utilities and amending
2 N.J.S.40A:2-45.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. N.J.S.40A:2-45 is amended to read as follows:

8 40A:2-45. Any [municipal] public utility shall be deemed to be a
9 self-liquidating purpose if the cash receipts from fees, rents or other
10 charges in a fiscal year are sufficient to meet operating and
11 maintenance costs (exclusive of depreciation and obsolescence) and
12 interest and debt redemption charges payable or accruing in such year
13 without recourse to general taxation or the deficit, if any, anticipated
14 in the dedicated utility assessment budget. There may be included in
15 such cash receipts any fees, rents and other charges collected from
16 other departments or utilities of the local unit at a rate not in excess of
17 the fees, rents or other charges to other consumers, customers or
18 users, or if there be no other consumers, customers or users properly
19 comparable, then not in excess of the comparable fees, rents and other
20 charges of privately owned or operated utilities or enterprises. Any
21 [municipal] public utility [which qualifies under the "Municipal
22 Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.),] may include
23 interest on investments and deposits and appropriated surplus as
24 revenues, in addition to the other revenues authorized by this section,
25 in a determination of whether that [municipal] public utility shall be
26 deemed to be a self-liquidating purpose, provided that such public
27 utility qualifies under the "Municipal Qualified Bond Act," P.L.1976,
28 c.38 (C.40A:3-1 et seq.), or the public utility shall have appropriated
29 such sums for the purpose of paying operating and maintenance costs
30 in its annual budget submitted to and approved by the Director of the
31 Division of Local Government Services in the Department of
32 Community Affairs.

33 (cf: P.L. 1991, c.196, s.1)

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 underlined thus is new matter.

1 2. This act shall take effect immediately .

2

3

4

STATEMENT

5

6 This bill permits the use of surplus that was generated in prior years
7 and utilized in the current budget to be used in determining whether a
8 public utility is a self-liquidating purpose. Under current law only a
9 municipal public utility may use surplus to qualify as a self-liquidating
10 purpose.

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15 Permits use of surplus by public utilities to be deemed a self-
16 liquidating purpose.

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 427

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 13, 1996

The Assembly Local Government Committee reports favorably Senate Bill No. 427 (1R), with committee amendments.

Senate Bill No. 427 (1R), as amended by the committee, permits the use of surplus that was generated in prior years and utilized in the current budget to be used in determining whether a municipal public utility is a self-liquidating purpose. Under current law the term "municipal public utility" is defined to include a county public utility.

The committee amended the bill to remove language stating that any municipal public utility shall be deemed to be a self-liquidating purpose if the public utility qualifies under the "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.), or the public utility shall have anticipated surplus funds for the purpose of paying operating and maintenance costs in its budget as approved by the Director of the Division of Local Government Services in the Department of Community Affairs. The removal of this language permits all local units the option of including appropriated surplus as revenues for the purpose of determining a municipal or county public utility to be a self-liquidating purpose. These amendments conform current law with current practice.

The committee also amended the bill to insert the word "public," which appears in the statute but was inadvertently omitted in the bill.

As amended by the committee, this bill is the same as Assembly Bill No. 318 with Assembly committee amendments, also reported by the committee on May 13, 1996.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 427

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 22, 1996

The Senate Transportation Committee favorably reports Senate Bill No. 427 with committee amendments.

This amended bill permits the use of surplus that was generated in prior years and utilized in the current budget to be used in determining whether a municipal public utility is a self-liquidating purpose. Under current law the term "municipal public utility" is defined to include a county public utility.

The committee amended the bill to clarify that a municipal public utility shall be deemed to be a self-liquidating purpose if the public utility qualifies under the "Municipal Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.), or the public utility shall have anticipated surplus funds for the purpose of paying operating and maintenance costs in its budget as approved by the Director of the Division of Local Government Services in the Department of Community Affairs. Since a municipal public utility includes a county public utility, the amendments restored the original language in the existing law.