

40:62-3; 40:62-3.1

LEGISLATIVE HISTORY CHECKLIST

NJSA 40:62-3; 40:62-3.1 (Municipal water companies--permit certain transfers to private companies)

LAWS 1981 CHAPTER 16

Bill No. S1565

Sponsor(s) Weiss

Date Introduced Nov. 10, 1980

Committee: Assembly -----

Senate -----

Amended during passage Yes
according to Governor's recommendations

~~XX~~ Amendments denoted by asterisks

Date of Passage: Assembly Nov. 24, 1980

Re-enacted 2-2-81

Senate Nov. 10, 1980

Re-enacted 1-22-81

Date of approval Feb. 3, 1981

Following statements are attached if available:

Sponsor statement Yes ~~XX~~

Committee Statement: Assembly ~~XX~~ No

Senate ~~XX~~ No

Fiscal Note ~~XX~~ No

Veto Message Yes ~~XX~~

Message on signing Yes ~~XX~~

Following were printed:

Reports ~~XX~~ No

Hearings ~~XX~~ No

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1981

CHAPTER 16
APP.

J. 19 81
2-3-81

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SENATE, No. 1565

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 10, 1980

By Senator WEISS

(Without Reference)

AN ACT concerning municipal water utilities, amending R. S. 40:62-3 and supplementing chapter 62 of Title 40 of the Revised Statutes.

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

1 1. R. S. 40:62-3 is amended to read as follows:

2 40:62-3. Any municipality owning a sewer plant, water plant,
3 heat, light or power plant, system of transportation, or other public
4 utility plant or system, may lease or sell such plant or system.
5 Such a lease or sale to another municipality, a sanitary sewerage
6 authority, a sewerage authority or any other authority, commission
7 or public body shall be authorized by ordinance and may be made
8 upon such terms as said ordinance shall provide and the provisions
9 of **[sections]** R. S. 40:62-4 and R. S. 40:62-5 **[of this Title]** shall
10 not apply thereto. Such a lease or sale to any person except another
11 municipality, a sanitary sewerage authority, a sewerage authority
12 or any other authority, commission or public body shall, *except as*
13 *otherwise provided by law*, be made only upon compliance with the
14 provisions of **[sections]** R. S. 40:62-4 and R. S. 40:62-5 **[of this**
15 **Title]** and after the same is authorized by the legal voters of the
16 municipality in accordance with said sections.

1 2. (New section) If the governing body of any municipality shall
2 deem it advisable in the interests of public health and safety to
3 transfer a municipal water utility system serving less than 5% of
4 the population of that municipality, to any person or another
5 municipality or any authority, commission or other public body,
6 the transfer shall be authorized by ordinance and may be made
7 upon such terms as the ordinance shall provide, and the provisions
8 of R. S. 40:62-4 and R. S. 40:62-5 shall not apply thereto. **The*
9 *terms of such sale and the ordinance authorizing same shall be*
10 *subject to review by the Board of Public Utilities and shall pro-*
11 *vide that the purchaser shall have the privilege to operate the*
12 *system within the area of the municipality covered.**

1 3. This act shall take effect immediately.

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

SENATE, No. 1565

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 10, 1980

By Senator WEISS

(Without Reference)

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9 of [sections] R. S. 40:62-4 and R. S. 40:62-5 [of this Title] shall
10 not apply thereto. Such a lease or sale to any person except another
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13 *otherwise provided by law*, be made only upon compliance with the
14 provisions of [sections] R. S. 40:62-4 and R. S. 40:62-5 [of this
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2 deem it advisable in the interests of public health and safety to
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4 the population of that municipality, to any person or another
5 municipality or any authority, commission or other public body,
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8 of R. S. 40:62-4 and R. S. 40:62-5 shall not apply thereto.

1 3. This act shall take effect immediately.

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

STATEMENT

The purpose of this bill is to permit the transfer of a municipal water utility system which serves less than 5% of the population of the municipality, to a private water company, without the requirement that the transfer be submitted to a referendum of the entire municipality.

This bill is motivated by the perilous condition of the Keasbey Water System in Woodbridge township, Middlesex county, and the agreement that has been written whereby the Middlesex Water Company will acquire the system, and will undertake to maintain and upgrade its present obvious deficiencies. This agreement is in the best interests of the citizens of Woodbridge, and would almost certainly be sustained in a municipal referendum. But the dangerous conditions in the Keasbey Water System may cause serious problems, and excessive costs, before the referendum process can be completed.

51565(1981)

SENATE AMENDMENT TO
SENATE, No. 1565

STATE OF NEW JERSEY

ADOPTED JANUARY 22, 1981

Amend page 1, section 2, line 8, after "thereto.", insert: "The terms of such sale and the ordinance authorizing same shall be subject to review by the Board of Public Utilities and shall provide that the purchaser shall have the privilege to operate the system within the area of the municipality covered.".

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

January 22, 1981

SENATE BILL NO. 1565

To the Senate:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 1565 with my objections and recommendations for amendment.

This bill would permit the transfer of a municipal water utility system which serves less than 5% of the population of the municipality to a private water company without the requirement that the transfer be submitted to a referendum of the entire municipality. Under present law, a municipality could sell a water system to another governmental entity by ordinance without referendum, N.J.S.A. 40:62-3. However, a sale to a private company requires public bidding, the adoption of an ordinance setting forth the terms and conditions of the sale, a referendum on the sale and finally acceptance of the bid upon approval at referendum, N.J.S.A. 40:62-4 and 40:62-5. This is a time consuming process which the bill seeks to avoid.

I am in general support of the bill because it would facilitate the consolidation of inadequate small water companies which is the goal of one of our recently introduced water supply bills. While the limitation on the size of the system which may be sold without referendum would mitigate against abuse, in order to prevent any possibility of such abuse, I recommend that the terms and conditions of the sale be subject to approval by the Board of Public Utilities and be consonant with the grant of the operating franchise to the proposed purchaser.

Accordingly, I am returning Senate Bill No. 1565 with the recommendation that it be amended as follows:

Section 2, Line 8, after "thereto." insert: "The terms of such sale and the ordinance authorizing same shall be subject to review by the Board of Public Utilities and shall provide that the purchaser shall have the privilege to operate the system within the area of the municipality covered."

Respectfully,

/s/ Brendan Byrne

GOVERNOR

Attest:

/s/ Harold L. Hodes

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

FEBRUARY 4, 1981

PATRICK SWEENEY

Governor Brendan Byrne has signed the following bills:

S-1512, sponsored by Senator John T. Gregario (D-Union), which will provide permanent civil service status to certain former employees of the Union County Park Commission, a separate governmental entity that was absorbed by the County in July of 1978.

The Governor conditionally vetoed this bill on January 28, 1981, stipulating "all employees that would be favorably treated under this bill should pass a qualifying examination demonstrating that they are minimally qualified to hold permanent civil service status."

A-3005, sponsored by Assemblyman Jimmy Zangari (D-Essex), which is a validating act involving a bond issue of the Board of Education of Irvington.

This past November, the voters of Irvington approved a referendum for a bond issue to renovate the Florance Avenue School. Inadvertently, the notice of the proposal was not published prior to the election as required. However, the sample ballots were distributed to all the registered voters, and they received actual advance notice in this way.

This bill validates any bond proceedings where notice was not published, providing sample ballots were sent to the registered voters prior to election and no suit has been commenced contesting the election.

S-1565, sponsored by Senator Laurence S. Weiss (D-Middlesex), which will permit the transfer of a municipal water utility system which serves less than five percent of the population of a municipality to a private water company without the requirement that the transfer be submitted to a referendum of the entire municipality.

Formerly, a municipality could sell a water system to another governmental entity by ordinance without referendum.

The bill is motivated by the poor condition of the Keasbey water system in Woodbridge Township, Middlesex County, and an agreement has been drafted whereby the Middlesex Water Company will acquire the system and undertake to maintain and upgrade its deficiencies.

The bill will facilitate the consolidation of inadequate small water companies, which is a goal of the Department of Environmental Protection.

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