

SENATE, No. 2427

STATE OF NEW JERSEY
214th LEGISLATURE

INTRODUCED NOVEMBER 22, 2010

Sponsored by:

Senator JEFF VAN DREW

District 1 (Cape May, Atlantic and Cumberland)

SYNOPSIS

Authorizes mayors to veto proposed actions of municipal authorities.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT authorizing mayors to veto actions of municipal authorities
2 and amending P.L.1983, c.313, P.L.1946, c.138, and P.L.1957,
3 c.183.

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

7
8 1. Section 22 of P.L.1983, c.313 (C.40A:5A-22) is amended to
9 read as follows:

10 22. a. Records of minutes, accounts, bills, vouchers, contracts
11 or other papers connected with or used or filed with any authority or
12 with any officer or employee acting for or in its behalf are declared
13 to be public records, and shall be open to public inspection in
14 accordance with P.L.1963, c. 73 (C. 47:1A-1 et seq.) and
15 regulations of the authority.

16 b. (1) The secretary of an authority created by a municipality
17 shall certify and deliver a copy of the minutes of every meeting of
18 the authority to each member of the governing body of the
19 municipality by the end of the fifth business day following the
20 meeting. No action taken at a meeting of an authority created by a
21 municipality shall take effect until 10 days after the date of
22 delivery.

23 (2) Within 10 days of the date of delivery, the mayor of a
24 municipality that has created an authority, with the consent of a
25 majority of the members of the governing body of the municipality,
26 may veto any action taken by the authority, or any member thereof,
27 at a meeting of the authority. If the mayor takes no action with
28 respect to the minutes within the 10-day period, the minutes shall be
29 deemed to be approved.

30 (3) An action taken at a meeting of an authority created by a
31 municipality shall not take effect if, within 10 days after the date of
32 delivery, the mayor and governing body veto the action taken by the
33 authority, or a member thereof, and return to the authority a copy of
34 the minutes with a veto of the action taken.

35 (4) The veto power accorded under this subsection shall not
36 affect in any way the covenants contained in the bond indentures of
37 the authority, or any collective bargaining agreement or binding
38 arbitration decisions affecting employees of the authority.

39 (cf: P.L.1983, c.313, s.22)

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

43 5. (a) The powers of a sewerage authority shall be vested in the
44 members thereof in office from time to time. A majority of the
45 entire authorized membership of the sewerage authority shall

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 constitute a quorum at any meeting thereof. Action may be taken
2 and motions and resolutions adopted by the sewerage authority at
3 any meeting of the members thereof by vote of a majority of the
4 members present, unless in any case the by-laws of the sewerage
5 authority shall require a larger number. The sewerage authority
6 may delegate to one or more of its officers, agents or employees
7 such powers and duties as it may deem proper.

8 The minutes of every meeting of an authority created by a county
9 organized pursuant to the provisions of the "county executive plan"
10 of the "Optional County Charter Law," P.L.1972, c.154 (C.40:41A-
11 1 et seq.) shall be delivered by the end of the fifth business day
12 following the meeting, except as otherwise provided herein, by and
13 under the certification of the secretary of the authority to the county
14 executive. Except as otherwise provided herein, no action taken at
15 a meeting by the members of an authority shall be effective until
16 approved by the county executive or until 10 days after the copy of
17 the minutes shall have been delivered. If, within the 10-day period,
18 the county executive returns to the authority and to the board of
19 freeholders the copy of the minutes with a veto of any action taken
20 by the authority or any member thereof at a meeting, together with a
21 written explanation of the reasons for his veto of the action, that
22 action shall be of no effect unless the board of freeholders overrides
23 the veto of the action by a majority vote of its full membership
24 within 10 days of the receipt of the veto action. The county
25 executive may approve all or any part of an action taken at a
26 meeting prior to the expiration of the 10-day period. If the county
27 executive takes no action with respect to the minutes within the 10-
28 day period, the minutes shall be deemed to be approved. The veto
29 powers accorded under this subsection shall not affect in any way
30 the covenants contained in the bond indentures of the authority, or
31 any collective bargaining agreement or binding arbitration decisions
32 affecting employees of the authority.

33 No resolution or other action of the authority providing for the
34 issuance or refunding of bonds or other financial obligations shall
35 be adopted or otherwise made effective by the authority without the
36 prior approval in writing of the county executive. This power shall
37 be exercised with due regard for the rights of the holders of bonds
38 of the authority at any time outstanding, and nothing in, or done
39 pursuant to, this subsection shall in any way limit, restrict or alter
40 the obligations or powers of the authority or any representative or
41 officer of the authority to carry out and perform in every detail each
42 and every covenant, agreement or contract at any time made or
43 entered into by or on behalf of the authority with respect to its
44 bonds or for the benefit, protection or security of the holders
45 thereof.

46 If two-thirds or more of the members of an authority make a
47 determination that an action taken at a meeting is in response to an
48 emergency situation, a copy of the minutes of that meeting shall be

1 delivered to the county executive as soon as practicable following
2 the meeting and the county executive shall have up to 24 hours after
3 the copy of the minutes has been delivered to approve or veto the
4 minutes of that meeting. If the county executive takes no action
5 with respect to the minutes within the 24-hour period, the minutes
6 shall be deemed approved. If, within the 24-hour period, the county
7 executive returns to the authority and to the board of freeholders the
8 copy of the minutes with a veto of any action taken by the authority
9 or any member thereof at the meeting, together with a written
10 explanation of the reasons for his veto of the action, that action
11 shall be of no effect unless the board of freeholders overrides the
12 veto of the action by a majority vote of its full membership within
13 48 hours of the receipt of the veto action.

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

17 (c) No member, officer or employee of a sewerage authority
18 shall have or acquire any interest, direct or indirect, in the sewerage
19 system or in any property included or planned to be included in the
20 sewerage system or in any contract or proposed contract for
21 materials or services to be furnished to or used by the sewerage
22 authority, but neither the holding of any office or employment in
23 the government of any county or municipality or under any law of
24 the State nor the owning of any property within the State shall be
25 deemed a disqualification for membership in or employment by a
26 sewerage authority, and members of the governing body of a local
27 unit may be appointed by such governing body and may serve as
28 members of a sewerage authority. A member of a sewerage
29 authority may be removed only by the governing body by which he
30 was appointed and only for inefficiency or neglect of duty or
31 misconduct in office and after he shall have been given a copy of
32 the charges against him and, not sooner than ten days thereafter,
33 had opportunity in person or by counsel to be heard thereon by such
34 governing body.

35 (d) A sewerage authority may reimburse its members for
36 necessary expenses incurred in the discharge of their duties. The
37 resolution, ordinance or parallel ordinances for the creation of a
38 sewerage authority may provide that the members of the sewerage
39 authority may receive compensation for their services within an
40 annual and other limitations to be stated in such resolution,
41 ordinance or parallel ordinances, and in that event, each member
42 may receive from the sewerage authority such compensation for his
43 services as the sewerage authority may determine within the
44 limitations stated in such resolution, ordinance or parallel
45 ordinances. The said annual or other limitations stated in any such
46 resolution, ordinance or parallel ordinances may be amended by
47 subsequent resolution, ordinance or parallel ordinances, as the case
48 may be, but no reduction of any such limitation shall be effective as

1 to any member of the sewerage authority then in office except upon
2 the written consent of the sewerage authority. No member of any
3 sewerage authority shall receive any compensation for his services
4 except as provided in this subsection.

5 (e) Every sewerage authority, upon the first appointment of its
6 members and thereafter on or after the first day of February in each
7 year, shall annually elect from among its members a chairman and a
8 vice-chairman who shall hold office, until the first day of February
9 next ensuing and until their respective successors have been
10 appointed and have qualified. Every sewerage authority may also,
11 without regard to the provisions of Title 11 of the Revised Statutes,
12 appoint and employ a secretary and such professional and technical
13 advisers and experts and such other officers, agents and employees
14 as it may require, and shall determine their qualifications, terms of
15 office, duties and compensation.

16 (f) The minutes of every meeting of an authority created by a
17 county which has not adopted the provisions of the "Optional
18 County Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), shall
19 be delivered by the end of the fifth business day following the
20 meeting, by and under the certification of the secretary of the
21 authority to each member of the county board of freeholders. No
22 action taken at a meeting by the members of an authority shall be
23 effective if, within 10 days after the copy of the minutes shall have
24 been delivered to each member of the board of freeholders, such
25 action is vetoed by the director of the board of freeholders, with the
26 concurrence of a majority of the members of the board of
27 freeholders. If, within the 10-day period, the board of freeholders
28 returns to the authority the copy of the minutes with a veto of any
29 action taken by the authority or any of the authority's members
30 thereof at a meeting, that action shall be of no effect. If the director
31 takes no action with respect to the minutes within the 10-day
32 period, the minutes shall be deemed to be approved. The veto
33 power accorded under this subsection shall not affect in any way the
34 covenants contained in the bond indentures of the authority, or any
35 collective bargaining agreement or binding arbitration decisions
36 affecting employees of the authority.

37 (g) The secretary of an authority created by a municipality shall
38 certify and deliver a copy of the minutes of every meeting of the
39 authority to each member of the governing body of the municipality
40 by the end of the fifth business day following the meeting. No
41 action taken at a meeting of an authority created by a municipality
42 shall take effect until 10 days after the date of delivery. Within 10
43 days of the date of delivery, the mayor of a municipality that has
44 created an authority, with the consent of a majority of the members
45 of the governing body of the municipality, may veto any action
46 taken by the authority, or any member thereof, at a meeting of the
47 authority. If the mayor takes no action with respect to the minutes
48 within the 10-day period, the minutes shall be deemed to be

1 approved. An action taken at a meeting of an authority created by a
2 municipality shall not take effect if, within 10 days after the date of
3 delivery, the mayor and governing body veto the action taken by the
4 authority, or a member thereof, and return to the authority a copy of
5 the minutes with a veto of the action taken. The veto power
6 accorded under this subsection shall not affect in any way the
7 covenants contained in the bond indentures of the authority, or any
8 collective bargaining agreement or binding arbitration decisions
9 affecting employees of the authority.
10 (cf: P.L.2010, c.52, s.2)

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

14 14. a. The powers of a municipal 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 municipal authority shall
17 constitute a quorum at any meeting thereof. Action may be taken
18 and motions and resolutions adopted by the municipal 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 municipal
21 authority shall require a larger number.

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

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

14 d. 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 e. The minutes of every meeting of an authority created by a
31 county which has not adopted the provisions of the "Optional
32 County Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), shall
33 be delivered by the end of the fifth business day following the
34 meeting, by and under the certification of the secretary of the
35 authority to each member of the county board of freeholders. No
36 action taken at a meeting by the members of an authority shall be
37 effective if within 10 days after the copy of the minutes shall have
38 been delivered to each member of the board of freeholders, such
39 action is vetoed by the director of the board of freeholders, with the
40 concurrence of a majority of the members of the board of
41 freeholders. If, within the 10-day period, the board of freeholders
42 returns to the authority the copy of the minutes with a veto of any
43 action taken by the authority or any of the authority's members
44 thereof at a meeting, that action shall be of no effect. If the director
45 takes no action with respect to the minutes within the 10-day
46 period, the minutes shall be deemed to be approved. The veto
47 power accorded under this subsection shall not affect in any way the
48 covenants contained in the bond indentures of the authority, or any

1 collective bargaining agreement or binding arbitration decisions
2 affecting employees of the authority.

3 (f) The secretary of an authority created by a municipality shall
4 certify and deliver a copy of the minutes of every meeting of the
5 authority to each member of the governing body of the municipality
6 by the end of the fifth business day following the meeting. No
7 action taken at a meeting of an authority created by a municipality
8 shall take effect until 10 days after the date of delivery. Within 10
9 days of the date of delivery, the mayor of a municipality that has
10 created an authority, with the consent of a majority of the members
11 of the governing body of the municipality, may veto any action
12 taken by the authority, or any member thereof, at a meeting of the
13 authority. If the mayor takes no action with respect to the minutes
14 within the 10-day period, the minutes shall be deemed to be
15 approved. An action taken at a meeting of an authority created by a
16 municipality shall not take effect if, within 10 days after the date of
17 delivery, the mayor and governing body veto the action taken by the
18 authority, or a member thereof, and return to the authority a copy of
19 the minutes with a veto of the action taken. The veto power
20 accorded under this subsection shall not affect in any way the
21 covenants contained in the bond indentures of the authority, or any
22 collective bargaining agreement or binding arbitration decisions
23 affecting employees of the authority.

24 (cf: P.L.2010, c.52, s.3)

25

26 4. This act shall take effect immediately.

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28

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STATEMENT

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31 This bill would authorize the mayor of a municipality that has
32 created an authority, with the consent of a majority of the members
33 of the municipality's governing body, to veto any action taken by
34 the authority. The veto power authorized in this bill is comparable
35 to the veto power granted to directors of boards of chosen
36 freeholders by P.L.2010, c.52 (C.40:20-71.3 et al.).