



the New Jersey Highway Authority to provide the service as a self-liquidating toll project.

The ferry will not be a part of the Garden State Parkway, as defined in the referendum act (P.L. 1952, c. 17), which authorized a State guaranty of certain bonds of the New Jersey Highway Authority. Accordingly, bonds issued by the New Jersey Highway Authority to finance the cost of the ferry will not be eligible for guaranty by the State.

It was not amended during passage.

Chapter 164 of 1953 repealed the Cape May-Lewes Ferry Act of 1951, c. 15 which had the following definition of project:

The word "project" shall mean any improvement, construction, development or operation devised or undertaken by the commissioner pursuant to the provisions of this act, together with all property, rights, easements, franchises and interests which may be acquired in connection therewith.

The 1951 act had no statement and had passed without amendment.

Section 2 of the Highway Authority Act was amended in 1961, by Laws 1961, chapter 25, Senate 102. The bills are enclosed.

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4 provisions or application and to this end the provisions of this act are de-  
5 clared to be severable.

1 27. All other general or special laws, or parts thereof, inconsistent here-  
2 with are hereby declared to be inapplicable to the provisions of this act.

1 28. This act shall take effect immediately.

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*Sponsor's* STATEMENT

The object of this bill is stated in its title.

[THIRD OFFICIAL COPY REPRINT]

COMMITTEE SUBSTITUTE FOR

**ASSEMBLY, No. 10**

**STATE OF NEW JERSEY**

ADOPTED MARCH 17, 1952

AN Act to facilitate vehicular traffic in the State of New Jersey by providing for the acquisition, construction, maintenance, repair and operation of highway projects; creating the New Jersey Highway Authority and defining its powers and duties; authorizing and establishing the location for a highway project; providing for the regulation of traffic on such projects and prescribing proceedings and penalties for violations thereof; providing for issuance of bonds or notes of the Authority and the terms and security thereof; and providing for the collection of tolls and other charges to pay the cost of acquisition, construction, maintenance, repair and operation of such projects and to pay such bonds and notes and the interest thereon.

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

1 1. This act shall be known as, and may be cited as, "The New Jersey  
2 Highway Authority Act."

1 2. In order to facilitate vehicular traffic and remove the present handi-  
2 caps and hazards on the congested highways in the State, and to provide for  
3 the construction of modern express highways embodying every known safety  
4 device including center divisions, ample shoulder widths, long-sight distances,  
5 multiple lanes in each direction and grade separations at all intersections  
6 with other highways and railroads, the New Jersey Highway Authority  
7 (hereinafter created) is hereby authorized and empowered to acquire, con-

8 struct, maintain, repair and operate highway projects (as hereinafter de-  
9 fined) at the locations hereinafter established and at such other locations as  
10 shall be established by law.

1 3. As used in this act, the following words and terms shall have the fol-  
2 lowing meanings, unless the context shall indicate another or different mean-  
3 ing or intent:

4 (a) "Authority" means the New Jersey Highway Authority, created by  
5 section four of this act, or, if said Authority shall be abolished, the board,  
6 body or commission succeeding to the principal functions thereof or to whom  
7 the powers given by this act to the Authority shall be given by law.

8 (b) "Commissioner" means the State Highway Commissioner.

9 (c) "Department" means the State Highway Department.

10 (d) "Project" or "highway project" means any express highway, super-  
11 highway or motorway at such locations and between such termini as herein  
12 established or as may hereafter be established by law, and acquired or to be  
13 acquired or constructed or to be constructed under the provisions of this act  
14 by the Authority, over which abutters have no easement or right of light, air  
15 or direct access by reason of the fact that their properties abut thereon, to-  
16 gether with such adjoining park or recreational areas and facilities as the  
17 Authority, with the concurrence of the Department of Conservation and Eco-  
18 nomic Development, shall find to be necessary and desirable to promote the  
19 public health and welfare and feasible for development pursuant to this act,  
20 and shall include but not be limited to all bridges, tunnels, overpasses, under-  
21 passes, interchanges, traffic circles, grade separations, entrance plazas, ap-  
22 proaches, toll houses, service areas, service stations, service facilities, com-  
23 munications facilities, and administration, storage and other buildings which  
24 the Authority may deem necessary for the operation of such project, to-  
25 gether with all property, rights, easements and interests which may be ac-

26 quired by the Authority for the construction or the operation of suc  
27 project.

28 (e) "Bonds" or "revenue bonds" means bonds of the Authority au-  
29 thorized under the provisions of this act.

30 (f) "Public highway" means and shall include any public highway, road  
31 or street in the State, whether maintained by the State or by any county,  
32 city, borough, town, township, village, or other political subdivision.

33 (g) "Feeder road" means any road which in the opinion of the Author-  
34 ity is necessary to create or facilitate access to a project.

35 (h) "Owner" means and shall include all individuals, copartnerships,  
36 associations, private or municipal corporations and all political subdivisions  
37 of the State having any title or interest in any property, rights, easements  
38 and interests authorized to be acquired by this act.

1 4. There is hereby established in the State Highway Department a body  
2 corporate and politic, with corporate succession, to be known as the "New  
3 Jersey Highway Authority." The Authority is hereby constituted an instru-  
4 mentality exercising public and essential governmental functions, and the  
5 exercise by the Authority of the powers conferred by this act in the construc-  
6 tion, operation and maintenance of projects shall be deemed and held to be an  
7 essential governmental function of the State.

8 The New Jersey Highway Authority shall consist of three members, each  
9 of whom shall be a resident of the State, who shall have been a qualified  
10 elector therein for a period of at least one year next preceding his appoint-  
11 ment. Each member of the Authority shall be appointed by the Governor,  
12 with the advice and consent of the Senate, for a term of nine years and shall  
13 serve until his successor is appointed and has qualified; except that of the  
14 first appointments hereunder, one shall be for a term of three years and one  
15 for a term of six years, and they shall serve until their respective succes-  
16 sors are appointed and have qualified. The term of each of the first appoint-  
17 ees hereunder shall be designated by the Governor. Each member of the  
18 Authority may be removed from office by the Governor, for cause, after a

19 public hearing. Each member of the Authority before entering upon his  
20 duties shall take and subscribe an oath to perform the duties of his office  
21 faithfully, impartially and justly to the best of his ability. A record of such  
22 oaths shall be filed in the office of the Secretary of State.

23 Any vacancies in the membership of the Authority occurring other than  
24 by expiration of term shall be filled in the same manner as the original ap-  
25 pointment, but for the unexpired term only.

26 The Governor shall designate one of the members of the Authority as  
27 chairman thereof and another member as vice-chairman thereof. The chair-  
28 man and vice-chairman of the Authority so designated shall serve as such at  
29 the pleasure of the Governor and until their respective successors have been  
30 designated. The Authority shall elect a secretary and a treasurer who need  
31 not be members. At the option of the Authority the same person may be  
32 elected to serve both as secretary and treasurer. Two members of the Au-  
33 thority shall constitute a quorum and the vote of two members shall be neces-  
34 sary for any action taken by the Authority. No vacancy in the membership  
35 of the Authority shall impair the right of a quorum to exercise all the rights  
36 and perform all the duties of the Authority.

37 Before the issuance of any bonds or notes under the provisions of this  
38 act, each member of the Authority shall execute a surety bond in the penal  
39 sum of twenty-five thousand dollars (\$25,000.00), and the treasurer shall ex-  
40 ecute a surety bond in the penal sum of fifty thousand dollars (\$50,000.00), each  
41 such surety bond to be conditioned upon the faithful performance of the  
42 duties of the office of such member or treasurer, as the case may be, to be ex-  
43 ecuted by a surety company authorized to transact business in the State of  
44 New Jersey as surety and to be approved by the Attorney-General and filed  
45 in the office of the Secretary of State.

46 The members of the Authority shall not receive compensation for their  
47 services as members of the Authority. Each member shall be reimbursed by  
48 the Authority for his actual expenses necessarily incurred in the perform-  
49 ance of his duties.

1 5. The Authority shall be a body corporate and politic and shall have  
2 perpetual succession and shall have the following powers:

3 (a) To adopt by-laws for the regulation of its affairs and the conduct of  
4 its business;

5 (b) To adopt an official seal and alter the same at pleasure;

6 (c) To maintain an office at such place or places within the State as it  
7 may designate;

8 (d) To sue and be sued in its own name;

9 (e) To acquire, construct, maintain, repair and operate projects;

10 (f) To acquire in co-operation with the Department of Conservation and  
11 Economic Development limited roadside areas adjoining said projects and  
12 transfer any or all of such areas to the Department of Conservation and Eco-  
13 nomic Development so that said department may maintain such areas as  
14 roadside parks;

15 (g) To issue bonds or notes of the Authority and to provide for the  
16-17 rights of the holders thereof as provided in this act;

18 (h) To fix and revise from time to time and charge and collect tolls or  
19 other charges for transit over or use of any project acquired or constructed  
20 by it;

21 (i) To establish rules and regulations for the use of any project;

22 (j) To acquire, hold and dispose of real and personal property in the  
23 exercise of its powers and the performance of its duties under this act;

24 (k) To acquire in the name of the Authority by purchase or otherwise, on  
25 such terms and conditions and in such manner as it may deem proper, or by  
26 the exercise of the power of eminent domain, any land and other property  
27 which it may determine is reasonably necessary for any project or for the  
28 relocation or reconstruction of any public highway by the Authority under  
29 the provisions of this act or for the construction of any feeder road which  
30 the Authority is or may be authorized to construct and any and all rights,  
31 title and interest in such land and other property, including public lands,

32 parks, playgrounds, reservations, highways or parkways, owned by or in  
 33 which any county, city, borough, town, township, village, or other political  
 34 subdivision of the State of New Jersey has any right, title or interest, or  
 35 parts thereof or rights therein and any fee simple absolute or any lesser in-  
 36 terest in private property, and any fee simple absolute in, easements upon,  
 37 or the benefit of restrictions upon abutting property to preserve and protect  
 38 projects;

39 (l) To locate and designate, and to establish, limit and control such  
 40 points of ingress to and egress from each project as may be necessary or de-  
 41 sirable in the judgment of the Authority to insure the proper operation and  
 42 maintenance of such project, and to prohibit entrance to such project from  
 43 any point or points not so designated;

44 (m) To make and enter into all contracts and agreements necessary or  
 45 incidental to the performance of its duties and the execution of its powers  
 46 under this act;

47 (n) To construct, maintain, repair and operate any feeder road or any  
 48 public highway connecting parts of a project or two or more projects which  
 49 in the opinion of the Authority will increase the use of a project or projects,  
 50 to take over for maintenance, repair and operation any existing public high-  
 51 way as a feeder road, and to realign any such existing public highway and  
 52 build additional sections of road over new alignment in connection with such  
 53 existing public highway;

54 (o) To appoint such additional officers (who need not be members of the  
 55 Authority) and employ such consulting engineers, attorneys, accountants,  
 56 construction and financial experts, superintendents, managers and other em-  
 57 ployees and agents as the Authority deems advisable and as may be neces-  
 58 sary in its judgment; to fix their compensation; and to promote and discharge  
 59 such officers, employees and agents; all without regard to the provisions of  
 60 Title 11 of the Revised Statutes;

61 (p) To receive and accept from any Federal agency, subject to the ap-  
 62 proval of the Governor, grants for or in aid of the acquisition or construc-



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tion of any project, and to receive and accept aid or contributions, except appropriations by the Legislature, from any source, of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants and contributions may be made; and

(q) To do all acts and things necessary or convenient to carry out the powers and duties expressly provided in this act.

Nothing contained in this act shall be construed to authorize or empower the Authority to acquire State property by the exercise of the power of eminent domain.

6. The Authority shall have power to construct and reconstruct traffic circles, interchanges and grade separations at intersections of any project with public highways and to change and adjust the lines and grades of such highways so as to accommodate the same to the design of such grade separation. The cost of construction and any damage incurred in changing and adjusting the lines and grades of such highways shall be ascertained and paid by the Authority as a part of the cost of such project.

If the Authority shall find it necessary in connection with any project to change the location of any portion of any public highway, it shall cause the same to be reconstructed at such location as the Authority shall deem most favorable and of substantially the same type and in as good condition as the original highway. The cost of such reconstruction and any damage incurred in changing the location of any such highway shall be ascertained and paid by the Authority as a part of the cost of such project.

Any public highway affected by the construction of any project may be vacated or relocated by the Authority in the manner now provided by law for the vacation or relocation of public roads and any damages awarded on account thereof shall be paid by the Authority as a part of the cost of such project.

In addition to the foregoing powers the Authority and its authorized agents and employees may enter upon any lands, waters and premises in the State for the purpose of making surveys, soundings, drillings and exam-

23 inations as it may deem necessary or convenient for the purposes of this  
24 act, and such entry shall not be deemed a trespass, nor shall such entry for  
25 such purpose be deemed an entry under any condemnation proceedings which  
26 may be then pending. The Authority shall make reimbursement for any ac-  
27 tual damages resulting to such lands, waters and premises as a result of  
28 such activities.

29 The Authority shall also have power to make reasonable regulations for  
30 the installation, construction, maintenance, repair, renewal, relocation and  
31 removal of tracks, pipes, mains, conduits, cables, wires, towers, poles  
32 and other equipment and appliances (herein called "public utility facilities")  
33 of any public utility as defined in section 27:7-1 of the Revised Statutes, in,  
34 on, along, over or under any project. Whenever the Authority shall deter-  
35 mine that it is necessary that any such public utility facilities which now are,  
36 or hereafter may be, located in, on, along, over or under any project should  
37 be relocated in such project, or should be removed from such project, the  
38 public utility owning or operating such facilities shall relocate or remove the  
39 same in accordance with the order of the Authority; *provided, however*, that  
40 the cost and expenses of such relocation or removal, including the cost of  
41 installing such facilities in a new location, or new locations, and the cost of  
42 any lands, or any rights or interests in lands, and any other rights acquired  
43 to accomplish such relocation or removal, less the cost of any lands or any  
44 rights or interests in lands or any other rights of the public utility paid to  
45 the public utility in connection with the relocation or removal of such prop-  
46 erty, shall be ascertained and paid by the Authority as a part of the cost of  
47 such project. In case of any such relocation or removal of facilities, as  
48 aforesaid, the public utility owning or operating the same, its successors or  
49 assigns, may maintain and operate such facilities, with the necessary ap-  
50 purtenances, in the new location or new locations, for as long a period, and  
51 upon the same terms and conditions, as it had the right to maintain and op-  
52 erate such facilities in their former location or locations.

53 If the Authority, by resolution, determines that it is a reasonable public  
54 necessity to acquire, for any project, lands owned by or under the control  
55 or jurisdiction of any county park commission, it shall, within ten days after  
56 its adoption of said resolution, serve a copy of said resolution upon the  
57 said park commission. The park commission may within twenty days after  
58 said service upon it appeal from the said determination of the Authority  
59 to the Appellate Division of the Superior Court, which shall hear and de-  
60 termine the question of whether or not the taking of the land in question in  
61 preference to some other route, is a reasonable public necessity; and if said  
62 court shall determine that said taking is such a reasonable public necessity,  
63 the Authority may thereupon proceed therewith.

1 7. Upon the exercise of the power of eminent domain by the Authority,  
2 the compensation to be paid thereunder shall be ascertained and paid in the  
3 manner provided in chapter one of Title 20 of the Revised Statutes in so far  
4 as the provisions thereof are applicable and not inconsistent with the provi-  
5 sions contained in this act. The Authority may join in separate subdivi-  
6 sions in one petition or complaint the descriptions of any number of tracts  
6a or parcels of land or property to be condemned, and the names of any  
7 number of owners and other parties who may have an interest therein and  
8 all such land or property included in said petition or complaint may be con-  
9 demned in a single proceeding; *provided, however,* that separate awards be  
10 made for each tract or parcel of land or property; *and provided, further,*  
11 that each of said tracts or parcels of land or property lies wholly in or has a  
12 substantial part of its value lying wholly within the same county.

13 Upon the filing of such petition or complaint or at any time thereafter  
14 the Authority may file with the clerk of the county in which such property  
15 is located and also with the Clerk of the Superior Court a declaration of tak-  
16 ing, signed by the Authority, declaring that possession of one or more of the  
17 tracts or parcels of land or property described in the petition or complaint is  
18 thereby being taken by and for the use of the Authority. The said declara-  
19 tion of taking shall be sufficient if it sets forth (1) a description of each

20 tract or parcel of land or property to be so taken sufficient for the identifica-  
 21 tion thereof to which there may or may not be attached a plan or map  
 22 thereof; (2) a statement of the estate or interest in the said land or property  
 23 being taken; (3) a statement of the sum of money estimated by the Authority  
 24 by resolution to be just compensation for the taking of the estate or interest  
 25 in each tract or parcel of land or property described in said declaration; and  
 26 (4) that, in compliance with the provisions of this act, the Authority has es-  
 27 tablished and is maintaining a trust fund as hereinafter provided.

28       Upon the filing of the said declaration, the Authority shall deposit with  
 29 the Clerk of the Superior Court the amount of the estimated compensation  
 30 stated in said declaration. In addition to the said deposits with the Clerk  
 31 of the Superior Court the Authority at all times shall maintain a special  
 32 trust fund on deposit with a bank or trust company doing business in this  
 33 State in an amount at least equal to twice the aggregate amount deposited  
 34 with the Clerk of the Superior Court as estimated compensation for all  
 35 property described in declarations of taking with respect to which the  
 36 compensation has not been finally determined and paid to the persons entitled  
 37 thereto or into court. Said trust fund shall consist of cash or securities  
 38 readily convertible into cash constituting legal investments for trust funds  
 39 under the laws of this State. Said trust fund shall be held solely to secure  
 40 and may be applied to the payment of just compensation for the land or other  
 41 property described in such declaration of taking. The Authority shall be  
 42 entitled to withdraw from said trust fund from time to time so much as may  
 43 then be in excess of twice the aggregate of the amount deposited with the  
 44 Clerk of the Superior Court as estimated compensation for all property  
 45 described in declarations of taking with respect to which the compensation  
 46 has not been finally determined and paid to the persons entitled thereto  
 47 or into court.

48       Upon the filing of the said declaration as aforesaid and depositing  
 49 with the Clerk of the Superior Court the amount of the estimated compensa-  
 50 tion stated in said declaration, the Authority, without other process or pro-

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51 ceedings, shall be entitled to the exclusive possession and use of each tract  
52 of land or property described in said declaration and may forthwith enter  
53 into and take possession of said land or property, it being the intent of  
54 this provision that the proceedings for compensation or any other proceed-  
55 ings relating to the taking of said land or interest therein or other property  
56 shall not delay the taking of possession thereof and the use thereof by the  
57 Authority for the purpose or purposes for which the Authority is authorized  
58 by law to acquire or condemn such land or other property or interest therein.

59     The Authority shall cause notice of the filing of said declaration and  
60 the making of said deposit to be served upon each party in interest named  
61 in the petition residing in this State, either personally or by leaving a  
62 copy thereof at his residence, if known and upon each party in interest  
63 residing out of the State, by mailing a copy thereof to him at his residence,  
64 if known. In the event that the residence of any such party or the name  
65 of such party is unknown, such notice shall be published at least once in a  
66 newspaper published or circulating in the county or counties in which the  
67 land is located. Such service, mailing or publication shall be made within  
68 ten days after filing such declaration. Upon the application of any party  
69 in interest and after notice to other parties in interest, including the  
70 Authority, any judge of the Superior Court assigned to sit for said county  
71 may order that the money deposited with the Clerk of the Superior Court or  
72 any part thereof be paid forthwith to the person or persons entitled thereto  
73 for or on account of the just compensation to be awarded in said proceeding;  
74 *provided*, that each person shall have filed with the Clerk of the Supe-  
75 rior Court a consent in writing that, in the event the award in the con-  
76 demnation proceeding shall be less than the amount deposited, the court,  
77 after notice as herein provided and hearing, may determine his liability,  
78 if any, for the return of such difference or any part thereof and enter  
79 judgment therefor. If the amount of the award as finally determined shall  
80 exceed the amount so deposited, the person or persons to whom the award  
81 is payable shall be entitled to recover from the Authority the difference

82 between the amount of the deposit and the amount of the award, with interest  
83 at the rate of six per centum (6%) per annum thereon from the date of  
84 making the deposit. If the amount of the award shall be less than the  
85 amount so deposited, the Clerk of the Superior Court shall return the  
86 difference between the amount of the award and the deposit to the Authority  
87 unless the amount of the deposit or any part thereof shall have theretofore  
88 been distributed, in which event the court, on petition of the Authority and  
89 notice to all persons interested in the award and affording them an oppor-  
90 tunity to be heard, shall enter judgment in favor of the Authority for such  
91 difference against the party or parties liable for the return thereof. The  
92 Authority shall cause notice of the date fixed for such hearing to be served  
93 upon each party thereto residing in this State either personally or by  
94 leaving a copy thereof at his residence, if known, and upon each party  
95 residing out of the State by mailing a copy to him at his residence, if  
96 known. In the event that the residence of any party or the name of such  
97 party is unknown, such notice shall be published at least once in a newspaper  
98 published or circulating in the county or counties in which the land is  
99 located. Such service, mailing or publication shall be made at least ten  
100 days before the date fixed for such hearing.

101 Whenever under chapter one of Title 20 of the Revised Statutes the  
102 amount of the award may be paid into court, payment may be made into the  
103 Superior Court and may be distributed according to law. The Authority shall  
104 not abandon any condemnation proceeding subsequent to the date upon which  
105 it has taken possession of the land or property as herein provided.

1 8. (a) The Authority shall have the power and is hereby authorized  
2 from time to time to issue its negotiable bonds or notes for any of its cor-  
3 porate purposes, including the payment, funding or refunding of principal of  
4 or interest or redemption premiums on any bonds or notes issued by it  
5 whether the bonds or notes to be funded or refunded have or have not  
6 matured.

7 (b) Except as may be otherwise expressly provided by the Authority,  
8 every issue of bonds or notes shall be general obligations payable out of any

9 moneys or revenues of the Authority, subject only to any agreements with the  
 10 holders of particular bonds or notes pledging any particular moneys or  
 11 revenues.

12 (c) Whether or not bonds or notes issued by the Authority are of such  
 13 form and character as to be negotiable instruments, such bonds and notes  
 14 shall be fully negotiable within the meaning and for all the purposes of the  
 15 Negotiable Instruments Law.

16 (d) The Authority may issue temporary or interim bonds, pending the  
 17 preparation of definitive bonds, exchangeable for definitive bonds.

18 (e) Bonds and notes shall be authorized by resolution of the Authority and  
 19 shall bear such date or dates, mature at such time or times, bear interest at  
 20 such rate or rates not exceeding six per centum (6%) per annum, be in such  
 21 denominations, be in such form either coupon or registered, carry such regis-  
 22 tration privileges, be executed in such manner, be payable in such medium  
 23 of payment and at such place or places, and be subject to such terms of re-  
 24 demption with or without premium as such resolution or resolutions may pro-  
 25 vide. Bonds or notes may be sold at public or private sale, for such price or  
 26 prices as the Authority shall determine.

27 (f) Any resolution of the Authority authorizing the issuance of bonds or  
 28 notes may appoint a trustee or trustees, a paying agent or paying agents,  
 29 or such other fiduciaries as such resolution may provide. Any trustee, pay-  
 30 ing agent and other fiduciary so appointed may be any trust company or bank  
 31 having the powers of a trust company within or without the State.

1 9. (a) In order to secure the payment of its bonds or notes, the Author-  
 2 ity shall have power in the resolution authorizing the issuance thereof (which  
 3 shall constitute a contract with the holders thereof):

4 (i) to pledge all or any part of its tolls or revenues to which its  
 5 right then exists or may thereafter come into existence, and the moneys  
 6 derived therefrom, and the proceeds of bonds or notes;

7 (ii) to covenant against pledging all or any part of its tolls or reve-  
 8 nues, or against mortgaging all or any part of its real or personal prop-

erty then owned or thereafter acquired, or against permitting or suffering any lien on such tolls, revenues or property; to covenant with respect to limitations on any right to sell, lease or otherwise dispose of any project or any part thereof, or any property of any kind;

(iii) to covenant as to the bonds and notes to be issued and the limitations thereon and the terms and conditions thereof and as to the custody, application and disposition of the proceeds thereof, and to covenant as to the issuance of additional bonds or notes or as to limitations on the issuance of additional bonds or notes and on the incurring of other debts by it;

(iv) to covenant as to the payment of the principal of or interest on the bonds or notes, or any other obligations, as to the sources and methods of such payment, as to the rank or priority of any such bonds, notes or obligations with respect to any lien or security or as to the acceleration of the maturity of any such bonds, notes or obligations;

(v) to provide for the replacement of lost, destroyed or mutilated bonds or notes;

(vi) to covenant against extending the time for the payment of bonds or notes or interest thereon;

(vii) to covenant as to the redemption of bonds or notes and privileges of exchange thereof for other bonds or notes of the Authority;

(viii) to covenant as to the rates of toll and other charges to be established and charged, the amount to be raised each year or other period of time by tolls or other revenues and as to the use and disposition to be made thereof; to create or authorize the creation of special funds or moneys to be held in pledge or otherwise for construction, operating expenses, payment or redemption of bonds or notes, reserves or other purposes and to covenant as to the use and disposition of the moneys held in such funds;

(ix) to establish the procedure, if any, by which the terms of any contract or covenant with or for the benefit of the holders of bonds or

40 notes may be amended or abrogated, the amount of bonds or notes the  
41 holders of which must consent thereto, and the manner in which such  
42 consent may be given ;

43 (x) to covenant as to the maintenance of its real and personal  
44 property, the replacement thereof, the insurance to be carried thereon,  
45 and the use and disposition of insurance moneys ;

46 (xi) to provide for the rights and liabilities, powers and duties aris-  
47 ing upon the breach of any covenant, condition or obligation; to pre-  
48 scribe the events of default and the terms and conditions upon which any  
49 or all of the bonds or notes shall become or may be declared due and  
50 payable before maturity and the terms and conditions upon which any  
51 such declaration and its consequences may be waived ;

52 (xii) to vest in a trustee or trustees such property, rights, powers  
53 and duties in trust for the holders of bonds or notes as the Authority  
54 may determine; to limit or abrogate the rights of the holders of such  
55 bonds or notes to appoint such trustee, or to limit the rights, duties and  
56 powers of such trustee ;

57 (xiii) to limit the rights of the holders of bonds or notes to enforce  
58 any pledge or covenant securing the bonds or notes ; and

59 (xiv) to make covenants other than and in addition to the covenants  
60 herein expressly authorized, of like or different character; and to make  
61 such covenants to do or refrain from doing such acts and things as may  
62 be necessary or convenient or desirable in order to better secure the  
63 bonds or notes or which, in the absolute discretion of the Authority, will  
64 tend to make the bonds or notes more marketable, notwithstanding that  
65 such covenants, acts or things may not be enumerated herein.

66 (b) Any pledge of tolls or other revenues or other moneys made by the  
67 Authority shall be valid and binding from the time when the pledge is made ;  
68 the tolls or other revenues or other moneys so pledged and thereafter re-  
69 ceived by the Authority shall immediately be subject to the lien of such pledge  
70 without any physical delivery thereof or further act, and the lien of any such

71 pledge shall be valid and binding as against all parties having claims of any  
72 kind in tort, contract or otherwise against the Authority, irrespective of  
73 whether such parties have notice thereof. Neither the resolution nor any  
74 other instrument by which a pledge is created need be filed or recorded ex-  
75 cept in the records of the Authority. Resolutions providing for the issuance  
76 of bonds or notes shall not convey or mortgage any project or any part thereof.

77 (c) Bonds or notes may be issued under the provisions of this act with-  
78 out obtaining the consent of any department, division, commission, board,  
79 bureau or agency of the State, and without any other proceeding or the hap-  
80 pening of any other conditions or things than those proceedings, conditions  
81 or things which are specifically required by this act.

82 (d) The Authority shall not have power to mortgage real property.

83 (e) Moneys of the Authority or moneys held in pledge or otherwise for  
84 the payment of bonds or notes or in any way to secure bonds or notes and  
85 deposits of such moneys may be secured in such manner as the Authority may  
86 require and all banks and trust companies are authorized to give such secur-  
87 ity therefor.

88 (f) Neither the members of the Authority nor any person executing  
89 bonds or notes shall be liable personally on the bonds or notes or be subject to  
90 any personal liability or accountability by reason of the issuance thereof.

91 (g) The Authority shall have the power to purchase bonds or notes out  
92 of any funds available therefor. The Authority may hold, cancel or resell  
93 such bonds or notes subject to and in accordance with agreements with  
94 holders of its bonds and notes.

1 10. Except as otherwise provided by or pursuant to any law or laws here-  
2 after submitted to the people pursuant to Section II of Article VIII of the  
3 State Constitution and approved by a majority of the legally qualified voters  
4 of the State voting thereon, bonds or notes issued under the provisions of  
5 this act shall not constitute a debt or liability of the State or of any political  
6 subdivision thereof or a pledge of the faith and credit of the State or of any  
7 such political subdivision, and all such bonds or notes shall contain on the face  
8 thereof a statement to that effect.

1 11. The State of New Jersey does pledge to and agree with the holders  
 2 of the bonds or notes issued pursuant to authority contained in this act, that  
 3 the State will not limit or restrict the rights hereby vested in the Authority  
 4 to maintain, acquire, construct, reconstruct and operate any project as defined  
 5 in this act or to establish and collect such tolls or other charges as may be  
 6 convenient or necessary to produce sufficient revenues to meet the expenses  
 7 of maintenance and operation thereof and to fulfill the terms of any agree-  
 8 ments made with the holders of bonds or notes authorized by this act or in any  
 9 way impair the rights or remedies of the holders of such bonds or notes until  
 10 the bonds and notes, together with interest thereon, are fully paid and  
 11 discharged.

1 12. Bonds and notes issued by the Authority under the provisions of this  
 2 act are hereby made securities in which the State and all political subdivisions  
 3 of this State, their officers, boards, commissions, departments or other agen-  
 4 cies, all banks, bankers, savings banks, trust companies, savings and loan as-  
 5 sociations, investment companies and other persons carrying on a banking  
 6 business, all insurance companies, insurance associations, and other persons  
 7 carrying on an insurance business, and all administrators, executors, guard-  
 8 ians, trustees and other fiduciaries, and all other persons whatsoever  
 9 who now are or may hereafter be authorized to invest in bonds or other  
 10 obligations of the State, may properly and legally invest any funds, including  
 11 capital belonging to them or within their control; and said bonds and notes  
 12 are hereby made securities which may properly and legally be deposited  
 13 with and received by any State or municipal officers or agency of the State  
 14 for any purpose for which the deposit of bonds or other obligations of the  
 15 State is now or may hereafter be authorized by law.

1 13. The Authority may by resolution determine to combine two or more  
 2 projects described in such resolution, and the projects so described shall  
 3 thereafter constitute and be deemed to be one project within the meaning and  
 4 for all the purposes of this act.

1-11 14. The Authority is hereby authorized to fix, revise, charge and collect  
 12 tolls and charges for the use of each project and the different parts or sec-

13 tions thereof, and to contract with any person, partnership, association or  
14 corporation desiring the use of any part thereof, including the right-of-way  
15 adjoining a paved portion, for placing thereon telephone, telegraph, electric  
16 light or power lines, gas stations, garages, stores, hotels, and restaurants, or  
17 for any other purpose except for tracks for railroad or railway use, and to  
18 fix the terms, conditions, rents and rates of charges for such use; *provided*,  
19 that a sufficient number of gas stations may be authorized to be established  
20 in each service area along any project to permit reasonable competition by  
21 private business in the public interest; and *provided, further*, that no con-  
22 tract shall be required, and no rent, fee or other charge of any kind shall be  
23 imposed, for the use and occupation of the highway portion of any project  
24 for the installation, construction, use, operation, maintenance, repair, re-  
25 newal, relocation or removal of tracks, pipes, mains, conduits, cables, wires,  
26 towers, poles or other equipment or appliances in, on, along, over or under  
27 any such project by any public utility as defined in section 27:7-1 of the Re-  
28 vised Statutes which is subject to taxation pursuant to either chapter four  
29 of the laws of nineteen hundred and forty, as amended (R. S. 54:31-15.14  
30 et seq.), or chapter five of the laws of nineteen hundred and forty, as  
31 amended (R. S. 54:31-45 et seq.), or pursuant to any other law imposing a  
32 tax for the privilege of using the public streets, highways, roads or other  
33 public places in this State. Such tolls and charges shall be so fixed and  
34 adjusted as to effectuate the purposes of this act and in any event to carry  
35 out and perform the terms and provisions of any contract with or for the  
36 benefit of holders of bonds or notes. Such tolls and charges shall not be sub-  
37 ject to supervision or regulation by any other commission, board, bureau or  
38 agency of the State. The use and disposition of tolls, charges and revenues  
39 shall be subject to the provisions of any resolution authorizing the issuance  
40 of such bonds or notes.

1 15. Before taking over any existing public highway as a feeder road,  
2 the Authority shall obtain the consent of any authorities then exercising  
3 jurisdiction over said highway, which are hereby authorized to give such

4 consent by resolution. Each feeder road or section thereof acquired, con-  
 5 structed or taken over in connection with a project by the Authority shall  
 6 for all purposes of this act be deemed to constitute part of the project,  
 7 except that no toll shall be charged for transit between points on such  
 8 feeder road and that the Authority may turn back to such authorities (a) any  
 9 public highway taken over as a feeder road from such authorities or (b) any  
 10 feeder road or section thereof constructed upon a new alignment in substi-  
 11 tution for the previous alignment of a public highway so taken over unless  
 12 eighty per centum (80%) or more of such feeder road is constructed upon  
 13 a new alignment.

1 16. The exercise of the powers granted by this act will be in all respects  
 2 for the benefit of the people of the State, for the increase of their commerce  
 3 and prosperity, and for the improvement of their health and living condi-  
 4 tions, and as the operation and maintenance of projects by the Authority will  
 5 constitute the performance of essential governmental functions, the Author-  
 6 ity shall not be required to pay any taxes or assessments upon any project  
 7 or any property acquired or used by the Authority under the provisions of  
 8 this act or upon the income therefrom, and every project and any property  
 9 acquired or used by the Authority under the provisions of this act and the  
 10 income therefrom, and the bonds or notes issued under the provisions of this  
 11 act, their transfer and the income therefrom (including any profit made on  
 12 the sale thereof) shall be exempt from taxation.

1 17. (a) Each project when constructed and opened to traffic shall be  
 2 maintained and kept in good condition and repair by the Authority. Each  
 3 such project and any part thereof shall be policed and operated by such  
 4 force of police, toll-takers, operating employees and other persons as the  
 5 Authority may employ or authorize.

6 (b) Subject to the terms of any agreement by it with the holders of  
 7 bonds or notes, if the Authority shall find that any part of a project is not  
 8 suitable or sufficient as a highway to carry mixed traffic, the Authority shall

9 have power to exclude from such part any traffic other than passenger motor  
10 vehicles.

1 18. (a) No vehicle shall be permitted to make use of any project except  
2 upon the payment of such tolls as may from time to time be prescribed by  
3 the Authority. It is hereby declared to be unlawful for any person to re-  
4 fuse to pay, or to evade or to attempt to evade the payment of such tolls.

5 (b) No vehicle shall be operated on any project carelessly or reck-  
6 lessly, or in disregard of the rights or safety of others, or without due  
7 caution or prudence, or in a manner so as to endanger unreasonably or  
8 to be likely to endanger unreasonably persons or property, or while the  
9 operator thereof is under the influence of intoxicating liquors or any nar-  
10 cotic or habit-forming drug, nor shall any vehicle be so constructed, equipped,  
11 lacking in equipment, loaded or operated in such a condition of disrepair as  
12 to endanger unreasonably or to be likely to endanger unreasonably persons  
13 or property.

14 (c) A person operating a vehicle on any project shall operate it at a  
15 careful and prudent speed, having due regard to the rights and safety of  
16 others and to the traffic, surface and width of the highway, and any other  
17 conditions then existing; and no person shall operate a vehicle on any  
18 project at such a speed as to endanger life, limb or property; *provided*,  
19 *however*, that it shall be prima facie lawful for a driver of a vehicle to  
20 operate it at a speed not exceeding a speed limit which is designated by the  
21 Authority as a reasonable and safe speed limit, when appropriate signs  
22 giving notice of such speed limit are erected at the roadside or otherwise  
23 posted for the information of operators of vehicles.

24 (d) No person shall operate a vehicle on any project at such a slow  
25 speed as to impede or block the normal and reasonable movement of traffic  
26 except when reduced speed is necessary for safe operation thereof.

27 (e) No person shall operate a vehicle on any project in violation of any  
28 speed limit designated by regulation adopted by the Authority as herein-  
29 after provided.

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30 (f) All persons operating vehicles upon any project must at all times  
31 comply with any lawful order, signal or direction by voice or hand of any  
32 police officer engaged in the direction of traffic upon such project. When  
33 traffic on a project is controlled by traffic lights, signs or by mechanical or  
34 electrical signals, such lights, signs and signals shall be obeyed unless a  
35 police officer directs otherwise.

36 (g) All persons operating vehicles upon any project, or seeking to do  
37 so, must at all times comply with regulations, not inconsistent with the  
38 other sections of this act, adopted by the Authority concerning types,  
39 weights and sizes of vehicles permitted to use such project, and with regu-  
40 lations adopted by the Authority for or prohibiting the parking of vehicles,  
41 concerning the making of turns and the use of particular traffic lanes, to-  
42 gether with any and all other regulations adopted by the Authority to control  
43 traffic and prohibit acts hazardous in their nature or tending to impede or  
44 block the normal and reasonable flow of traffic upon such project; *provided*,  
45 *however*, that prior to the adoption of any regulation for the control of  
46 traffic on any such project, including the designation of any speed limits,  
47 the Authority shall investigate and consider the need for and desirability of  
48 such regulation for the safety of persons and property, including the Au-  
49 thority's property, and the contribution which any such regulation would  
50 make toward the efficient and safe handling of traffic and use of such project,  
51 and shall determine that such regulation is necessary or desirable to accom-  
52 plish such purposes or one or some of them, and that upon or prior to the  
53 effective date of any such regulation and during its continuance, notice  
54 thereof shall be given to the drivers of vehicles by appropriate signs  
55 erected at the roadside or otherwise posted. The Authority is hereby au-  
56 thorized and empowered to make, adopt and promulgate regulations referred  
57 to in this section in accordance with the provisions hereof. Regulations  
58 adopted by the Authority pursuant to the provisions of this section shall  
59 insofar as practicable, having due regard to the features of the project and

60 the characteristics of traffic thereon, be consistent with the provisions of  
61 Title 39 of the Revised Statutes applicable to similar subjects. The Authority  
62 shall have power to amend, supplement or repeal any regulation adopted by  
63 it under the provisions of this section. No regulation and no amendment  
64 or supplement thereto or repealer thereof adopted by the Authority shall  
65 take effect until it is filed with the Secretary of State, by the filing of a  
66 copy thereof certified by the secretary of the Authority.

67 (h) The operator of any vehicle upon a project involved in an accident  
68 resulting in injury or death to any person or damage to any property shall  
69 immediately stop such vehicle at the scene of the accident, render such  
70 assistance as may be needed, and give his name, address, and operator's  
71 license and registration number to the person injured and to any officer or  
72 witness of the injury and shall make a report of such accident in accord-  
73 ance with law.

74 (i) No person shall transport in or upon any project, any dynamite,  
75 nitroglycerin, black powder, fire works, blasting caps or other explosives,  
76 gasoline, alcohol, ether, liquid shellac, kerosene, turpentine, formaldehyde or  
77 other inflammable or combustible liquids, ammonium nitrate, sodium chlorate,  
78 wet hemp, powdered metallic magnesium, nitro-cellulose film, peroxides or  
79 other readily inflammable solids or oxidizing materials, hydrochloric acid, sul-  
80 furic acid, or other corrosive liquids, prussic acid, phosgene, arsenic, car-  
81 bolic acid, potassium cyanide, tear gas, lewisite or any other poisonous sub-  
82 stances, liquids or gases, or any compressed gas, or any radioactive article,  
83 substance or material, at such time or place or in such manner or condition  
84 as to endanger unreasonably or as to be likely to endanger unreasonably  
85 persons or property.

86 (j) If the violation of any provision of this section or the violation of  
87 any regulation adopted by the Authority under the provisions of this section,  
88 would have been a violation of law or ordinance if committed on any public  
89 road, street or highway in the municipality in which such violation occurred,

90 it shall be tried and punished in the same manner as if it had been commit-  
91 ted in such municipality.

92 (k) Notwithstanding the provisions of paragraph (j) of this section, if  
93 the violation within the State of the provisions of paragraph (i) of this  
94 section shall result in injury or death to a person or persons or damage to  
95 property in excess of the value of five thousand dollars (\$5,000.00), such  
96 violation shall constitute a high misdemeanor.

97 (l) Except as provided in paragraph (j) or (k) of this section, any vio-  
98 lation of any of the provisions of this section, including but not limited to  
99 those regarding the payment of tolls, and any violation of any regulation  
100 adopted by the Authority under the provisions of this section shall be pun-  
101 ishable by a fine not exceeding two hundred dollars (\$200.00) or by imprison-  
102 ment not exceeding thirty days or by both such fine and imprisonment.  
102a Such a violation shall be tried in a summary way and shall be within  
103 the jurisdiction of and may be brought in the county district court, or any  
104 criminal judicial district court, or municipal court in the county where the  
105 offense was committed. The rules of the Supreme Court shall govern the  
106 practice and procedure in such proceedings. Proceedings under this section  
107 may be instituted on any day of the week, and the institution of the pro-  
108 ceedings on a Sunday or a holiday shall be no bar to the successful prosecu-  
109 tion thereof. Any process served on a Sunday or a holiday shall be as valid  
110 as if served on any other day of the week. When imposing any penalty un-  
111 der the provisions of this paragraph the court having jurisdiction shall be  
112 guided by the appropriate provisions of any statute fixing uniform penalties  
113 for violation of provisions of the motor vehicle and traffic laws contained in  
114 Title 39 of the Revised Statutes.

115 (m) In any prosecution for violating a regulation of the Authority  
116 adopted pursuant to the provisions of this section copies of any such regu-  
117 lation when authenticated under the seal of the Authority by its secretary or  
118 assistant secretary shall be evidence in like manner and equal effect as the  
119 original.

120 (n) No resolution or ordinance heretofore or hereafter adopted by the  
121 governing body of any county or municipality for the control and regula-  
122 tion of traffic shall be applicable to vehicles while upon any project operated  
123 by the Authority.

124 (o) In addition to any punishment or penalty provided by other para-  
125 graphs of this section, every registration certificate and every license certifi-  
126 cate to drive motor vehicles may be suspended or revoked and any person  
127 may be prohibited from obtaining a driver's license or a registration certifi-  
128 cate and the reciprocity privileges of a nonresident may be suspended or re-  
129 voked by the Director of the Division of Motor Vehicles for a violation of  
130 any of the provisions of this section, after due notice in writing of such pro-  
131 posed suspension, revocation or prohibition and the ground thereof, and  
132 otherwise in accordance with the powers, practice and procedure established  
133 by those provisions of Title 39 of the Revised Statutes applicable to such  
134 suspension, revocation or prohibition.

135 (p) Except as otherwise provided by this section or by any regulation of  
136 the Authority made in accordance with the provisions hereof, the require-  
137 ments of Title 39 of the Revised Statutes applicable to persons using, driv-  
138 ing or operating vehicles on the public highways of this State and to vehicles  
139 so used, driven or operated shall be applicable to persons using, driving or  
140 operating vehicles on any project and to vehicles so used, driven or operated.

1 19. On or before the thirtieth day of January in each year the Authority  
2 shall make an annual report of its activities for the preceding calendar year  
3 to the Governor and to the Legislature. Each such report shall set forth a  
4 complete operating and financial statement covering its operations during  
5 the year. The Authority shall cause an audit of its books and accounts to be  
6 made at least once in each year by certified public accountants and the cost  
7 thereof may be treated as a part of the cost of construction or of operation  
8 of a project or projects, and a copy thereof shall be filed with the State  
8a Treasurer.

9 Any member, agent or employee of the Authority who is interested,  
10 either directly or indirectly, in any contract of another with the Authority or

11 in the sale of any property, either real or personal, to the Authority shall be  
 12 guilty of a misdemeanor and punished by a fine of not more than one thou-  
 13 sand dollars (\$1,000.00) or by imprisonment for not more than one year, or  
 14 both.

1 20. The Authority, pursuant to the provisions of this act, is hereby au-  
 2 thorized to construct, maintain, repair and operate a project to be known as  
 3 "The Garden State Parkway," consisting of a highway at the following lo-  
 4 cation or such part or parts thereof as the Authority may determine to be  
 5 suitable for a project as contemplated by this act: Beginning at such points  
 6 as the Authority may select as most feasible and practicable at Paterson and  
 7 also at State Highway Route No. 17 in Paramus or Ridgewood and thence in  
 8 a general southerly direction to a junction in Passaic county and thence gen-  
 9 erally along the State highway route referred to in section twenty-one hereof  
 10 through Clifton, Passaic county, Essex county and Union county to Wood-  
 11 bridge and thence in a general southerly direction to the vicinity of the Edi-  
 12 son bridge and thence over the Raritan river through Middlesex county and  
 13 Monmouth county to Toms River and thence to a point at or near the city of  
 14 Cape May; but, notwithstanding any of the prior provisions of this act, the  
 15 Authority: (1) shall exclude from any part of such highway north of Ocean  
 16 county all traffic except passenger motor vehicles, omnibuses and taxicabs,  
 17 and may further regulate the use thereof pursuant to the provisions of sec-  
 18 tion seventeen (b) hereof; and (2) shall not fix, prescribe, charge or collect tolls  
 19 or other charges for transit over or use of any part or parts of said project  
 20 acquired from the State pursuant to section twenty-one hereof which may be  
 21 designated as toll-free by written certificate of the State Highway Department  
 22 filed with the Secretary of State prior to October first, one thousand nine  
 23 hundred and fifty-two; and (3) shall, with respect to any part of said project  
 24 located in Essex county, provide connections therewith by means of parallel  
 25 or other feeder or service roads or otherwise, to and from existing county  
 26 highways intersecting such part of said project between and including  
 27 Springfield avenue, Irvington and Belleville avenue, Bloomfield, or such of

28 said county highways as, prior to September fifteenth, one thousand nine  
 29 hundred and fifty-two or such later date as may be fixed by the Authority,  
 30 shall be designated by certificate of the county engineer of Essex county, ap-  
 31 proved by resolution of the Authority; and (4) shall not collect tolls on such  
 32 project at Springfield avenue, Irvington or Belleville avenue, Bloomfield, or  
 33 at any point between said avenues, except with respect to vehicles entering  
 34 or leaving the project south of said Springfield avenue or north of said  
 35 Belleville avenue. In the design, construction and operation of such project,  
 36 it shall be the duty of the Authority, so far as may be deemed practicable  
 37 by it and may be permitted by the terms of any agreement by it with the  
 38 holders of its bonds or notes, to permit the largest possible toll-free use of  
 39 the project by intracounty or short-haul traffic and provide the largest pos-  
 40 sible number of points of connection between public highways and the  
 41 project consistent with safe and efficient use of such project and public  
 42 highways and safe and economical construction and operation of the project  
 43 on a self-supporting basis.

1 21. All counties, cities, boroughs, towns, townships, villages and other  
 2 political subdivisions and all public departments, agencies and commissions  
 3 of the State of New Jersey, notwithstanding any contrary provision of law,  
 4 are hereby authorized and empowered to lease, lend, grant or convey to the  
 5 Authority at its request upon such terms and conditions as the proper au-  
 6 thorities of such counties, cities, boroughs, towns, townships, villages and  
 7 political subdivisions and departments, agencies, or commissions of the State  
 8 may deem reasonable and fair and without the necessity for any advertise-  
 9 ment, order of court or other action or formality, other than the authoriz-  
 10 ing resolution of the governing body of the county, city, borough, town,  
 11 township or village concerned or the regular and formal action of any other  
 12 authority concerned, any real property which may be necessary or conven-  
 13 ient to the effectuation of the authorized purposes of the Authority, including  
 14 public highways and other real property already devoted to public use and  
 15 including any portion of the State highway route established by the act en-

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16 titled "An act adding a new route to the State highway system and designating the same in part as a parkway and in part as a freeway," approved April twenty-second, one thousand nine hundred and forty-six (P. L. 1946, c. 117), as said title was amended by chapter one hundred ninety-eight of the laws of one thousand nine hundred and fifty. At such time as the Authority shall undertake to construct any part of the project described in section twenty hereof or shall acquire any portion of said State highway route as part of such project, the jurisdiction and authority of the Department over such part shall cease and section two of said chapter one hundred seventeen of the laws of one thousand nine hundred and forty-six, as amended, shall be inapplicable to such part. No property of the State shall be so granted, leased or conveyed to the Authority except upon payment to the State of such price therefor as may be fixed by the State House Commission.

1 22. Subject to the terms of any agreement by it with the holders of  
2 bonds or notes, the Authority shall have power to lend, lease, grant or convey to the Department of Conservation and Economic Development at its  
3 request upon such terms and conditions and with such reservations as the Authority shall deem reasonable and fair, any park or recreational areas or facilities owned by the Authority, and after such loan, lease, grant or conveyance the park or recreational areas or facilities so loaned, leased, granted or  
4 conveyed shall no longer constitute part of a project.

1 23. The foregoing sections of this act shall be deemed to provide an additional and alternative method for the doing of the things authorized  
2 thereby, and shall be regarded as supplemental and additional to powers  
3 conferred by other laws, and shall not be regarded as in derogation of any  
4 powers now existing; *provided, however,* that the issuance of bonds or notes  
5 under the provisions of this act need not comply with the requirements of  
6 any other law applicable to the issuance of bonds or notes.

1 24. This act, being necessary for the welfare of the State and its inhabitants, shall be liberally construed to effect the purposes thereof.

1 25. If any provision of this act or the application thereof to any person  
2 or circumstance is held invalid, such invalidity shall not affect other provi-

3 sions or applications of the act which can be given effect without the invalid  
4 provisions or application and to this end the provisions of this act are de-  
5 clared to be severable.

1 26. All other general or special laws, or parts thereof, inconsistent here-  
2 with are hereby declared to be inapplicable to the provisions of this act.

1 27. This act shall take effect immediately.

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[THIRD OFFICIAL COPY REPRINT]

SENATE, No. 148

# STATE OF NEW JERSEY

INTRODUCED MARCH 17, 1949

By Mr. ARMSTRONG

Referred to Committee on Taxation

AN ACT concerning the taxation of leasehold interests in exempt real estate,  
and supplementing chapter four of Title 54 of the Revised Statutes.

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

1 1. When real estate exempt from taxation is leased to another whose  
2 property is not exempt, and the leasing of which does not make the real  
3 estate taxable, the leasehold estate and the appurtenances shall be listed as  
4 the property of the lessee thereof, or his assignee, and assessed as real  
5 estate.

1 2. Where the whole or any part of the term of such leasehold estate in  
2 any calendar year is less than the whole of such calendar year, the assess-  
3 ment for such year shall be that proportion of the amount of the assess-  
4 ment for the full year which the number of days said leasehold estate ex-  
5 ists in said calendar year bears to three hundred sixty-five.

1 3. Assessments on such leasehold estates commencing between Janu-  
2 ary first and October first of any year shall be entered in the Added As-  
3 sessment List, 19, for such year, and assessments on such leasehold ea-  
4 tates commencing between October first and January first of any year shall  
5 be entered in the Added Assessment List, 19, for the subsequent year; and  
6 taxes thereon, whether said leasehold estate consists of improved or un-  
7 improved real estate, shall be billed and shall be payable as are taxes on  
8 real estate, assessment of which is entered in said Added Assessment List, 19.

1 4. Taxes on such leasehold estate shall be collected, accounted for, and  
2 the amount thereof to be paid to the county shall be determined and paid,  
3 as are taxes on real estate entered in the Added Assessment List, 19.

1 5. Lessees of such leasehold estates shall have the same right of appeal  
2 and shall be subject to the same limitations thereon as owners of real es-  
3 tate; and said appeals shall be governed by the laws concerning appeals  
4 from other real property, assessment of which is entered in said Added  
5 Assessment List, 19.

1 6. Such taxes shall, until paid, be a lien upon said leasehold estate and  
2 the lessee, or his assignee, shall be personally liable therefor.

1 7. Any lessee or his assignee whose estate is terminated prior to the  
2 term granted by the lessor, upon presentation to the governing body of the  
3 municipality of proof of the cancellation by said lessor of said lease and of  
4 the surrender of his possession thereunder, shall be entitled to a propor-  
5 tionate cancellation of the assessment and to the refund of taxes paid on the  
6 portion of the assessment so canceled.

1 8. Any municipality may anticipate as revenue for budget purposes the  
2 taxes to be collected from such leasehold estates which are or may be in exist-  
3 ence on January first of any year and which, according to the terms of the  
4 letting, will continue to exist for the whole or part of such year.

1 9. All such leasehold estates existing on October first, one thousand nine  
2 hundred and forty-nine, shall be assessed and taxed as if said leasehold  
3 estates commenced October first, one thousand nine hundred and forty-nine.

1 10. This act shall not affect or apply to:

2 (1) property leased to or by any interstate agency existing under any  
3 interstate compact between the State of New Jersey and any other State or  
4 Commonwealth; or

5 (2) the leasehold estates and the appurtenances or tenancies of any per-  
6 son heretofore or hereafter renting or leasing real property owned by any  
7 municipality whether acquired by said municipality for public use pursuant  
8 to law or in any other manner or for any other lawful purpose whatsoever;  
9 or

10 (3) leasehold estates or tenancies of any person renting or leasing for  
11 residential use any house or apartment constructed or renovated under the  
12 "Local Housing Authorities Law" (P. L. 1938, c. 19, as amended), "Housing  
13 Co-operation Law" (P. L. 1938, c. 26), "Redevelopment Companies Law"  
14 (P. L. 1944, c. 169), "Urban Redevelopment Law" (P. L. 1946, c. 52), "Pub-  
15 lic Housing Law" (P. L. 1933, c. 78), or any law of this State or of the United  
16 States granting, requiring, or authorizing tax assistance or total or partial  
17 tax exemption to real estate or improvements thereon used in connection  
18 with any public housing project or any veterans' housing project.

1 11. This act shall take effect October first, one thousand nine hundred  
2 and forty-nine.

SENATE, No. 148

STATE OF NEW JERSEY

INTRODUCED MARCH 7, 1949

By Mr. ARMSTRONG

Referred to Committee on Taxation

AN ACT concerning the taxation of leasehold interests in exempt real estate,  
and supplementing chapter four of Title 54 of the Revised Statutes.

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

1 1. When real estate exempt from taxation is leased to another whose  
2 property is not exempt, and the leasing of which does not make the real  
3 estate taxable, the leasehold estate and the appurtenances shall be listed as  
4 the property of the lessee thereof, or his assignee, and assessed as real  
5 estate.

1 2. Where the whole or any part of the term of such leasehold estate in  
2 any calendar year is less than the whole of such calendar year, the assess-  
3 ment for such year shall be that proportion of the amount of the assess-  
4 ment for the full year which the number of days said leasehold estate ex-  
5 ists in said calendar year bears to three hundred sixty-five.

1 3. Assessments on such leasehold estates commencing between Janu-  
2 ary first and October first of any year shall be entered in the Added As-  
3 sessment List, 19, for such year, and assessments on such leasehold es-  
4 tates commencing between October first and January first of any year shall  
5 be entered in the Added Assessment List, 19, for the subsequent year; and  
6 taxes thereon, whether said leasehold estate consists of improved or un-  
7 improved real estate, shall be billed and shall be payable as are taxes on  
8 real estate, assessment of which is entered in said Added Assessment List, 19.

1 4. Taxes on such leasehold estate shall be collected, accounted for, and  
2 the amount thereof to be paid to the county shall be determined and paid,  
3 as are taxes on real estate entered in the Added Assessment List, 19.

1 5. Lessees of such leasehold estates shall have the same right of appeal  
2 and shall be subject to the same limitations thereon as owners of real es-  
3 tate; and said appeals shall be governed by the laws concerning appeals  
4 from other real property, assessment of which is entered in said Added  
5 Assessment List, 19.

1 6. Such taxes shall, until paid, be a lien upon said leasehold estate and  
2 the lessee, or his assignee, shall be personally liable therefor.

1 7. Any lessee or his assignee whose estate is terminated prior to the  
2 term granted by the lessor, upon presentation to the governing body of the  
3 municipality of proof of the cancellation by said lessor of said lease and of  
4 the surrender of his possession thereunder, shall be entitled to a propor-  
5 tionate cancellation of the assessment and to the refund of taxes paid on the  
6 portion of the assessment so canceled.

1 8. Any municipality may anticipate as revenue for budget purposes the  
2 taxes to be collected from such leasehold estates which are or may be in exist-  
3 ence on January first of any year and which, according to the terms of the  
4 letting, will continue to exist for the whole or part of such year.

1 9. All such leasehold estates existing on October first, one thousand nine  
2 hundred and forty-nine, shall be assessed and taxed as if said leasehold  
3 estates commenced October first, one thousand nine hundred and forty-nine.

1 10. This act shall take effect October first, one thousand nine hundred  
2 and forty-nine.

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#### STATEMENT

The purpose of this bill is to permit municipalities to levy and assess taxes on exempt property when the same is leased for private use. In many munici-

palties the Federal Government leases its exempt property to business and industry while the same remains exempt from taxation.

The first section of this bill is taken from the Illinois Annotated Statutes (Chapter 120, Section 507). It has been upheld by the courts of Illinois.

Many other States tax the leasehold estate in lands leased from the United States as the personal property of the lessee. To tax the leasehold estate as real estate avoids the complications inherent in appraising the value of the lease as personal property. A statute is needed for that purpose. A tax on leasehold estates in property owned by the United States is not considered as a tax on the United States (see 23 A. I. R., page 248).