

40:37D-1

**LEGISLATIVE HISTORY CHECKLIST**  
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(County Food Distribution law)

**NJSA:** 40:37D-1

**LAWS OF:** 1994 **CHAPTER:** 98

**BILL NO:** S930

**SPONSOR(S):** Haines, Singer and Case

**DATE INTRODUCED:** May 5, 1994

**COMMITTEE:** **ASSEMBLY:** \_\_\_\_\_

**SENATE:** Senior Citizens

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

**DATE OF PASSAGE:** **ASSEMBLY:** June 27, 1994

**SENATE:** June 13, 1994

**DATE OF APPROVAL:** August 11, 1994

**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

KBG:pp

[FIRST REPRINT]

SENATE, No. 930

STATE OF NEW JERSEY

INTRODUCED MAY 5, 1994

By Senators HAINES and SINGER

1 AN ACT concerning the establishment of county food distribution  
2 authorities and supplementing Title <sup>1</sup>[4] 40<sup>1</sup> of the Revised  
3 Statutes.

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

7 1. This act shall be known and may be cited as the <sup>1</sup>["county  
8 food distribution authorities law."] "County Food Distribution  
9 Authorities Law."<sup>1</sup>

10 2. The Legislature finds and declares that:

11 a. There is a need to establish, construct and develop regional  
12 food processing and distribution centers in the various counties of  
13 the State; and

14 b. These regional centers will stimulate additional economic  
15 development in the State by assisting businesses and generating  
16 new jobs; and

17 c. These centers are expected to provide substantial benefits  
18 to the fishing industry in the State and to enhance the extensive  
19 farming industry, especially in southern and central New Jersey,  
20 by providing the means to meet the rapidly growing demands for  
21 food in these areas.

22 3. As used in this act:

23 "Authority" means a county food distribution authority created  
24 pursuant to section 4 of this act.

25 "Bonds" means bonds issued by the authority pursuant to this  
26 act.

27 "Center" means a county food processing and distribution  
28 center authorized under section 6 of this act.

29 <sup>1</sup>"Local Finance Board" means the Local Finance Board, in the  
30 Division of Local Government Services, in the Department of  
31 Community Affairs.<sup>1</sup>

32 "Notes" means notes issued by the authority pursuant to this  
33 act.

34 4. <sup>1</sup>[The] a. Upon approval by the Local Finance Board,  
35 pursuant to sections 4 and 5 of P.L.1983, c.313 (C.40A:5A-4;  
36 C.40A:5A-5) the<sup>1</sup> governing body of a county may by ordinance  
37 or resolution, as appropriate, create a public body corporate and  
38 politic under and pursuant to this act, under the <sup>1</sup>[name and style]  
39 title<sup>1</sup> of "the.....county food distribution authority," with all or  
40 any significant part of the name of the county inserted. The body  
41 shall consist of the 5 members, who shall be residents of the  
42 county and be appointed by ordinance or resolution of the  
43 governing body as hereinafter provided, and it shall constitute the  
44 authority contemplated and provided for in this act and an agency

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:

<sup>1</sup> Senate SSV committee amendments adopted June 2, 1994.

1 or instrumentality of the county. Copies of the ordinance or  
2 resolution for the creation of the authority, certified by the clerk  
3 of the governing body, shall be filed in the office of the Secretary  
4 of State and in the office of the Division of Local Government  
5 Services in the Department of Community Affairs. A copy of any  
6 such certified ordinance or resolution, duly certified by or on  
7 behalf of the Secretary of State, shall be admissible in evidence  
8 in any action or proceeding and shall be conclusive evidence of  
9 due and proper adoption and filing thereof as provided in this  
10 section. After such filing in the office of the Secretary of State,  
11 a copy of the ordinance or resolution shall be published at least  
12 once in a newspaper published or circulating in the county,  
13 together with a notice stating the fact and date of its adoption  
14 and the date of the first publication of such notice. If no action  
15 questioning the validity of the creation or establishment of the  
16 authority shall be commenced within 45 days after the first  
17 publication of such notice, then the authority shall be  
18 conclusively deemed to have been validly created and established  
19 and authorized to transact business and exercise powers as a  
20 public body created pursuant to this act.

21 1b. Upon approval by the Local Finance Board pursuant to  
22 section 20 of P.L.1983, c.313 (C.40A:5A-20), the governing body  
23 of any county which has created an authority pursuant to this act  
24 may be ordinance or resolution, as appropriate, dissolve such  
25 authority if either (1) such authority has no debts or obligations  
26 outstanding, or (2) all creditors or other obligees of the authority  
27 have consented to the ordinance or resolution. A copy of any  
28 ordinance or resolution, certified by the clerk of the governing  
29 body, shall be filed in the office of the Secretary of State and in  
30 the office of the Division of Local Government Services in the  
31 Department of Community Affairs. Upon proof of such filing and  
32 upon proof either that the authority had no debts or obligations  
33 outstanding at the time of the adoption of such ordinance or  
34 resolution or that the assumption of any such debts or obligations  
35 has been provided for in the ordinance or resolution, as  
36 appropriate, and that all creditors or other obligees of the  
37 authority have consented to such ordinance or resolution, the  
38 authority shall be conclusively deemed to have been lawfully and  
39 properly dissolved. Thereupon, all right, title and interest in and  
40 to the property of the authority shall be vested in the county,  
41 except that any particular property shall vest in any other  
42 governmental unit or person if the terms of any lease or other  
43 agreement of the authority with respect thereto shall so provide.  
44 A copy of any such certified ordinance or resolution, duly  
45 certified by or on behalf of the Secretary of State, shall be  
46 admissible in evidence in any action or proceeding and shall be  
47 conclusive evidence of due and proper adoption and filing thereof  
48 as aforesaid.

49 c. The members first appointed shall, by the resolution of  
50 appointment, be designated to serve for terms respectively  
51 expiring on the first days of the first, second, third, fourth and  
52 fifth Februarys next ensuing after the date of their appointment.  
53 On or after January 1 in each year after such first appointments,  
54 one person shall be appointed as a member of the authority for a

1 term commencing on or after February 1 in such year and  
2 expiring on February 1 in the fourth year after such year. Each  
3 member shall hold office for the term of appointment and until  
4 his successor shall have been appointed and qualified. Any  
5 vacancy in the membership of the authority during an unexpired  
6 term shall be filled by appointment of a person as member for the  
7 unexpired term. A copy of any resolution appointing any such  
8 members, certified by the clerk of the governing body, may be  
9 filed in the office of the Secretary of State and in the office of  
10 the Division of Local Government Services in the Department of  
11 Community Affairs. A copy of any such certified resolution, duly  
12 certified by or on behalf of the Secretary of State, shall be  
13 admissible in evidence in any action or proceeding and shall be  
14 conclusive evidence of due and proper adoption and filing thereof  
15 as aforesaid and, except in an action or proceeding seeking only  
16 exclusion of the appointee from office, shall be conclusive  
17 evidence of the due and proper appointment of the members  
18 named therein.

19 d. Every authority, upon the first appointment of its members  
20 and thereafter on or after February 1 in each year, shall annually  
21 elect from among its members a chairman and a vice chairman  
22 who shall hold office until February 1 next ensuing and until their  
23 respective successors shall have been appointed and qualified.

24 e. The powers of an authority shall be vested in the members  
25 thereof in office from time to time, and a majority of the entire  
26 authorized voting membership of the authority shall constitute a  
27 quorum at any meeting thereof. Action may be taken and  
28 motions and resolutions adopted by the authority at any meeting  
29 of the members thereof by the affirmative vote of a majority of  
30 the voting members present, unless in any case the bylaws of the  
31 authority shall require a larger number.

32 f. The members of an authority shall serve without  
33 compensation, but the authority may reimburse its members for  
34 necessary expenses incurred in the discharge of their duties.

35 g. No member of the governing body of the county shall be  
36 appointed as a member of, or employed by, an authority; but the  
37 governing body of the county may, by ordinance or resolution, as  
38 appropriate, provide that, in addition to the members appointed  
39 pursuant to subsection a. of this section, the county executive in  
40 the case of a county having adopted article 3 of the "Optional  
41 County Charter Law," P.L.1972, c.154 (C.40:41A-31 et seq.), the  
42 county manager in the case of a county having adopted article 4  
43 of that act (C.40:41A-38 et seq.), the county supervisor in the  
44 case of a county having adopted article 5 of that act  
45 (C.40:41A-59 et seq.), or the president of the board of chosen  
46 freeholders in the case of any other county, shall be appointed to  
47 serve ex officio, as a non-voting member of an authority.

48 h. A member of an authority may be removed by the governing  
49 body of the county for incapacity, inefficiency or neglect of duty  
50 or misconduct in office or other disqualifying cause and after he  
51 shall have been given a copy of the charges against him and, not  
52 sooner than 10 days thereafter, been afforded opportunity for a  
53 hearing, in person or by counsel, by such governing body with  
54 respect to such charges.<sup>1</sup>

1       5. Except as otherwise limited by this act <sup>1</sup>and the "Local  
2 Authorities Fiscal Control Act" P.L.1983, c.313 (C.40A:5A-1 et  
3 seq.)<sup>1</sup>, the authority shall have power:

4       a. To sue and be sued;

5       b. To have an official seal and alter it at pleasure;

6       c. To make and alter by-laws for its organization and internal  
7 management and for the conduct of its affairs and business;

8       d. To maintain an office at a place within the county as it may  
9 determine;

10      e. To acquire, hold, use and dispose of its income, revenues,  
11 funds and moneys;

12      f. To acquire, lease as lessee or lessor, rent, lease, hold, use  
13 and dispose of real or personal property for its purposes;

14      g. To borrow money and to issue its negotiable bonds or notes  
15 and to secure them by a mortgage on its property or any part  
16 thereof and otherwise to provide for and secure the payment of  
17 them and to provide for the rights of the holders of the bonds or  
18 notes;

19      h. <sup>1</sup>[To] Pursuant to the provisions of the "Local Public  
20 Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq), to<sup>1</sup> make  
21 and enter into all contracts, leases, and agreements for the use or  
22 occupancy of the center or any part of it or which are necessary  
23 or incidental to the performance of its duties and the exercise of  
24 its powers under this act;

25      <sup>1</sup>[i. To make low-interest loans to qualified persons to assist  
26 them in the development, construction, reconstruction and  
27 improvement of the center, upon terms and conditions as the  
28 authority may determine;

29      j. To guarantee and insure loans made by private financial  
30 institutions to qualified persons upon terms and conditions as the  
31 authority determines;]<sup>1</sup>

32      <sup>1</sup>[k.] i.<sup>1</sup> To make surveys, maps, plans for, and estimates of  
33 the cost of, the center;

34      <sup>1</sup>[l.] j.<sup>1</sup> To establish, acquire, construct, or lease the right to  
35 construct, rehabilitate, repair, improve, own, operate, and  
36 maintain the center, and let, award and enter into construction  
37 contracts, purchase orders and other contracts with respect to  
38 the center as the authority shall determine;

39      <sup>1</sup>[m.] k.<sup>1</sup> To fix and revise from time to time and charge and  
40 collect rents, tolls, fees and charges for the use, occupancy or  
41 services of the center or any part thereof or for admission  
42 thereto, and for the grant of concessions therein and for things  
43 furnished or services rendered by the authority;

44      <sup>1</sup>[n.] l.<sup>1</sup> To establish and enforce rules and regulations for the  
45 use or operation of the center or the conduct of its activities, and  
46 provide for the policing and the security of the center;

47      <sup>1</sup>[o.] m.<sup>1</sup> To acquire in the name of the authority by purchase  
48 or otherwise, on terms and conditions and in a manner it deems  
49 proper, or, except with respect to the State <sup>1</sup>and, as further  
50 provided in this subsection<sup>1</sup>, by the exercise of the power of  
51 eminent domain, any land and other property, including land  
52 under water, and riparian rights, which it may determine is  
53 reasonably necessary for the center or for the relocation or  
54 reconstruction of any highway by the authority and any rights,

1 title and interest in the land and other property, including public  
2 lands, reservations, highways or parkways, owned by or in which  
3 the State or any county or municipality, public corporation, or  
4 other political subdivision of the State has any right, title or  
5 interest, or parts thereof or rights therein and any fee simple  
6 absolute or any lesser interest in private property, and any fee  
7 simple or absolute interest in, easements upon or the benefit of  
8 restrictions upon abutting property to preserve and protect the  
9 center. Whenever the authority has determined that it is  
10 necessary to take any real property for the purposes of the center  
11 by the exercise of the power of condemnation, as hereinafter  
12 provided, it shall prepare two copies of diagrams, maps or plans  
13 designating the general area in which the real property is to be  
14 acquired and file one copy thereof in its office and the other copy  
15 thereof in the office of the clerk of the municipality in which the  
16 real property is located. The authority is empowered to acquire  
17 and take real property by condemnation, in the manner provided  
18 by the "Eminent Domain Act of 1971," P.L.1971, c.361 (C.20:3-1  
19 et seq.) and to that end, may invoke and exercise the power to  
20 condemn in the manner or mode of procedure prescribed in that  
21 act, except where the provisions of section 8 of this act provide  
22 otherwise; and except that, notwithstanding the foregoing or any  
23 other provision of this act, the authority shall not institute any  
24 proceeding to acquire or take, by condemnation, any real  
25 property within the designated area in the municipality referred  
26 to above in this section until after the date of filing in the office  
27 of the clerk of the municipality of a certified copy of: (1) a  
28 resolution of the authority stating the finding of the authority  
29 that it is necessary or convenient to acquire real property in the  
30 designated area for facility purposes, and (2) a resolution of the  
31 governing body of the municipality expressing its consent to the  
32 acquisition of real property in the designated area;

33 <sup>1</sup>[p.] n.<sup>1</sup> To provide through its employees, or by the grant of  
34 one or more concessions, or in part through its employees and in  
35 part by grant of one or more concessions, for the furnishing of  
36 services and things for the accommodation of persons admitted to  
37 or using the center or any part of it;

38 <sup>1</sup>[q.] o.<sup>1</sup> To acquire, construct, operate, maintain, improve and  
39 make capital contributions to others for transportation and other  
40 facilities, services and accommodations for the public using the  
41 center and to lease or otherwise contract for its operation;

42 <sup>1</sup>[r.] p.<sup>1</sup> Subject to any agreement with bondholders or  
43 noteholders, to invest moneys of the authority not required for  
44 immediate use, including proceeds from the sale of any bonds or  
45 notes, in <sup>1</sup>[obligations, securities and other investments the  
46 authority deems prudent] the manner set forth in N.J.S.40A:5-15<sup>1</sup>;

47 <sup>1</sup>[s.] q.<sup>1</sup> To contract for and to accept any gifts or grants or  
48 loans of funds or property or financial or other aid in any form  
49 from the United States of America or any agency or  
50 instrumentality thereof, or from the State or any agency,  
51 instrumentality or political subdivision thereof, or from any other  
52 source and to comply, subject to the provisions of this act, with  
53 the terms and conditions thereof;

54 <sup>1</sup>[t.] r.<sup>1</sup> Subject to any agreements with bondholders or

1 noteholders, to purchase bonds or notes of the authority out of  
2 any funds or money of the authority available for those purposes,  
3 and to hold, cancel or resell the bonds or notes;

4 <sup>1</sup>[u.] s.<sup>1</sup> To appoint and employ an executive director and  
5 additional officers, who need not be members of the authority,  
6 and accountants, attorneys, financial advisors or experts and any  
7 other officers, agents and employees as it may require and  
8 determine their qualifications, terms of office, duties and  
9 compensation, all without regard to the provisions of Title 11A of  
10 the New Jersey Statutes;

11 <sup>1</sup>[v.] t.<sup>1</sup> To do and perform any acts and things authorized by  
12 this act under, through, or by means of its officers, agents or  
13 employees or by contracts with any person;

14 <sup>1</sup>[w.] u.<sup>1</sup> To procure insurance against any losses in connection  
15 with its property, operations or assets in such amounts and from  
16 such insurers as it deems desirable;

17 <sup>1</sup>[x.] To do anything necessary or convenient to carry out its  
18 purposes and exercise the powers granted in this act; and

19 <sup>1</sup>[y.] v.<sup>1</sup> To conduct a study to determine if the center is  
20 feasible and thereafter to conduct feasibility studies to identify  
21 an appropriate site therefor and thereafter to determine the  
22 location, type and character of the center or any part of it and  
23 all other matters in connection with all or any part of the center,  
24 which shall comply with the provisions of any applicable land use  
25 plan, zoning regulation, building code or similar regulation  
26 heretofore or hereafter adopted by the State, any municipality,  
27 county, public body politic and corporate, or any other political  
28 subdivision of the State;

29 <sup>1</sup>[z.] w.<sup>1</sup> (1) To make all purchases, contracts, or agreements  
30 <sup>1</sup>[where the cost or contract price exceeds the sum of \$7,500,  
31 which, except as otherwise provided in this subsection, shall be  
32 made, negotiated, or awarded only after public advertisement for  
33 bids therefor and shall be awarded to that responsible bidder  
34 whose bid, conforming to the invitation for bids, is most  
35 advantageous to the authority, in its judgment, upon  
36 consideration of price and other factors. Any bid may be  
37 rejected when the authority determines that it is in the public  
38 interest to do so.

39 Any purchase, contract, or agreement where the cost or  
40 contract price is \$7,500 or less may be made, negotiated, or  
41 awarded by the authority without advertising and in any manner  
42 which the authority, in its judgment, deems necessary to serve its  
43 unique interests and purposes and which promotes, whenever  
44 practicable, full and free competition, by the acceptance of  
45 quotations or proposals or by the use of other suitable methods.

46 (2) Any purchase, contract, or agreement where the cost or  
47 contract price exceeds \$7,500 may be made, negotiated, or  
48 awarded by the authority without advertisement for bids when  
49 the subject matter is that described in paragraph (3) of this  
50 subsection or when the purchase, contract, or agreement is made,  
51 negotiated, or awarded under the circumstances described in  
52 paragraph (4) of this subsection. In any such instance, the  
53 authority may make, negotiate, or award the purchase, contract,  
54 or agreement in any manner which the authority deems necessary

1 to serve its unique interests and purposes and which promotes,  
2 whenever practicable, full and free competition by the  
3 acceptance of quotations or proposals or by the use of other  
4 suitable methods.

5 (3) Any purchase, contract, or agreement may be made,  
6 negotiated, or awarded pursuant to paragraph (2) of this  
7 subsection when the subject matter consists of:

8 (a) Services which are professional or technical in nature or  
9 services which are original and creative in character in a  
10 recognized field of artistic endeavor;

11 (b) Items which are perishable or subsistence supplies;

12 (c) Items which are specialized equipment or specialized  
13 machinery necessary to the conduct of authority business;

14 (d) Items or services supplied by a public utility subject to the  
15 jurisdiction of the Board of Regulatory Commissioners where  
16 tariffs and schedules of the charges made, charged or exacted by  
17 the public utility for those items or services are filed with the  
18 board;

19 (e) Items which are styled or seasonal wearing apparel; or

20 (f) The lease of such office space, office machinery,  
21 specialized equipment, buildings or real property as may be  
22 required for the conduct of authority business.

23 (4) Any purchase, contract, or agreement may be made,  
24 negotiated, or awarded pursuant to paragraph (2) of this  
25 subsection above when:

26 (a) Standardization of equipment and interchangeability of  
27 parts is in the public interest;

28 (b) Only one source of supply or services is available;

29 (c) The safety or protection of the authority's or other public  
30 property requires;

31 (d) The exigency of the authority's service will not admit of  
32 advertisement;

33 (e) More favorable terms can be obtained from a primary  
34 source of supply of an item or service;

35 (f) Bid prices, after advertising, are not reasonable or have not  
36 been independently arrived at in open competition; but no  
37 negotiated purchase, contract, or agreement may be entered into  
38 under this subsection after the rejection of all bids received  
39 unless (i) notification of the intention to negotiate and reasonable  
40 opportunity to negotiate is given to each responsible bidder; (ii)  
41 the negotiated price is lower than the lowest rejected bid price of  
42 a responsible bidder; and (iii) the negotiated price is the lowest  
43 negotiated price offered by any responsible contractor;

44 (g) The purchase is to be made from, or the contract is to be  
45 made with, the federal or any state government or agency or  
46 political subdivision thereof; or

47 (h) Purchases made through or by the Director of the Division  
48 of Purchase and Property pursuant to section 1 of P.L.1959, c.40  
49 (C.52:27B-56.1).

50 (5) In any case where the authority shall make, negotiate, or  
51 award a purchase, contract, or agreement without public  
52 advertisement pursuant to paragraph (2) of this subsection, the  
53 authority shall, by resolution passed by the affirmative vote of a  
54 majority of its members, specify the subject matter or



1 circumstances set forth in paragraphs (3) and (4) which permit the  
2 authority to take such action.

3 (6) Nothing herein shall prevent the authority from having any  
4 work done by its own employees.

5 (7) The Governor, in consultation with the Department of the  
6 Treasury, shall, no later than March 1 of each even-numbered  
7 year, adjust the threshold amount set forth in paragraph (1) of  
8 this subsection, or the threshold amount resulting from any  
9 adjustment under this paragraph, in direct proportion to the rise  
10 or fall of the Consumer Price Index for all urban consumers in the  
11 New York City and the Philadelphia areas, as reported by the  
12 United States Department of Labor. The Governor shall, no later  
13 than June 1 of each even-numbered year, notify the authority of  
14 the adjustment. The adjustment shall become effective on July 1  
15 of each even-numbered year] pursuant to the provisions of the  
16 "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et  
17 seq.; and

18 x. To do anything necessary or convenient to carry out its  
19 purposes and exercise the powers granted in this act<sup>1</sup>.

20 6. a. An authority created pursuant to section 4 of this act is  
21 authorized to acquire by purchase, establish, develop, construct,  
22 operate, maintain, repair, reconstruct, restore, improve and  
23 otherwise effectuate a food processing and distribution center.  
24 The center shall be known as the ".....county food processing and  
25 distribution center," with all or any significant part of the name  
26 of the county inserted, and shall be located in that county of this  
27 State. The center shall consist, as the authority may determine,  
28 of one or more buildings, structures, facilities, properties and  
29 appurtenances incidental and necessary to a center suitable for  
30 the processing and distribution of food on a local or regional basis  
31 and may include a wholesale produce market and storage,  
32 distribution and processing facilities for meat, fish, dairy and  
33 other grocery products, beverages and frozen foods, driveways,  
34 roads, approaches, parking areas, restaurants, transportation  
35 structures, systems and facilities, and equipment, furnishings, and  
36 all other structures and appurtenant facilities related to,  
37 necessary for, or complementary to the purposes of the center or  
38 any facility thereof. The authority may construct on the site  
39 other facilities consistent with the purposes for which the  
40 authority was established. As part of the center the authority is  
41 authorized to make capital contributions to others for  
42 transportation and other facilities, and accommodations for the  
43 public using the center. Any part of the site not occupied or to  
44 be occupied by facilities of the center may be leased by the  
45 authority for purposes determined by the authority to be  
46 consistent with or related to the purposes of the center. In  
47 addition, the authority may contract with any person for the  
48 development of any of the facilities to be a part of the center  
49 and may provide for the financing of the acquisition of any real  
50 property or of any construction.

51 b. Revenues, moneys or other funds, if any, derived from the  
52 operation or ownership of the center, shall be applied in  
53 accordance with the resolution or resolutions authorizing or  
54 relating to the issuance of bonds or notes of the authority to the

1 following purposes and in the following order:

2 <sup>1</sup>[(1) The costs of operation and maintenance of the center and  
3 reserves therefor;

4 (2)] (1)<sup>1</sup> Principal, sinking fund installments and redemption of  
5 and interest on any bonds or notes of the authority issued for the  
6 purposes of the center or for the purpose of refunding the same,  
7 including reserves therefor;

8 <sup>1</sup>(2) The costs of operation and maintenance of the center and  
9 reserves therefor;<sup>1</sup>

10 (3) The costs of any major or extraordinary repairs, renewals  
11 or replacements with respect to the center or incidental  
12 improvements to it not paid pursuant to paragraph (1) above,  
13 including reserves therefor;

14 (4) Payments required to be made pursuant subsection b. of  
15 section 16 of this act;

16 (5) Payments authorized to be made pursuant to subsection c.  
17 of section 16 of this act;

18 (6) The balance remaining after application in accordance with  
19 the above shall be deposited <sup>1</sup>[in the General Fund] according to  
20 the terms of the bond resolution<sup>1</sup>.

21 7. a. If the authority shall find it necessary in connection with  
22 the undertaking of the center to change the location of any  
23 portion of any public highway or road, it may contract with any  
24 government agency, or public or private corporation which may  
25 have jurisdiction over the public highway or road to cause the  
26 public highway or road to be constructed at a location the  
27 authority deems most favorable. The cost of the reconstruction  
28 and any damage incurred in changing the location of the highway  
29 shall be ascertained and paid by the authority as a part of the  
30 cost of the center. Any public highway affected by the  
31 construction of the center may be vacated or relocated by the  
32 authority in the manner now provided by law for the location or  
33 relocation of public roads, and any damages awarded as a result  
34 shall be paid by the authority as part of the cost of the center. In  
35 all undertakings authorized by this subsection the authority shall  
36 consult and obtain the approval of the Department of  
37 Transportation.

38 b. In addition to the foregoing powers, the authority and its  
39 authorized agents and employees may enter upon any lands,  
40 waters and premises for the purpose of making surveys,  
41 soundings, drillings and examinations as it may deem necessary or  
42 convenient for the purposes of this act, all in accordance with  
43 due process of law, and the entry shall not be deemed a trespass  
44 nor shall an entry for that purpose be deemed an entry under any  
45 condemnation proceedings which may be then pending. The  
46 authority shall make reimbursement for any actual damages  
47 resulting to the lands, waters and premises as a result of its  
48 activities.

49 c. The authority shall also have power to make reasonable  
50 regulations for the installation, construction, maintenance,  
51 repair, renewal, relocation and removal of tracks, pipes, mains,  
52 conduits, cables, wires, towers, poles and other equipment and  
53 appliances, herein called "public utility facilities," of any public  
54 utility as defined in R.S.48:2-13, in, on, along, over or under the

1 center. Whenever the authority shall determine that it is  
2 necessary that public utility facilities which now are, or  
3 hereafter may be, located in, on, along, over or under the center  
4 shall be relocated in the center, or should be removed therefrom,  
5 the public utility owning or operating the facilities shall relocate  
6 or remove the same in accordance with the order of the  
7 authority. The cost and expenses of the relocation or removal,  
8 including the cost of installing the facilities in a new location, or  
9 new locations, and the cost of any lands, or any rights or interests  
10 in lands and any other rights, acquired to accomplish the  
11 relocation or removal, shall be ascertained and paid by the  
12 authority as a part of the cost of the center. In case of any  
13 relocation or removal of facilities, as aforesaid, the public utility  
14 owning or operating the same, its successors or assigns may  
15 maintain and operate the facilities, with the necessary  
16 appurtenances, in the new location or new locations, for as long a  
17 period, and upon the same terms and conditions, as it had the  
18 right to maintain and operate the facilities in their former  
19 location or locations. In all undertakings authorized by this  
20 subsection the authority shall consult and obtain the approval of  
21 the Board of Regulatory Commissioners .

22 8. a. Upon the exercise of the power of eminent domain, the  
23 compensation to be paid thereunder shall be ascertained and paid  
24 in the manner provided in the "Eminent Domain Act of 1971,"  
25 P.L.1971, c.361 (C.20:3-1 et seq.), insofar as the provisions  
26 thereof are applicable and not inconsistent with the provisions  
27 contained in this act. The authority may join in separate  
28 subdivisions in one petition or complaint the descriptions of any  
29 number of tracts or parcels of land or property to be condemned,  
30 if each tract or parcel lies wholly in or has a substantial part of  
31 its value lying wholly within the same county, and the names of  
32 any number of owners and other parties who may have an interest  
33 therein and all the land or property included in the petition or  
34 complaint may be condemned in a single proceeding; but separate  
35 awards shall be made for each tract or parcel of land or property.

36 b. Upon the filing of the petition or complaint or at any time  
37 thereafter the authority may file with the clerk of the county in  
38 which the property is located and also with the clerk of the  
39 Superior Court a declaration of taking, signed by the authority,  
40 declaring that possession of one or more of the tracts or parcels  
41 of land or property described in the petition or complaint is being  
42 taken by and for the use of the authority. The declaration of  
43 taking shall be sufficient if it sets forth: (1) a description of each  
44 tract or parcel of land or property to be taken sufficient for the  
45 identification of it, to which there shall be attached a plan or  
46 map thereof; (2) a statement of the estate or interest in the land  
47 or property being taken; (3) a statement of the sum of money  
48 estimated by the authority by resolution to be just compensation  
49 for the taking of the estate or interest in each tract or parcel of  
50 land or property described in the declaration; and (4) that, in  
51 compliance with the provisions of this act, the authority has  
52 established and is maintaining a trust fund as hereinafter  
53 provided.

54 c. Upon the filing of the declaration, the authority shall

1 deposit with the clerk of the Superior Court the amount of the  
2 estimated compensation stated in the declaration. In addition to  
3 the deposits with the clerk of the Superior Court the authority  
4 shall maintain a special trust fund on deposit with a bank or trust  
5 company doing business in the State in an amount at least equal  
6 to twice the aggregate amount deposited with the clerk of the  
7 Superior Court, as estimated compensation for all property  
8 described in declarations of taking with respect to which the  
9 compensation has not been finally determined and paid to the  
10 persons entitled thereto or into court. The trust fund shall consist  
11 of cash or securities readily convertible into cash constituting  
12 legal investment for trust funds under the laws of the State. The  
13 trust fund shall be held solely to secure and may be applied to the  
14 payment of just compensation for the land or other property  
15 described in the declarations of taking. The authority shall be  
16 entitled to withdraw from the trust fund from time to time so  
17 much as may then be in excess of twice the aggregate of the  
18 amount deposited with the clerk of the Superior Court as  
19 estimated compensation for all property described in declarations  
20 of taking with respect to which the compensation has not been  
21 finally determined and paid to the persons entitled thereto or into  
22 court.

23 d. Upon the filing of the declaration <sup>1</sup>[as aforesaid] of taking  
24 pursuant to subsection b. of this section<sup>1</sup> and depositing with the  
25 clerk of the Superior Court the amount of the estimated  
26 compensation stated in the declaration, the authority, without  
27 other process or proceedings, shall be entitled to the exclusive  
28 possession and use of each tract of land or property described in  
29 the declaration and may forthwith enter into and take possession  
30 of the land or property, it being the intent of this provision that  
31 the proceedings for compensation or any other proceedings  
32 relating to the taking of the land or interest therein or other  
33 property shall not delay the taking of possession thereof and the  
34 use thereof by the authority for the purposes for which the  
35 authority is authorized by law to acquire or condemn the land or  
36 other property or interest in it.

37 e. The authority shall cause notice of the filing of the  
38 declaration and the making of the deposit to be served upon each  
39 party in interest named in the petition residing in the State,  
40 either personally or by leaving a copy at his residence, if known,  
41 and upon each party in interest residing out of the State, by  
42 mailing a copy to him at his residence, if known. If the residence  
43 of the party or the name of the party is unknown, notice shall be  
44 published at least once in a newspaper published or circulating in  
45 the counties in which the land is located. Service, mailing or  
46 publication shall be made within 10 days after filing the  
47 declaration. Upon the application of any party in interest and  
48 after notice to other parties in interest, including the authority,  
49 any judge of the Superior Court assigned to sit for that county  
50 may order that the money deposited with the clerk of the  
51 Superior Court or any part thereof be paid forthwith to the  
52 persons entitled thereto for or on account of the just  
53 compensation to be awarded in the proceeding, provided each  
54 person files with the clerk of the Superior Court a consent in

1 writing that, if the award in the condemnation proceeding shall  
2 be less than the amount deposited, the court, after notice as  
3 <sup>1</sup>[herein]<sup>1</sup> provided <sup>1</sup>in this subsection<sup>1</sup> and hearing, may  
4 determine his liability, if any, for the return of the difference or  
5 any part of it and enter judgment therefor. If the amount of the  
6 award as finally determined shall exceed the amount so  
7 deposited, the person to whom the award is payable shall be  
8 entitled to recover from the authority the difference between the  
9 amount of the deposit and the amount of the award, with interest  
10 at the then legal rate from the date of making the deposit. If the  
11 amount of the award shall be less than the amount so deposited,  
12 the clerk of the Superior Court shall return the difference  
13 between the amount of the award and the deposit to the  
14 authority, unless the amount of the deposit or any part of it shall  
15 have theretofore been distributed, in which event the court, on  
16 petition of the authority and notice to all persons interested in  
17 the award and affording them an opportunity to be heard, shall  
18 enter judgment in favor of the authority for the difference  
19 against the parties liable for the return. The authority shall  
20 cause notice of the date fixed for the hearing to be served upon  
21 each party residing in the State, either personally or by leaving a  
22 copy at his residence, if known, and upon each party residing out  
23 of the State, by mailing a copy to him at his residence, if known.  
24 If the residence of any party or the name of the party is unknown,  
25 notice shall be published at least once in a newspaper published or  
26 circulating in the counties in which the land is located. Service,  
27 mailing or publication shall be made at least 10 days before the  
28 date fixed for the hearing.

29 Whenever under the "Eminent Domain Act of 1971," P.L.1971,  
30 c.361 (C.20:3-1 et seq.) the amount of the award may be paid into  
31 court, payment may be made into the Superior Court and may be  
32 distributed according to law. The authority shall not abandon any  
33 condemnation proceeding subsequent to the date upon which it  
34 has taken possession of the land or property as herein provided.

35 9. a. The authority is authorized from time to time to issue  
36 its bonds or notes in principal amounts which in the opinion of the  
37 authority shall be necessary to provide sufficient funds for any of  
38 its corporate purposes, including the payment, funding or  
39 refunding of the principal of, or interest or redemption premiums  
40 on, any bonds or notes issued by it, whether the bonds or notes or  
41 interest to be funded or refunded have or have not become due,  
42 the establishment or increase of the reserves to secure or to pay  
43 the bonds or notes or interest and all other costs or expenses of  
44 the authority incident to and necessary to carry out its corporate  
45 purposes and powers.

46 b. Except as may be otherwise expressly provided in this act or  
47 by the authority, every issue of bonds or notes shall be general  
48 obligations payable out of any revenues or funds of the authority,  
49 subject only to any agreements with the holders of particular  
50 bonds or notes pledging any particular revenues or funds. The  
51 authority may issue types of bonds or notes as it may determine,  
52 including, but not limited to, bonds or notes as to which the  
53 principal and interest are payable (1) exclusively from the  
54 revenues and receipts of the part of the center financed with the

1 proceeds of the bonds or notes; (2) exclusively from the revenues  
2 and receipts of certain designated parts of the center, whether or  
3 not the same are financed in whole or in part from the proceeds  
4 of the bonds or notes; or (3) from its revenues and receipts  
5 generally. The bonds or notes may be additionally secured by a  
6 pledge of any grant, subsidy or contribution from the United  
7 States of America or any agency or instrumentality thereof or  
8 the State or any agency, instrumentality or political subdivision  
9 thereof, or any person, or a pledge of any income or revenues,  
10 funds or moneys of the authority from any source whatsoever.

11 c. Whether or not the bonds and notes are of a form and  
12 character as to be negotiable instruments under the terms of  
13 Title 12A of the New Jersey Statutes, the bonds and notes are  
14 negotiable instruments within the meaning of and for all the  
15 purposes of Title 12A, subject only to the provisions of the bonds  
16 and notes for registration.

17 d. Bonds or notes of the authority shall be authorized by a  
18 resolution of the authority and may be issued in one or more  
19 series and shall bear the date, mature at the time, bear interest  
20 at a rate of interest per annum, be in denominations, be in a  
21 form, either coupon or registered, carry any conversion or  
22 registration privileges, have rank or priority, be executed in any  
23 manner, be payable from any sources in any medium of  
24 <sup>1</sup>monetary<sup>1</sup> payment at a place within or without the State, and  
25 be subject to the terms of redemption, with or without premium,  
26 as the resolution may provide.

27 e. Bonds or notes of the authority may be sold at public or  
28 private sale at a price and in a manner that the authority  
29 determines. Every bond shall mature and be paid not later than 40  
30 years from the date of issue.

31 f. Bonds or notes may be issued under the provisions of this act  
32 without obtaining the consent of any department, division,  
33 commission, board, bureau or agency of the State, and without  
34 any other proceedings or the happening of any other conditions or  
35 other things than those proceedings, conditions or things which  
36 are specifically required by this act.

37 g. Bonds and notes of the authority issued under the provisions  
38 of this act shall not be a debt or liability of the State or its  
39 political subdivisions other than the authority and shall not create  
40 or constitute any indebtedness, liability or obligation of the State  
41 or of a political subdivision or be or constitute a pledge of the  
42 faith and credit of the State or of a political subdivision but the  
43 bonds and notes, unless funded or refunded by bonds or notes of  
44 the authority, shall be payable solely from revenues or funds  
45 pledged or available for their payment as authorized in this act.  
46 Each bond and note shall contain on its face a statement to the  
47 effect that the authority is obligated to pay its principal or  
48 interest only from revenues or funds of the authority and that  
49 neither the State nor its political subdivisions are obligated to  
50 pay the principal or interest and that neither the faith and credit  
51 nor the taxing power of the State or its political subdivisions is  
52 pledged to the payment of the principal of or the interest on the  
53 bonds or notes.

54 h. All expenses incurred in carrying out the provisions of this

1 act shall be payable solely from revenues or funds provided or to  
2 be provided under the provisions of this act and nothing in this  
3 act shall be construed to authorize the authority to incur any  
4 indebtedness or liability on behalf of or payable by the State or  
5 its political subdivisions.

6 10. In any resolution of the authority authorizing or relating to  
7 the issuance of any bonds or notes, the authority, in order to  
8 secure the payment of the bonds or notes and in addition to its  
9 other powers, shall have power by the resolutions which shall  
10 constitute covenants by the authority and contracts with the  
11 holders of the bonds or notes to:

12 a. Pledge all or any part of its rents, fees, tolls, revenues or  
13 receipts to which its right then exists or may thereafter come  
14 into existence, and the moneys derived therefrom, and the  
15 proceeds of any bonds or notes;

16 b. Pledge any lease or other agreement or the rents or  
17 revenues and their proceeds;

18 c. Mortgage all or any part of its property, real or personal,  
19 then owned or later acquired;

20 d. Covenant against pledging all or any part of its rents, fees,  
21 tolls, revenues or receipts or its leases or agreements or rents or  
22 other revenues from them or the proceeds of them, or against  
23 mortgaging all or any part of its real or personal property then  
24 owned or later acquired, or against permitting or suffering any  
25 lien on any of the foregoing;

26 e. Covenant with respect to limitations on any right to sell,  
27 lease or otherwise dispose of any project or its parts or any  
28 property of any kind;

29 f. Covenant as to any bonds and notes to be issued and their  
30 limitations, terms and conditions, and as to the custody,  
31 application, investment, and disposition of their proceeds;

32 g. Covenant as to the issuance of additional bonds or notes or  
33 as to limitations on the issuance of additional bonds or notes and  
34 on the incurring of other debts by it;

35 h. Covenant as to the payment of the principal of or interest  
36 on the bonds or notes, or any other obligations, as to the sources  
37 and methods of the payment, as to the rank or priority of the  
38 bonds, notes or obligations with respect to any lien or security or  
39 as to acceleration of the maturity of the bonds, notes or  
40 obligations;

41 i. Provide for the replacement of lost, stolen, destroyed or  
42 mutilated bonds or notes;

43 j. Covenant against extending the time for the payment of  
44 bonds or notes or interest on them;

45 k. Covenant as to the redemption of bonds or notes and  
46 privileges of their exchange for other bonds or notes of the  
47 authority;

48 l. Covenant as to the rates of toll and other charges to be  
49 established and charged, the amount to be raised each year or  
50 other period of time by tolls or other revenues and as to the use  
51 and disposition to be made of them;

52 m. Covenant to create or authorize the creation of special  
53 funds or moneys to be held in pledge or otherwise for  
54 construction, operating expenses, payment or redemption of

1 bonds or notes, reserves or other purposes and as to the use,  
2 investment, and disposition of the moneys held in the funds;

3 n. Establish the procedure, if any, by which the terms of any  
4 contract or covenant with or for the benefit of the holders of  
5 bonds or notes may be amended or abrogated, the amount of  
6 bonds or notes the holders of which shall consent thereto, and the  
7 manner in which the consent may be given;

8 o. Covenant as to the construction, improvement, operation or  
9 maintenance of its real and personal property, its replacement,  
10 the insurance to be carried on it, and the use and disposition of  
11 insurance moneys;

12 p. Provide for the release of property, leases or other  
13 agreements, or revenues and receipts from any pledge or  
14 mortgage and reserve rights and powers in, or the right to dispose  
15 of, property which is subject to a pledge or mortgage;

16 q. Provide for the rights and liabilities, powers and duties  
17 arising upon the breach of any covenant, condition or obligation  
18 and prescribe the events of default and the terms and conditions  
19 upon which the bonds, notes or other obligations of the authority  
20 shall become or may be declared due and payable before maturity  
21 and the terms and conditions upon which any declaration and its  
22 consequences may be waived;

23 r. Vest in trustees within or without the State property, rights,  
24 powers and duties in trust as the authority may determine,  
25 including the right to foreclose any mortgage, and limit the  
26 rights, duties and powers of a trustee;

27 s. Execute mortgages, bills of sale, conveyances, deeds of  
28 trust and other instruments necessary or convenient in the  
29 exercise of its powers or in the performance of its covenants or  
30 duties;

31 t. Pay the costs or expenses incident to the enforcement of  
32 the bonds or notes or of the provisions of the resolution or of any  
33 covenant or agreement of the authority with the holders of its  
34 bonds or notes;

35 u. Limit the powers of the authority to construct, acquire or  
36 operate any structures, facilities or properties which may  
37 compete or tend to compete with the center;

38 v. Limit the rights of the holders of any bonds or notes to  
39 enforce any pledge or covenant securing bonds or notes; and

40 w. Make covenants other than in addition to the covenants  
41 herein expressly authorized, of like or different character, and to  
42 make covenants to do or refrain from doing acts and things as  
43 may be necessary, or convenient and desirable, in order to better  
44 secure bonds or notes or which, in the discretion of the authority,  
45 will tend to make bonds or notes more marketable,  
46 notwithstanding that the covenants, acts or things may not be  
47 enumerated herein.

48 11. Any pledge of revenues, moneys, funds or other property  
49 made by the authority shall be valid and binding from the time  
50 when the pledge is made. The revenues, moneys, funds or other  
51 property so pledged and thereafter received by the authority shall  
52 immediately be subject to the lien of the pledge without any  
53 physical delivery or further act, and the lien of the pledge shall  
54 be valid and binding as against all parties having claims of any



1 kind in tort, contract or otherwise against the authority,  
2 irrespective of whether the parties have notice thereof. Neither  
3 the resolution nor any other instrument by which a pledge of  
4 revenues, moneys or funds is created need be filed or recorded  
5 except in the records of the authority.

6 12. a. The authority may establish reserves, funds or accounts  
7 1, in addition to those required pursuant to subsection b. of  
8 section 6 of this act,<sup>1</sup> as it determines necessary or desirable to  
9 further the accomplishment of the purposes of the authority <sup>1</sup>, to  
10 manage any funds that may be received other than those  
11 specified in subsection b. of section 6 of this act,<sup>1</sup> or to comply  
12 with the provisions of any agreement made by or any resolution  
13 of the authority.

14 b. <sup>1</sup>[The authority may create and establish a reserve fund in  
15 connection with the issuance of bonds to finance the initial  
16 development of the center, to be known as the debt service  
17 reserve fund, and may pay into the reserve fund (1) any moneys  
18 appropriated and made available by the county or the State for  
19 the purposes of the fund, (2) any proceeds of sale of the bonds, to  
20 the extent provided in the resolution of the authority authorizing  
21 their issuance, and (3) any other moneys which may be made  
22 available to the authority for the purposes of the fund from any  
23 other source. The moneys held in or credited to the debt service  
24 reserve fund established under this section, except as hereinafter  
25 provided, shall be used solely for the payment of the principal of  
26 the bonds of the authority secured by the reserve fund, as the  
27 same mature or become due, the purchase or retirement of the  
28 bonds, the payment of interest on the bonds or the payment of  
29 any redemption premium required to be paid when the bonds are  
30 redeemed prior to maturity, but moneys in the fund shall not be  
31 withdrawn therefrom at any time in an amount that would reduce  
32 the amount of the fund to less than the maximum debt service  
33 reserve, as hereinafter defined, with respect to the bonds then  
34 outstanding and secured by the reserve fund, except for the  
35 purpose of paying the principal of, interest on, the premium, if  
36 any, on, and the retirement of the bonds secured by the reserve  
37 fund maturing or becoming due and for the payment of which  
38 other moneys of the authority are not available. Maximum debt  
39 service reserve as used in this section means, as of any date of  
40 calculation and with respect to the bonds secured by the debt,  
41 terms of any contracts of the authority with the holders of the  
42 bonds to be provided in any succeeding calendar year for the  
43 payment of interest on and serial maturities of the bonds then  
44 outstanding and payments required by the terms of any contracts  
45 to be made to sinking funds established for the payment or  
46 redemption of the bonds, calculated on the assumption that the  
47 bonds will cease to be outstanding after the date of the  
48 calculation only by reason of the payment of the bonds at their  
49 respective maturities and the making of required payments to  
50 sinking funds and the application of those funds in accordance  
51 with the terms of the contracts to the retirement of the bonds.  
52 Any income or interest earned by, or increment to, the debt  
53 service reserve fund due to its investment may be transferred to  
54 any other fund or account of the authority to the extent it does

1 not reduce the amount of the debt service reserve fund below the  
2 maximum debt service reserve with respect to the bonds of the  
3 authority then outstanding and secured by the reserve fund.

4 c. The authority shall not issue bonds at any time if the  
5 maximum debt service reserve with respect to the bonds  
6 outstanding and then to be issued and secured by the debt service  
7 reserve fund will exceed the amount of the reserve fund at the  
8 time of issuance, unless the authority, at the time of issuance of  
9 the bonds, shall deposit in the reserve fund from the proceeds of  
10 the bonds so to be issued, or otherwise, an amount which,  
11 together with the amount then in the reserve fund, will be not  
12 less than the maximum debt service reserve with respect to the  
13 bonds then to be issued and on all other bonds of the authority  
14 then outstanding and secured by the reserve fund.

15 d. To assure the continued operation and solvency of the  
16 authority for the carrying out of the public purposes of this act,  
17 provision is made in this section for the accumulation in the debt  
18 service reserve fund of an amount equal to the maximum debt  
19 service reserve with respect to all bonds of the authority then  
20 outstanding and secured by the reserve fund. In order further to  
21 assure the maintenance of the debt service reserve fund, there  
22 shall be annually appropriated and paid to the authority for  
23 deposit in the debt service reserve fund a sum, if any, certified  
24 by the chairman of the authority to the Governor as necessary to  
25 restore the reserve fund to an amount equal to the maximum debt  
26 service reserve with respect to the bonds of the authority then  
27 outstanding and secured by the reserve fund. The chairman of  
28 the authority shall annually, on or before March 1, make and  
29 deliver to the Governor his certificate stating the sum, if any,  
30 required to restore the debt service reserve fund of the authority  
31 to the amount aforesaid, and the sum certified, if any, shall be  
32 appropriated and paid to the authority for deposit in the debt  
33 service reserve fund of the authority prior to the end of the first  
34 calendar month of the next succeeding State fiscal year. Any  
35 payments to be made by the State to the authority as aforesaid  
36 for deposit in the debt service reserve fund are subject to and  
37 dependent upon appropriations being made from time to time by  
38 the Legislature for that purpose.

39 e. In computing the debt service reserve fund for the purposes  
40 of this section, securities in which all or a portion of the debt  
41 service reserve fund shall be invested shall be valued at par, or if  
42 purchased at less than par, at their cost to the authority.

43 f.]<sup>1</sup> Nothing herein contained shall be deemed to cause the  
44 bonds or notes of the authority to be a debt or a liability of the  
45 State or its political subdivisions other than the authority, and  
46 the bonds and notes of the authority <sup>1</sup>[, whether or not payable  
47 from the debt service reserve fund created pursuant to this  
48 section,]<sup>1</sup> shall not create or constitute any indebtedness,  
49 liability or obligation of this State or any political subdivision or  
50 be or constitute a pledge of the faith and credit of the State or  
51 its political subdivisions.

52 13. a. The State pledges to and covenants and agrees with the  
53 holders of any bonds or notes issued pursuant to this act that the  
54 State will not limit or alter the rights or powers vested in the

1 authority to acquire, construct, maintain, improve, repair and  
2 operate the center in any way that would jeopardize the interest  
3 of those holders, or to perform and fulfill the terms of any  
4 agreement made with the holders of the bonds or notes, or to fix,  
5 establish, charge and collect rents, fees, rates or other charges as  
6 may be convenient or necessary to produce sufficient revenues to  
7 meet all expenses of the authority and fulfill the terms of any  
8 agreement made with the holders of the bonds and notes,  
9 together with interest thereon, with interest on any unpaid  
10 installments of interest, and all costs and expenses in connection  
11 with any action or proceedings by or on behalf of the holders,  
12 until the bonds, together with interest thereon, are fully met and  
13 discharged or provided for.

14 b. The State shall have the right, upon furnishing the authority  
15 with sufficient funds, to require the authority to redeem, pay or  
16 cause to be paid, at or prior to maturity, in whole or in part, any  
17 bonds issued by the authority under this act, provided the  
18 redemption or payment is made in accordance with the provision  
19 of any contract entered into by the authority with the holders of  
20 the bonds.

21 14. The State and all public officers, governmental units and  
22 agencies thereof, all banks, trust companies, savings banks and  
23 institutions, building and loan associations, savings and loan  
24 associations, investment companies, and other persons carrying  
25 on a banking business, all insurance companies, insurance  
26 associations and other persons carrying on an insurance business,  
27 and all executors, administrators, guardians, trustees and other  
28 fiduciaries may legally invest any sinking funds, moneys or other  
29 funds belonging to them or within their control in any bonds or  
30 notes issued pursuant to this act, and the bonds or notes shall be  
31 authorized security for any public deposits.

32 15. All counties and municipalities and other governmental  
33 subdivisions, authorities, and public departments, agencies and  
34 commissions of the State, notwithstanding any contrary provision  
35 of law, are authorized to lease, lend, grant or convey to the  
36 authority at its request upon terms and conditions as the  
37 governing body or other proper authorities of the counties,  
38 municipalities and governmental subdivisions, authorities and  
39 departments, agencies or commissions of the State deem  
40 reasonable and fair and without the necessity for any  
41 advertisement, order of court or other action or formality, other  
42 than the authorizing ordinance of the governing body of the  
43 municipality, the authorizing resolution of the governing body of  
44 the county, or the regular and formal action of any public body  
45 concerned, any real property or interest therein which may be  
46 necessary or convenient to the effectuation of the purposes of  
47 the authority, including public highways and real property already  
48 devoted to public use, provided that the real property is located  
49 within the site authorized for the center.

50 16. a. All facilities and other property of the authority are  
51 declared to be public property devoted to an essential public and  
52 governmental function and purpose and shall be exempt from all  
53 taxes and special assessments of the State or any political  
54 subdivision thereof, but when any part of the center not occupied

1 or to be occupied by facilities of the center is leased by the  
2 authority to another whose property is not exempt and the leasing  
3 of which does not make the real estate taxable, the estate  
4 created by the lease and its appurtenances shall be listed as the  
5 property of the lessee or his assignee, and be assessed and taxed  
6 as real estate. All bonds or notes issued pursuant to this act are  
7 declared to be issued by a body corporate and politic of the State  
8 and for an essential public and governmental purpose and the  
9 bonds and notes, and the interest thereon and the income  
10 therefrom, and all funds, revenues, income and other moneys  
11 received or to be received by the authority and pledged or  
12 available to pay or secure the payment of the bonds or notes, or  
13 interest thereon, shall be exempt from taxation except for  
14 transfer inheritance and estate taxes.

15 b. To the end that there does not occur an undue loss of future  
16 tax revenues by reason of the acquisition of real property by the  
17 authority or construction of additional facilities by the authority  
18 for the center, the authority annually shall make payments in lieu  
19 of taxes to the taxing jurisdiction in which the property is located  
20 in an amount computed in each year with respect to each taxing  
21 jurisdiction in an amount equal to the taxes which would have  
22 been assessed against the property acquired by the authority if  
23 the property were not exempt. The payments shall be made in  
24 each year commencing with the first year subsequent to the year  
25 in which the real property shall have been converted from a  
26 taxable to an exempt status by reason of its acquisition by the  
27 authority.

28 c. The authority is further authorized to enter into any  
29 agreement with any county or municipality in the State, whereby  
30 the authority will undertake to pay any additional amounts to  
31 compensate for any loss of tax revenues by reason of the  
32 acquisition of any real property by the authority for the center or  
33 to pay amounts to be used by the county or municipality in  
34 furtherance of the development of the center. Every county and  
35 municipality so located is authorized to enter into these  
36 agreements with the authority and to accept payments which the  
37 authority makes thereunder.

38 17. <sup>1</sup>[On or before the last day of February in each year the]  
39 The<sup>1</sup> authority, shall make an annual report of its activities for  
40 <sup>1</sup>[the] its<sup>1</sup> preceding <sup>1</sup>[calendar]<sup>1</sup> fiscal<sup>1</sup> year to the <sup>1</sup>[Governor,  
41 to the Legislature and to the governing body of the county which  
42 established the authority. The report shall set forth a complete  
43 operating and financial statement covering its operations during  
44 the year. The authority shall cause an audit of its books and  
45 accounts to be made at least once in each year by certified public  
46 accountants and the cost of the audit shall be considered an  
47 expense of the authority and a copy of it shall be filed with the  
48 Director of the Office of Management and Budget in the  
49 Department of the Treasury] Local Finance Board, pursuant to  
50 the provisions of the "Local Authorities Fiscal Control Law,"  
51 P.L.1983, c.313 (C.40A:5A-1 et seq.)<sup>1</sup>

52 <sup>1</sup>[18. All officers, departments, boards, agencies, divisions and  
53 commissions of the State are authorized to render any of their  
54 services to the authority as requested. The cost and expense of

1 these services shall be met and provided for by the authority.]<sup>1</sup>

2 <sup>1</sup>[19. It is the intent of the Legislature that if there is a  
3 conflict or inconsistency in the provisions of this act and any  
4 other acts pertaining to matters herein established or provided  
5 for or in any rules and regulations adopted under this act or other  
6 acts, to the extent of the conflict or inconsistency, the provisions  
7 of this act and the rules and regulations adopted hereunder shall  
8 be enforced and the provisions of the other acts and rules and  
9 regulations adopted thereunder shall be of no effect.]<sup>1</sup>

10 <sup>1</sup>[20.] 18.<sup>1</sup> This act shall take effect immediately.

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15 Authorizes counties to establish food distribution authorities.

1 and the provisions of the other acts and rules and regulations  
2 adopted thereunder shall be of no effect.

3 20. This act shall take effect immediately.

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#### STATEMENT

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8 This bill authorizes any county in the State to create a  
9 five-member county food distribution authority to establish and  
10 operate a county food distribution center to serve as a wholesale  
11 food outlet which may contain storage, distribution, and  
12 processing facilities for produce, meat, fish, dairy and other  
13 grocery products, as well as beverages and frozen foods.

14 Current law authorizes two regional food distribution centers  
15 in the State. One center serves the northern New Jersey area  
16 pursuant to the Hackensack Meadowlands Food Distribution  
17 Center Commission Law, P.L.1983, c.272 (C.13:17A-1 et seq.). A  
18 second regional center which is authorized pursuant to the South  
19 Jersey Food Distribution Authority Law, P.L.1985, c.383  
20 (C.4:26-1 et seq.), is to be developed at a site to serve the  
21 southern New Jersey area. This bill is intended to permit the  
22 various counties of the State to develop county food distribution  
23 facilities to enhance the extensive farming industry in the State  
24 and to meet the rapidly growing demands for food, especially in  
25 the central and southern areas of the State, by providing  
26 processors and purveyors of food with the capability to meet  
27 those demands. The bill is also intended to provide direct  
28 economic gains in jobs and services to those counties which  
29 establish county food distribution centers.

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Authorizes counties to establish food distribution authorities.

SENATE SENIOR CITIZENS, VETERANS AFFAIRS  
AND AGRICULTURE COMMITTEE

STATEMENT TO

**SENATE, No. 930**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 2, 1994

The Senate Senior Citizens, Veterans Affairs and Agriculture Committee favorably reports Senate Bill No. 930 with committee amendments.

This bill would authorize any county in the State to create a five-member county food distribution authority to establish and operate a county food distribution center to serve as a wholesale food outlet which may contain storage, distribution, and processing facilities for produce, meat, fish, dairy and other grocery products, as well as beverages and frozen foods.

Current law authorizes two regional food distribution centers in the State. One center serves the northern New Jersey area pursuant to the "Hackensack Meadowlands Food Distribution Center Commission Law," P.L.1983, c.272 (C.13:17A-1 et seq.). A second regional center, authorized pursuant to the "South Jersey Food Distribution Authority Law," P.L.1985, c.383 (C.4:26-1 et seq.), is to be developed at a site to serve the southern New Jersey area.

The committee adopted amendments which would provide: 1) for the creation, operation and dissolution of a county food distribution authority pursuant to the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq); 2) for the establishment of four year staggered terms for members; 3) for the election of a chairman and vice chairman; 4) that a majority of the authorized voting membership shall constitute a quorum; 5) that members shall be reimbursed for necessary expenses; 6) that certain county officers may serve as ex officio non-voting members; and, 7) that a member may be removed by the governing body of the county for incapacity, inefficiency or neglect of duty or misconduct in office or other disqualifying cause.

The amendments would also change the provisions requiring the authority to award all purchases, contracts or agreements pursuant to the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.).

Further, the amendments would stipulate that the balance of funds remaining after the payment of operating and maintenance costs, extraordinary repairs, and payments in lieu of taxes or related costs, and after the payment of or provision for debt service, shall be used according to any appropriate terms of authority bond resolutions.

Finally, the amendments would remove the provisions which requires the State to annually appropriate and pay to the authority for deposit in the debt service reserve fund a sum, if any, as necessary to restore the reserve fund to an amount equal to the maximum debt service reserve with respect to the bonds of the authority then outstanding and secured by the reserve fund.