

ASSEMBLY, No. 2242

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Imposes residency requirements on newly appointed members of sewerage and utility authorities.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT imposing residency requirements on newly appointed
2 members of sewerage and utility authorities and amending
3 P.L.1946, c.138 and P.L.1957, c.183.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. Section 4 of P.L.1946, c.138 (C.40:14A-4) is amended to
9 read as follows:

10 4. (a) The governing body of any county may, by resolution
11 duly adopted, create a public body corporate and politic under the
12 name and style of "the sewerage authority," with all or any
13 significant part of the name of such county inserted. Said body
14 shall consist of the five members thereof, who shall be appointed by
15 resolution of the governing body as hereinafter in this section
16 provided, together with the additional members thereof, if any,
17 appointed as hereinafter in subsection (i) of this section provided,
18 and it shall constitute the sewerage authority contemplated and
19 provided for in this act and an agency and instrumentality of said
20 county. After the taking effect of the resolution for the creation of
21 said body and the filing of a certified copy thereof as in subsection
22 (d) of this section provided, five persons shall be appointed as the
23 members of the sewerage authority. The members first appointed
24 shall, by the resolution of appointment, be designated to serve for
25 terms respectively expiring on the first days of the first, second,
26 third, fourth and fifth Februaries next ensuing after the dates of
27 their appointments. On or after January 1 in each year after such
28 first appointments, one person shall be appointed as a member of
29 the sewerage authority to serve for a term commencing on February
30 1 in such year and expiring on February 1 in the fifth year after such
31 year. In the event of a vacancy in the membership of the sewerage
32 authority occurring during an unexpired term of office, a person
33 shall be appointed as a member of the sewerage authority to serve
34 for such unexpired term. At least one member of a county sewerage
35 authority shall reside in a municipality located within the county
36 and which receives sewerage service from the county sewerage
37 authority. Any other person newly appointed to serve as a member
38 of a county sewerage authority after the effective date of P.L. ,
39 c. (pending before the Legislature as this bill) shall reside within
40 the county in which the sewerage authority has been established.

41 (b) The governing body of any municipality may, by ordinance
42 duly adopted, create a public body corporate and politic under the
43 name and style of "the sewerage authority," with all or any
44 significant part of the name of such municipality inserted. A
45 sewerage authority created pursuant to this section by a

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

Matter underlined thus is new matter.

1 municipality other than a city of the first class shall consist of five
2 members and a sewerage authority created pursuant to this section
3 by a municipality which is a city of the first class shall consist of
4 five or seven members, as determined by the governing body.
5 Members of the sewerage authority shall be appointed by resolution
6 of the governing body as hereinafter in this section provided, and
7 the authority shall constitute the sewerage authority contemplated
8 and provided for in this act and an agency and instrumentality of
9 said municipality. After the taking effect of such ordinance and the
10 filing of a certified copy thereof as in subsection (d) of this section
11 provided, the members of the sewerage authority shall be appointed.
12 The members first appointed shall, by the resolution of
13 appointment, be designated to serve for terms respectively expiring
14 as follows: the terms of the first four members shall expire in turn
15 on each of the first days of the first, second, third and fourth
16 Februaries next ensuing after the dates of their appointments, and
17 the remaining members shall be designated to serve for terms
18 expiring on the first day of the fifth February next ensuing after the
19 date of their appointment. On or after January 1 in each year after
20 such first appointments, one person shall be appointed or
21 reappointed as a member of the sewerage authority to succeed each
22 member whose term is expiring, and shall serve for a term
23 commencing on February 1 in such year and expiring on February 1
24 in the fifth year after such year. In the event of a vacancy in the
25 membership of the sewerage authority occurring during an
26 unexpired term of office, a person shall be appointed as a member
27 of the sewerage authority to serve for such unexpired term. At least
28 one member of a municipal sewerage authority shall reside in a
29 municipality which receives sewerage service from the municipal
30 sewerage authority. Any other person newly appointed to serve as a
31 member of a municipal sewerage authority after the effective date
32 of P.L. , c. (pending before the Legislature as this bill) shall
33 reside in the county in which the sewerage authority has been
34 established.

35 The governing body of a municipality which is a city of the first
36 class may increase the membership of its sewerage authority to
37 seven members from five members. The two additional members
38 shall be appointed to serve five-year terms, commencing on the
39 February 1 next following their appointment and expiring on
40 February 1 in the fifth year after their appointment. At least one
41 member of a municipal sewerage authority of a city of the first class
42 shall reside in the city that established the municipal sewerage
43 authority. Any other person newly appointed to serve as a member
44 of sewerage authority of a city of the first class after the effective
45 date of P.L. , c. (pending before the Legislature as this bill)
46 shall reside in the county in which the sewerage authority has been
47 established.

(c) The governing bodies of any two or more municipalities or any two or more counties, the areas of which together comprise an integral body of territory, may, by parallel ordinances, or in the case of counties, by parallel resolutions, duly adopted by each of such governing bodies within any single calendar year, create a public body corporate and politic under the name and style of "the sewerage authority," with all or any significant part of the name of each such municipality or county or some identifying geographical phrase inserted. Said body shall consist of the members thereof, in an aggregate number determined as hereinafter in this subsection provided, who shall be appointed by resolutions of the several governing bodies as hereinafter in this section provided, and it shall constitute the sewerage authority contemplated and provided for in this act and an agency and instrumentality of the said municipalities or counties. The number of members of the sewerage authority to be appointed at any time for full terms of office by the governing body of any such municipality or county shall be as may be stated in said ordinances or resolutions, which shall be not less than one nor more than three. After the taking effect of the said ordinances or resolutions of all such municipalities or counties and after the filing of certified copies thereof as in subsection (d) of this section provided, the appropriate number of persons shall be appointed as members of the sewerage authority by the governing body of each municipality or county. In the case of municipalities or counties which by ordinance or resolution are entitled to appoint only one member of the authority, the total number of members, if five or more, shall be divided into five classes as nearly equal as possible, except that if there are less than five members, each member shall constitute a class. The members initially appointed shall be appointed for such terms that the terms of one class shall expire on the first day of each of the first, second, third, fourth and fifth Februaries next ensuing the date of appointment. In the event the several municipalities or counties cannot agree on the terms of the respective representatives, such terms shall be determined by lot. On or after January 1 in each year after such appointments, the expiring terms shall be filled by the appointment for terms commencing February 1 in such year and expiring on the first day of the fifth February next ensuing.

Upon the expiration of the terms of office of members, in office on July 1, 1970, of sewerage authorities created by two or more municipalities or counties, where only one member is appointed by any participating municipality or county, their immediate successors, except for appointments to fill vacancies, shall be appointed for designated terms of one, two, three, four or five years in the same manner as in this subsection (c) provided as to initial appointees.

In municipalities or counties entitled to appoint three members, the appointing authority shall designate one of the initial appointees

1 to serve for a term of three years, one for four years and one for five
2 years. In municipalities or counties entitled to appoint two
3 members, the appointing authority shall designate one of the initial
4 appointees to serve for a term of five years and one for four years.
5 On or after January 1 in the year in which expire the terms of the
6 said members first appointed and in every fifth year thereafter, the
7 appropriate number of persons shall be appointed as members of the
8 sewerage authority by the governing body of each municipality or
9 county, to serve for terms commencing on February 1 in such year
10 and expiring on February 1 in the fifth year after such year. In the
11 event of a vacancy in the membership of the sewerage authority
12 occurring during the unexpired term of office, a person shall be
13 appointed as a member of the sewerage authority to serve for such
14 unexpired term by the governing body which made the original
15 appointment for such unexpired term.

16 Upon the expiration of the terms of office of members, in office
17 on July 1, 1967, of sewerage authorities created by two or more
18 municipalities or counties, where more than one member is
19 appointed by any participating municipality or county, their
20 immediate successors, except for appointments to fill vacancies,
21 shall be appointed for designated terms of three, four or five years
22 in the same manner as in this subsection (c) provided as to initial
23 appointees.

24 At least one member of a joint county or joint municipal
25 sewerage authority shall reside in a municipality which receives
26 sewerage service from the joint county or joint municipal sewerage
27 authority. Any other person newly appointed to serve as a member
28 of a joint county or joint municipal sewerage authority after the
29 effective date of P.L. , c. (pending before the Legislature as this
30 bill) shall reside in a county in which the joint sewerage authority
31 has been established.

32 (d) A copy of each resolution or ordinance for the creation of a
33 sewerage authority adopted pursuant to this section, duly certified
34 by the appropriate officer of the local unit, shall be filed in the
35 office of the Secretary of State. Upon proof of such filing of a
36 certified copy of the resolution or ordinance or of certified copies of
37 the parallel ordinances for the creation of a sewerage authority as
38 aforesaid, the sewerage authority therein referred to shall, in any
39 suit, action or proceeding involving the validity or enforcement of,
40 or relating to, any contract or obligation or act of the sewerage
41 authority, be conclusively deemed to have been lawfully and
42 properly created and established and authorized to transact business
43 and exercise its powers under this act. A copy of any such certified
44 resolution or ordinance, duly certified by or on behalf of the
45 Secretary of State, shall be admissible in evidence in any suit,
46 action or proceeding.

47 (e) A copy of each resolution appointing any member of a
48 sewerage authority adopted pursuant to this section, duly certified

1 by the appropriate officer of the local unit, shall be filed in the
2 office of the Secretary of State. A copy of such certified resolution,
3 duly certified by or on behalf of the Secretary of State, shall be
4 admissible in evidence in any suit, action or proceeding and, except
5 in a suit, action or proceeding directly questioning such
6 appointment, shall be conclusive evidence of the due and proper
7 appointment of the member or members named therein.

8 (f) The governing body of a county which may create or join in
9 the creation of any sewerage authority pursuant to this section shall
10 not thereafter create or join in the creation of any other sewerage
11 authority. No governing body of any municipality constituting the
12 whole or any part of a district shall create or join in the creation of
13 any sewerage authority except upon the written consent of the
14 sewerage authority and in accordance with the terms and conditions
15 of such consent, and in the event such consent be given and a
16 sewerage authority be created pursuant thereto, the terms and
17 conditions of such consent shall thereafter be in all respects binding
18 upon such municipality and the sewerage authority so created, and
19 any system of sewers or sewage disposal plants constructed or
20 maintained in conformity with the terms and conditions of such
21 consent by the sewerage authority so created shall be deemed not to
22 be competitive with the sewerage systems of the sewerage authority
23 giving such consent. In the event that prior to the creation of a
24 sewerage authority of a county the governing body of any
25 municipality located in said county shall have created or joined in
26 the creation of a sewerage authority, the area within the territorial
27 limits of such municipality shall not be part of the district of the
28 sewerage authority of said county.

29 (g) Within 10 days after the filing in the office of the Secretary
30 of State of a certified copy of a resolution for the creation of a
31 sewerage authority adopted by the governing body of any county
32 pursuant to this section, a copy of such resolution, duly certified by
33 the appropriate officer of the county, shall be filed in the office of
34 the clerk of each municipality within the county. In the event that
35 the governing body of any such municipality shall, within 60 days
36 after such filing in the office of the Secretary of State, adopt a
37 resolution determining that such municipality shall not be a part of
38 the district of such sewerage authority and file a copy thereof, duly
39 certified by its clerk, in the office of the Secretary of State, the area
40 within the territorial limits of such municipality shall not thereafter
41 be part of such district, but at any time after the adoption of such
42 resolution, the governing body of such municipality may, by
43 ordinance duly adopted, determine that such area shall again be a
44 part of such district, and if thereafter a copy of such ordinance, duly
45 certified by the appropriate officer of such municipality, together
46 with a certified copy of a resolution of such sewerage authority
47 approving such ordinance, shall be filed in the office of the
48 Secretary of State, then from and after such filing the area within

1 the territorial limits of such municipality shall forever be part of
2 such district.

3 (h) The governing body of any local unit which has created a
4 sewerage authority pursuant to subsection (a) or subsection (b) of
5 this section may, in the case of a county by resolution duly adopted
6 or in the case of a municipality by ordinance duly adopted, dissolve
7 such sewerage authority on the conditions set forth in this
8 subsection. The governing bodies of two or more local units which
9 have created a sewerage authority pursuant to subsection (c) of this
10 section may, by parallel ordinances duly adopted by each of such
11 governing bodies within any single calendar year, dissolve such
12 sewerage authority on the conditions set forth in this subsection.
13 Such a sewerage authority may be dissolved on condition that (1)
14 either the members of such authority have not been appointed or the
15 sewerage authority, by resolution duly adopted, consents to such
16 dissolution, and (2) the sewerage authority has no debts or
17 obligations outstanding. Upon the dissolution of any sewerage
18 authority in the manner provided in this subsection, the governing
19 body or bodies dissolving such sewerage authority shall be deemed
20 never to have created or joined in the creation of a sewerage
21 authority. A copy of each resolution or ordinance for the
22 dissolution of a sewerage authority adopted pursuant to this
23 subsection, duly certified by the appropriate officer of the local
24 unit, shall be filed in the office of the Secretary of State. Upon
25 proof of such filing of a certified copy of the resolution or
26 ordinance or of certified copies of the parallel ordinances for the
27 dissolution of a sewerage authority as aforesaid and upon proof that
28 such sewerage authority had no debts or obligations outstanding at
29 the time of the adoption of such resolution, ordinance or ordinances,
30 the sewerage authority therein referred to shall be conclusively
31 deemed to have been lawfully and properly dissolved and the
32 property of the sewerage authority shall be vested in the local unit
33 or units. A copy of any such certified resolution or ordinance, duly
34 certified by or on behalf of the Secretary of State, shall be
35 admissible in evidence in any suit, action or proceeding.

36 (i) Whenever the sewerage authority of any county shall certify
37 to the governing body of any county that it has entered into a
38 contract pursuant to section 23 of this act with one or more
39 municipalities situate within any other county, one additional
40 member of the sewerage authority for each such other county shall
41 be appointed by resolution of the governing body of such other
42 county as in this section provided. The additional member so
43 appointed for any such other county, and his successors, shall be a
44 resident of one of said municipalities situate within such other
45 county. The additional member first appointed or to be first
46 appointed for any such other county shall serve for a term expiring
47 on the first day of the fifth February next ensuing after the date of
48 such appointment, and on or after January 1 in the year in which

1 expires the term of the said additional member first appointed and
2 in every fifth year thereafter, one person shall be appointed by said
3 governing body as a member of the sewerage authority as successor
4 to said additional member, to serve for a term commencing on
5 February 1 in such year and expiring on February 1 in the fifth year
6 after such year. If after such appointment of an additional member
7 for any such other county the sewerage authority shall certify to
8 said governing body of such other county that it is no longer a party
9 to a contract entered into pursuant to section 23 of this act with any
10 municipality situate within such other county, the term of office of
11 such additional member shall thereupon cease and expire and no
12 additional member for such other county shall thereafter be
13 appointed.

14 (j) If a municipality, the governing body of which has created a
15 sewerage authority pursuant to subsection (b) of this section, has
16 been or shall be consolidated with another municipality, the
17 governing body of the new consolidated municipality may, by
18 ordinance duly adopted, provide that the members of the sewerage
19 authority shall thereafter be appointed by the governing body of
20 such new consolidated municipality, which shall make appointment
21 of members of the sewerage authority by resolution as hereinafter in
22 this subsection provided. On or after the taking effect of such
23 ordinance, one person shall be appointed as a member of the
24 sewerage authority for a term commencing on February 1 in each
25 year, if any, after the date of consolidation, in which has or shall
26 have expired the term of a member of the sewerage authority
27 theretofore appointed by the governing body of the municipality
28 which has been or shall be so consolidated, and expiring on
29 February 1 in the fifth year after such year. Thereafter, on or after
30 January 1 in each year, one person shall be appointed as a member
31 of the sewerage authority to serve for a term commencing on
32 February 1 in such year and expiring February 1 in the fifth year
33 after such year. In the event of a vacancy in the membership of the
34 sewerage authority occurring during an unexpired term of office, a
35 person shall be appointed as a member of the sewerage authority to
36 serve for such unexpired term. Each member of the sewerage
37 authority appointed by the governing body of a municipality which
38 has been or shall be so consolidated shall continue in office until his
39 successor has been appointed as in this subsection provided and has
40 qualified. At least one member of a municipal sewerage authority
41 of newly consolidated municipality shall reside in the newly
42 consolidated municipality which receives sewerage service from the
43 municipal sewerage authority. Any other person newly appointed
44 to serve as a member of a municipal sewerage authority after the
45 effective date of P.L. , c. (pending before the Legislature as this
46 bill) shall reside in the county in which the sewerage authority has
47 been established.

1 (k) If a municipality, the governing body of which has created a
2 sewerage authority pursuant to subsection (b) of this section, has
3 been or shall be consolidated with another municipality, the
4 governing body of the new consolidated municipality, subject to the
5 rights of the holders, if any, of bonds issued by the sewerage
6 authority, and upon receipt of the sewerage authority's written
7 consent thereto, may provide, by ordinance duly adopted, that the
8 area within the territorial boundaries of the new consolidated
9 municipality shall constitute the district of the sewerage authority,
10 and upon the taking effect of such ordinance, such area shall
11 constitute the district of the sewerage authority. Until the taking
12 effect of such ordinance, the district of the sewerage authority shall
13 be the area within the territorial boundaries, as they existed at the
14 date of the consolidation, of the municipality the governing body of
15 which created the sewerage authority.

16 (l) Whenever, with the approval of any sewerage authority
17 created by the governing bodies of two or more municipalities, any
18 other municipality not constituting part of the district shall convey
19 to the sewerage authority all or any part of a system of main, lateral
20 or other sewers or other sewerage facilities located within the
21 district and theretofore owned and operated by such other
22 municipality, then, if so provided in the instruments of such
23 conveyance, one additional member of the sewerage authority for
24 such other municipality shall be appointed by resolution of its
25 governing body as in this section provided. The additional member
26 so appointed for such municipality, and his successors, shall be
27 residents of such municipality. The additional member first
28 appointed or to be first appointed for such municipality shall serve
29 for a term expiring on the first day of the fifth February next
30 ensuing after the date of such appointment, and on or after January
31 1 in the year in which expires the term of the said additional
32 member first appointed and in every fifth year thereafter, one
33 person shall be appointed by said governing body as a member of
34 the sewerage authority as successor to said additional member, to
35 serve for a term commencing on February 1 in such year and
36 expiring on February 1 in the fifth year after such year. If at any
37 time after such conveyance of sewers or sewerage facilities by a
38 municipality its governing body shall adopt a resolution
39 determining not thereafter to be represented in the membership of
40 the sewerage authority and shall file a copy thereof duly certified by
41 its clerk in the office of the sewerage authority, the term of office of
42 any such additional member theretofore appointed for such
43 municipality shall thereupon cease and expire and no additional
44 member for such municipality shall thereafter be appointed.

45 (m) (i) The governing body of any municipality which is
46 contiguous to the district of a sewerage authority created by the
47 governing bodies of two or more other municipalities may at any
48 time, by ordinance duly adopted, propose that the whole or any part

1 of the area herein referred to as “service area” within the territorial
2 limits of such municipality shall be a part of said contiguous
3 district. Such ordinance shall (1) state the number of members of
4 the sewerage authority, not less than one nor more than three,
5 thereafter to be appointed for full terms of office by the governing
6 body of such municipality, and (2) determine that, after the filing of
7 a certified copy thereof and of a resolution of the sewerage
8 authority in accordance with this subsection, such service area shall
9 be a part of said contiguous district. If thereafter a copy of such
10 ordinance duly certified by the appropriate officer of such
11 municipality, together with a certified copy of a resolution of said
12 sewerage authority approving such ordinance, shall be filed in the
13 office of the Secretary of State, then from and after such filing the
14 service area shall forever be part of said contiguous district and said
15 sewerage authority shall consist of the members thereof acting or
16 appointed as in this section provided and constitute an agency and
17 instrumentality of such municipality, as well as such other
18 municipalities. The governing body of the said municipality so
19 becoming part of said contiguous district shall thereupon appoint
20 members of the sewerage authority in the number stated in such
21 ordinance, for periods and in the manner provided for the first
22 appointment of members of a sewerage authority under subsection
23 (c) of this section, provided those additional members are residents
24 of the municipality joining the sewerage authority.

25 (ii) If the service area of such municipality shall then be part of
26 the district of any other sewerage authority or municipal authority,
27 such other authority shall, by resolution adopted not more than one
28 year prior to the adoption of such ordinance, consent to the
29 inclusion of the service area in the district of said contiguous
30 district, and the service area shall become part of said contiguous
31 district as aforesaid and shall no longer be part of the district of
32 such other authority for sewerage purposes. If only part of the area
33 within the territorial limits of such municipality shall constitute the
34 service area to become part of said contiguous district, the service
35 area shall be that so designated or shown on a map thereof bearing
36 legend or reference to this section and filed in the office of the clerk
37 of such municipality and in the office of the secretary of each
38 authority referred to in this section, and such map shall be
39 incorporated by a reference thereto in such ordinance and resolution
40 as or for a description of the service area. For all the purposes of
41 this act, such sewerage authority shall be deemed to have been
42 created by the governing body of such municipality jointly with the
43 other municipalities (the territorial areas of which constitute the
44 district of such contiguous authority), and such municipality shall
45 have all powers, duties, rights and obligations provided for by this
46 act or any other law for or with respect to such sewerage authority
47 or any other sewerage authority or municipal authority,
48 notwithstanding that only a part of the area within the territorial

1 limits of such municipality shall become part of said contiguous
2 district.

3 (n) The governing body of a county or municipality may
4 provide, in the ordinance or resolution creating the sewerage
5 authority, for not more than two alternate members. Alternate
6 members shall be designated by the governing body as "Alternate
7 No. 1" and "Alternate No. 2" and shall serve during the absence or
8 disqualification of any regular member or members. Any person
9 newly appointed to serve as an alternate member of a sewerage
10 authority after the effective date of P.L. , c. (pending before the
11 Legislature as this bill) shall reside in the county in which the
12 sewerage authority has been established. The governing body of
13 the county or municipality shall provide by ordinance or resolution
14 for the order in which the alternates shall serve. The term of each
15 alternate member shall be five years commencing on February 1 of
16 the year of appointment; provided, however, that in the event two
17 alternate members are appointed their initial terms shall be four and
18 five years, respectively. The terms of the first alternate members
19 appointed pursuant to this amendatory act shall commence on the
20 dates of their appointments and shall expire on the fourth or fifth
21 January 31 next ensuing after the dates of their appointments, as the
22 case may be. Alternate members may participate in discussions of
23 the proceedings but may not vote, except in the absence or
24 disqualification of a regular member. A vote shall not be delayed in
25 order that a regular member may vote instead of an alternate
26 member.

27 (o) Whenever any sewerage authority has entered into a contract
28 for the treatment or disposal of sewage originating in the district,
29 pursuant to section 23 of P.L.1946, c.138 (C.40:14A-23), with any
30 contiguous sewerage authority, then, with the approval of the
31 contiguous sewerage authority, the sewerage authority may appoint,
32 by resolution duly adopted, two additional members to the
33 contiguous sewerage authority, as provided in this subsection. The
34 additional members shall be either residents of the district of the
35 sewerage authority or members or the executive director of the
36 sewerage authority. The additional members shall serve five year
37 terms, except that the additional members first appointed shall serve
38 for terms respectively expiring on the first days of the fourth and
39 fifth Februaries next ensuing after the dates of their appointments.
40 On or after January 1 in the years in which the terms of the
41 additional members expire, one person shall be appointed by the
42 sewerage authority as a member of the contiguous sewerage
43 authority as successor to the additional member, to serve for a term
44 commencing on February 1 of that year. Any person newly
45 appointed to serve as a member of a sewerage authority after the
46 effective date of P.L. , c (pending before the Legislature as this
47 bill) shall reside in the county in which the sewerage authority has
48 been established. Vacancies shall be filled in the manner of the

1 original appointments but for the unexpired terms only. If a
2 sewerage authority has entered into a contract with a contiguous
3 sewerage authority for the treatment or disposal of sewage, and
4 thereafter adopts a resolution determining not to be represented in
5 the membership of the contiguous sewerage authority and files a
6 copy thereof, duly certified by its secretary, in the office of the
7 contiguous sewerage authority, the terms of office of any additional
8 members shall cease and no additional members shall be appointed
9 thereafter.

10 (cf: P.L.1994, c.85, s.1)

11
12 2. Section 5 of P.L.1946, c.138 (C.40:14A-5) is amended to
13 read as follows:

14 5. (a) The powers of a sewerage authority shall be vested in the
15 members thereof in office from time to time. A majority of the
16 entire authorized membership of the sewerage authority shall
17 constitute a quorum at any meeting thereof. Action may be taken
18 and motions and resolutions adopted by the sewerage authority at
19 any meeting of the members thereof by vote of a majority of the
20 members present, unless in any case the by-laws of the sewerage
21 authority shall require a larger number. The sewerage authority
22 may delegate to one or more of its officers, agents or employees
23 such powers and duties as it may deem proper.

24 The minutes of every meeting of an authority created by a county
25 organized pursuant to the provisions of the "county executive plan"
26 of the "Optional County Charter Law," P.L.1972, c.154 (C.40:41A-
27 1 et seq.) shall be delivered by the end of the fifth business day
28 following the meeting, except as otherwise provided herein, by and
29 under the certification of the secretary of the authority to the county
30 executive. Except as otherwise provided herein, no action taken at
31 a meeting by the members of an authority shall be effective until
32 approved by the county executive or until 10 days after the copy of
33 the minutes shall have been delivered. If, within the 10-day period,
34 the county executive returns to the authority and to the board of
35 freeholders the copy of the minutes with a veto of any action taken
36 by the authority or any member thereof at a meeting, together with a
37 written explanation of the reasons for his veto of the action, that
38 action shall be of no effect unless the board of freeholders overrides
39 the veto of the action by a majority vote of its full membership
40 within 10 days of the receipt of the veto action. The county
41 executive may approve all or any part of an action taken at a
42 meeting prior to the expiration of the 10-day period. If the county
43 executive takes no action with respect to the minutes within the 10-
44 day period, the minutes shall be deemed to be approved. The veto
45 powers accorded under this subsection shall not affect in any way
46 the covenants contained in the bond indentures of the authority, or
47 any collective bargaining agreement or binding arbitration decisions
48 affecting employees of the authority.

1 No resolution or other action of the authority providing for the
2 issuance or refunding of bonds or other financial obligations shall
3 be adopted or otherwise made effective by the authority without the
4 prior approval in writing of the county executive. This power shall
5 be exercised with due regard for the rights of the holders of bonds
6 of the authority at any time outstanding, and nothing in, or done
7 pursuant to, this subsection shall in any way limit, restrict or alter
8 the obligations or powers of the authority or any representative or
9 officer of the authority to carry out and perform in every detail each
10 and every covenant, agreement or contract at any time made or
11 entered into by or on behalf of the authority with respect to its
12 bonds or for the benefit, protection or security of the holders
13 thereof.

14 If two-thirds or more of the members of an authority make a
15 determination that an action taken at a meeting is in response to an
16 emergency situation, a copy of the minutes of that meeting shall be
17 delivered to the county executive as soon as practicable following
18 the meeting and the county executive shall have up to 24 hours after
19 the copy of the minutes has been delivered to approve or veto the
20 minutes of that meeting. If the county executive takes no action
21 with respect to the minutes within the 24-hour period, the minutes
22 shall be deemed approved. If, within the 24-hour period, the county
23 executive returns to the authority and to the board of freeholders the
24 copy of the minutes with a veto of any action taken by the authority
25 or any member thereof at the meeting, together with a written
26 explanation of the reasons for his veto of the action, that action
27 shall be of no effect unless the board of freeholders overrides the
28 veto of the action by a majority vote of its full membership within
29 48 hours of the receipt of the veto action.

30 (b) Each member of a sewerage authority shall hold office for
31 the term for which he was appointed and until his successor has
32 been appointed and has qualified.

33 (c) No member, officer or employee of a sewerage authority
34 shall have or acquire any interest, direct or indirect, in the sewerage
35 system or in any property included or planned to be included in the
36 sewerage system or in any contract or proposed contract for
37 materials or services to be furnished to or used by the sewerage
38 authority, but neither the holding of any office or employment in
39 the government of any county or municipality or under any law of
40 the State nor the owning of any property within the State shall be
41 deemed a disqualification for membership in or employment by a
42 sewerage authority, and members of the governing body of a local
43 unit may be appointed by such governing body and may serve as
44 members of a sewerage authority. A member of a sewerage
45 authority may be removed only by the governing body by which he
46 was appointed and only for inefficiency [or], neglect of duty [or],
47 misconduct in office or for a newly appointed member, following
48 the effective date of P.L. , c. (pending before the Legislature as

1 this bill), failure to maintain residency wherein the county where
2 the sewerage authority is located and after he shall have been given
3 a copy of the charges against him and, not sooner than ten days
4 thereafter, had opportunity in person or by counsel to be heard
5 thereon by such governing body.

6 (d) A sewerage authority may reimburse its members for
7 necessary expenses incurred in the discharge of their duties. The
8 resolution, ordinance or parallel ordinances for the creation of a
9 sewerage authority may provide that the members of the sewerage
10 authority may receive compensation for their services within an
11 annual and other limitations to be stated in such resolution,
12 ordinance or parallel ordinances, and in that event, each member
13 may receive from the sewerage authority such compensation for his
14 services as the sewerage authority may determine within the
15 limitations stated in such resolution, ordinance or parallel
16 ordinances. The said annual or other limitations stated in any such
17 resolution, ordinance or parallel ordinances may be amended by
18 subsequent resolution, ordinance or parallel ordinances, as the case
19 may be, but no reduction of any such limitation shall be effective as
20 to any member of the sewerage authority then in office except upon
21 the written consent of the sewerage authority. No member of any
22 sewerage authority shall receive any compensation for his services
23 except as provided in this subsection.

24 (e) Every sewerage authority, upon the first appointment of its
25 members and thereafter on or after the first day of February in each
26 year, shall annually elect from among its members a chairman and a
27 vice-chairman who shall hold office, until the first day of February
28 next ensuing and until their respective successors have been
29 appointed and have qualified. Every sewerage authority may also,
30 without regard to the provisions of Title 11 of the Revised Statutes,
31 appoint and employ a secretary and such professional and technical
32 advisers and experts and such other officers, agents and employees
33 as it may require, and shall determine their qualifications, terms of
34 office, duties and compensation.

35 (f) The minutes of every meeting of an authority created by a
36 county which has not adopted the provisions of the "Optional
37 County Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), shall
38 be delivered by the end of the fifth business day following the
39 meeting, by and under the certification of the secretary of the
40 authority to each member of the county board of freeholders. No
41 action taken at a meeting by the members of an authority shall be
42 effective if, within 10 days after the copy of the minutes shall have
43 been delivered to each member of the board of freeholders, such
44 action is vetoed by the director of the board of freeholders, with the
45 concurrence of a majority of the members of the board of
46 freeholders. If, within the 10-day period, the board of freeholders
47 returns to the authority the copy of the minutes with a veto of any
48 action taken by the authority or any of the authority's members

1 thereof at a meeting, that action shall be of no effect. If the director
2 takes no action with respect to the minutes within the 10-day
3 period, the minutes shall be deemed to be approved. The veto
4 power accorded under this subsection shall not affect in any way the
5 covenants contained in the bond indentures of the authority, or any
6 collective bargaining agreement or binding arbitration decisions
7 affecting employees of the authority.
8 (cf: P.L.2010, c.52, s.2)

9
10 3. Section 4 of P.L.1957, c.183 (C.40:14B-4) is amended to
11 read as follows:

12 4. a. Any governing body may, in the case of a county by
13 resolution or ordinance duly adopted, or in the case of a
14 municipality by ordinance duly adopted, create a public body
15 corporate and politic under the name and style of “the
16 municipal utilities authority,” or of “the county utilities
17 authority,” with the name of said county or municipality inserted.
18 Said body shall consist of the five members thereof, who, in the
19 case of a county utilities authority, shall be appointed by the county
20 governing body, or by the county executive pursuant to section 37
21 of P.L.1972, c.154 (C.40:41A-37), as appropriate. In the case of a
22 municipal utilities authority, the governing body of a municipality
23 which is not organized under the town form of government pursuant
24 to the provisions of N.J.S.40A:62-5, or the mayor of a municipality
25 organized under the town form of government pursuant to the
26 provisions of N.J.S.40A:62-5 shall make the appointment. The
27 appointments shall constitute the county or municipal authority
28 contemplated and provided for in this act and an agency and
29 instrumentality of said county or municipality. After the taking
30 effect of the resolution or ordinance for the creation of said body
31 and the filing of a certified copy thereof as in section 7 of this act
32 provided, five persons shall be appointed as the members of the
33 county or municipal authority. The members first appointed shall,
34 by the resolution of appointment, be designated to serve for terms
35 respectively expiring on the first days of the first, second, third,
36 fourth and fifth Februaries next ensuing after the date of their
37 appointment. On or after January 1 in each year after such first
38 appointments, one person shall be appointed as a member of the
39 county or municipal authority to serve for a term commencing on
40 February 1 in such year and expiring on February 1 in the fifth year
41 after such year. In the event of a vacancy in the membership of the
42 county or municipal authority occurring during an unexpired term
43 of office, a person shall be appointed as a member of the county or
44 municipal authority to serve for such unexpired term. At least one
45 member of a county utility authority or municipal utility authority
46 shall reside in a municipality which receives sewerage or water
47 service from the county or municipal utility authority. Any other
48 person newly appointed to serve as a member of a county or

1 municipal utility authority after the effective date of P.L. _____,
2 c. (pending before the Legislature as this bill) shall reside in the
3 county in which the utility authority has been established.

4 b. (1) Any county governing body may provide by resolution or
5 ordinance as appropriate that the county utilities authority created
6 by it shall consist of seven members. The two additional members
7 first appointed pursuant to the resolution or ordinance shall be
8 designated to serve for terms respectively expiring on the first day
9 of the second and third Februaries next ensuing after the date of
10 their appointment. On or after January 1 in the year in which
11 expires the term of the additional member first appointed and in
12 every fifth year thereafter, one person shall be appointed as a
13 member of the county utilities authority by the county governing
14 body as a successor to such additional member, or reappointment of
15 the additional member, to serve for a term commencing on February
16 1 of such year and expiring on February 1 in the fifth year after
17 such year. At least one member of a county utility authority shall
18 reside in a municipality located within the county and which
19 receives sewerage or water service from the county utility authority.
20 Any other person newly appointed to serve as a member of a county
21 utility authority after the effective date of P.L. _____, c. (pending
22 before the Legislature as this bill) shall reside in the county in
23 which the utility authority has been established.

24 (2) Any county governing body may provide by resolution or
25 ordinance as appropriate that the county utilities authority created
26 by it shall consist of nine members. The four additional members
27 first appointed pursuant to said resolution or ordinance shall be
28 designated to serve for terms respectively expiring on the first day
29 of the second, third, fourth and fifth Februaries next ensuing after
30 the date of their appointment. On or after January 1 in the year in
31 which expires the term of said additional member first appointed
32 and in every fifth year thereafter, one person shall be appointed as a
33 member of the county utilities authority by said county governing
34 body as a successor to such additional member, to serve for a term
35 commencing on February 1 of such year and expiring on February 1
36 in the fifth year after such year. At least one member of a county
37 utility authority shall reside in a municipality located within the
38 county and which receives sewerage or water service from the
39 county utility authority. Any other person newly appointed to serve
40 as a member of a county utility authority after the effective date of
41 P.L. _____, c. (pending before the Legislature as this bill) shall reside
42 in the county in which the utility authority has been established.

43 c. Whenever the municipal authority of any county shall certify
44 to the governing body of any county that it has entered into a
45 contract pursuant to section 49 of this act (C.40:14B-49) with one
46 or more municipalities situate within any other county one
47 additional member of the municipal authority for each such other
48 county shall be appointed by the governing body of such other

1 county as in this section provided. The additional member so
2 appointed for any such other county, and his successors shall be a
3 resident of one of said municipalities situate within such other
4 county and receiving service from the authority. The additional
5 member first appointed or to be first appointed for such other
6 county shall serve for a term expiring on the first day of the fifth
7 February next ensuing after the date of such appointment, and on or
8 after January 1 in the year in which expires the term of the said
9 additional member first appointed, and in every fifth year thereafter,
10 one person shall be appointed by said governing body as a member
11 of the municipal authority as successor to said additional member,
12 to serve for a term commencing on February 1 in such year and
13 expiring on February 1 in the fifth year after such year. If after
14 such appointment of an additional member for such other county the
15 municipal authority shall certify to said governing body of such
16 other county that it is no longer a party to a contract entered into
17 pursuant to section 49 of this act (C.40:14B-49) with any
18 municipality situate within such other county, the term of office of
19 such additional member shall thereupon cease and expire and no
20 additional member for such other county shall thereafter be
21 appointed.

22 d. In any county wherein a county sewer authority is
23 reorganized as a municipal authority pursuant to section 6 of this
24 act (C.40:14B-6), its governing body shall, by resolution or
25 ordinance as appropriate, reappoint the existing members of the
26 authority to terms corresponding to terms of members first
27 appointed to a municipal authority pursuant to subsection a. of this
28 section; provided, however, that, if said county sewer authority has
29 seven members, then the existing members shall be reappointed to
30 the reorganized municipal authority pursuant to subsections a. and
31 b. of this section.

32 e. The governing body of a county or municipality may provide
33 in the ordinance or resolution creating the utilities authority for not
34 more than two alternate members. In the case of a county utilities
35 authority the county governing body, or the county executive
36 pursuant to section 37 of P.L.1972, c.154 (C.40:41A-37), shall
37 make the appointment. In the case of a municipal utilities authority,
38 the governing body of a municipality which is not organized under
39 the town form of government pursuant to the provisions of
40 N.J.S.40A:62-5, or the mayor of a municipality organized under the
41 town form of government pursuant to the provisions of
42 N.J.S.40A:62-5, shall make the appointment. Alternate members
43 shall be designated by the governing body, or mayor, as
44 appropriate, as "Alternate No. 1" and "Alternate No. 2" and shall
45 serve during the absence or disqualification of any regular member
46 or members. Any person newly appointed to serve as an alternate
47 member of a county or municipal utility authority after the
48 effective date of P.L. , c. (pending before the Legislature as this

1 bill) shall reside in the county in which the utility authority has
2 been established. The governing body of the county or municipality
3 shall provide by ordinance or resolution for the order in which the
4 alternates shall serve. The term of each alternate member shall be
5 five years commencing on February 1 of the year of appointment;
6 provided, however, that in the event two alternate members are
7 appointed their initial terms shall be four and five years
8 respectively. The terms of the first alternate members appointed
9 pursuant to this amendatory act shall commence on the day of their
10 appointment and shall expire on the fourth or fifth January 31 next
11 ensuing after the date of their appointments, as the case may be.
12 Alternate members may participate in discussions of the
13 proceedings but may not vote except in the absence or
14 disqualification of a regular member. A vote shall not be delayed in
15 order that a regular member may vote instead of an alternate
16 member.

17 (cf: P.L.1991, c.10, s.1)

18

19 4. Section 5 of P.L.1957, c.183, (C.40:14B-5) is amended to
20 read as follows:

21 5. The governing bodies of any two or more municipalities, the
22 areas of which together comprise an integral body of territory, may,
23 by parallel ordinances duly adopted by each of such governing
24 bodies within any single calendar year, create a public body
25 corporate and politic under the name and style of "the
26 municipal utilities authority," with all or any significant part of the
27 name of each such municipality or some identifying geographical
28 phrase inserted. Said body shall consist of the members thereof, in
29 an aggregate number as determined in this section, who shall be
30 appointed by resolutions of the several governing bodies as
31 provided in this section. Said body shall constitute the municipal
32 authority contemplated and provided for in P.L.1957, c.183
33 (C.40:14B-1 et seq.) and an agency and instrumentality of the said
34 municipalities. The number of members of the municipal authority
35 to be appointed for terms of office by the governing body of any
36 such municipality shall be as may be stated in said ordinances
37 which shall be not less than one nor more than three. After the
38 taking effect of the said ordinances of all such municipalities and
39 after the filing of certified copies thereof as provided in section 7 of
40 P.L.1957, c.183 (C.40:14B-7), the appropriate number of persons
41 shall be appointed as members of the municipal authority by the
42 governing body of each municipality. At least one member of a
43 joint municipal utility authority shall reside in a municipality which
44 receives sewerage or water service from the joint municipal utility
45 authority. Any other person newly appointed to serve as a member
46 of a joint municipal utility authority after the effective date of
47 P.L. , c. (pending before the Legislature as this bill) shall reside
48 in the county in which the utility authority has been established.

1 The members next appointed after the effective date of P.L.1999,
2 c.268 shall divide themselves by lot into classes. If there are five or
3 more members, there shall be five classes. If there are fewer than
4 five members, there shall be as many classes as there are members.
5 To the extent possible, there shall be an equal number of members
6 in each class, and each class shall contain no more than one member
7 from each municipality. The term of members composing the first
8 class shall be vacated at the expiration of the fifth year; the term of
9 members composing the second class shall be vacated at the
10 expiration of the fourth year; the term of members composing the
11 third class, if any, shall be vacated at the expiration of the third
12 year; the term of members composing the fourth class, if any, shall
13 be vacated at the expiration of the second year; and the term of
14 members composing the fifth class, if any, shall be vacated at the
15 expiration of the first year. The term of members of each class shall
16 expire on February 1 of their respective year.

17 On or after January 1 in the year in which expire the terms of
18 such next appointments, the appropriate number of persons shall be
19 appointed as members of the municipal authority by the governing
20 body of each municipality, to serve for terms commencing on
21 February 1 in such year and expiring on February 1 in the fifth year
22 after such year. In the event of a vacancy in the membership of the
23 municipal authority occurring during an unexpired term of office, a
24 person shall be appointed as a member of the municipal authority to
25 serve for such unexpired term by the governing body which made
26 the original appointment for such unexpired term.

27 (cf: P.L.1999, c.268, s.1)

28
29 5. This act shall take effect immediately.
30
31

32 STATEMENT

33
34 This bill would impose residency requirements on individuals
35 nominated to serve as members of the various sewerage authorities
36 and utility authorities throughout the State. The bill would require
37 that any newly appointed member of a county sewerage authority,
38 municipal sewerage authority, joint municipal sewerage authority,
39 county utility authority, municipal utility authority, or joint
40 municipal utility authority reside in the county where the authority
41 has been established. The bill would also require that at least one
42 member of the authority be a resident of a municipality that
43 receives sewer or water treatment services from the authority.
44 Current members would be exempt from the residency requirement
45 and would not be required to satisfy the requirement if they are
46 reappointed.

47 These authorities are permitted to impose fees on taxpayers and
48 incur indebtedness on behalf of the taxpayers with little oversight or

1 input from the voters. By imposing a residency requirement on
2 members of the authority it is sponsor's hope that the members of
3 the authority will have a better understanding of the effect their
4 decisions have on their friends and neighbors, as well as their own
5 finances.