

[First Reprint]

**SENATE, No. 872**

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**STATE OF NEW JERSEY**  
**215th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2012 SESSION

**Sponsored by:**

**Senator SANDRA B. CUNNINGHAM**

**District 31 (Hudson)**

**Assemblyman SEAN CONNORS**

**District 33 (Hudson)**

**Assemblyman PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**Assemblyman JASON O'DONNELL**

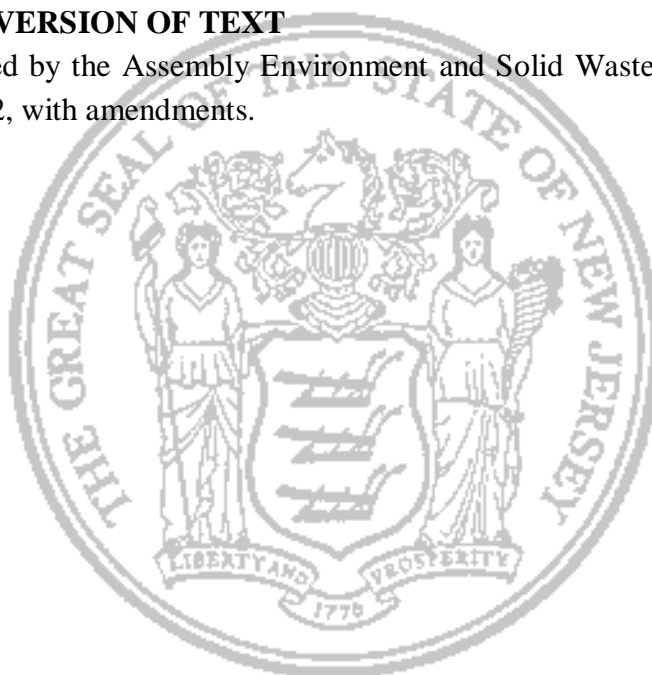
**District 31 (Hudson)**

**SYNOPSIS**

Authorizes certain incinerator authorities to perform sanitation, public works, and environmental services.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Environment and Solid Waste Committee on June 14, 2012, with amendments.



**(Sponsorship Updated As Of: 6/22/2012)**

1   **AN ACT** expanding the permissible scope of operation of incinerator  
2       authorities and amending P.L.1948, c.348.

3

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

6

7       1. Section 1 of P.L.1948, c.348 (C.40:66A-1) is amended to  
8 read as follows:

9       1. This act shall be known and may be cited as the "incinerator  
10 or environmental services authorities law."

11 (cf: P.L.1948, c.348, s.1)

12

13       2. Section 2 of P.L.1948, c.348 (C.40:66A-2) is amended to  
14 read as follows:

15       2. It is hereby declared to be in the public interest and to be the  
16 policy of the State to foster and promote by all reasonable means  
17 the health and welfare of the citizens thereof by the proper  
18 collection and disposal of garbage and other refuse matter, as well  
19 as by the performance of various other sanitation, public works and  
20 environmental services necessary to maintain a clean, healthy, and  
21 safe environment for all citizens.

22 (cf: P.L.1948, c.348, s.2)

23

24       3. Section 3 of P.L.1948, c.348 (C.40:66A-3) is amended to  
25 read as follows:

26       3. As used in this act, unless a different meaning clearly  
27 appears from the context:

28       (1) "Municipality" shall mean any city of any class, any  
29 borough, village, town, township, or any other municipality other  
30 than a county or a school district;

31       (2) "Governing body" shall mean the commission, council,  
32 board or body, by whatever name it may be known, having charge  
33 of the finances of the municipality;

34       (3) "Person" shall mean any person, association, corporation,  
35 nation, State or any agency or subdivision thereof, municipality of  
36 the State or an incinerator authority;

37       (4) "Incinerator authority" or "environmental services authority"  
38 shall mean a public body created pursuant to section four of this act;

39       (5) Subject to the exceptions provided in the section four of this  
40 act, "district" shall mean the area within the territorial boundaries of  
41 the municipality or municipalities which created or joined in the  
42 creation of an incinerator or environmental services authority;

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly AEN committee amendments adopted June 14, 2012.

1 (6) "Local unit" shall mean any municipality which created or  
2 joined in the creation of an incinerator or environmental services  
3 authority;

4 (7) "Garbage disposal system" shall mean the plants, structures  
5 and other real and personal property acquired, constructed or  
6 operated or to be acquired constructed or operated by an incinerator  
7 or environmental services authority, including incinerators or other  
8 plants for the treatment and disposal of garbage and refuse matter  
9 and all other real and personal and rights therein and appurtenances  
10 necessary or useful and convenient for the collection, treatment or  
11 disposal in a sanitary manner of garbage and refuse matter (but not  
12 including sewage).

13 (8) "Cost" shall mean, in addition to the usual connotations  
14 thereof, the cost of acquisition or construction of all or any part of a  
15 garbage disposal system of all or any property, rights, easements  
16 and franchises deemed by the incinerator or environmental services  
17 authority to be necessary or useful and convenient therefor,  
18 including reimbursements to the incinerator or environmental  
19 services authority or any municipality or other person of any  
20 moneys theretofore expended for the purposes of the incinerator or  
21 environmental services authority and including interest or discount  
22 on bonds to finance such cost, engineering and inspection costs and  
23 legal expenses, the cost of financial, professional and other advice,  
24 and the cost of issuance of any such bonds;

25 (9) "Real property" shall mean lands both within and without  
26 the State, and improvements thereof or thereon, or any rights or  
27 interests therein;

28 (10) "Construct" and "construction" shall connote and include  
29 acts of construction, reconstruction, replacement, extension,  
30 improvement and betterment of a garbage disposal system;

31 (11) "Garbage or refuse matter" shall mean any refuse matter,  
32 trash or garbage from residences, hotels, apartments or any other  
33 public or private building but shall not include water-carried wastes,  
34 industrial waste or the kinds of wastes usually collected, carried  
35 away and disposed of by sewerage system.

36 (12) "Ordinance" means a written act of the governing body of a  
37 municipality adopted and otherwise approved and published in the  
38 manner or mode of procedure prescribed for ordinances tending to  
39 obligate such municipality pecuniarily; **[and]**

40 (13) "Resolution" means a written act of the governing body of a  
41 local unit adopted and otherwise approved in the manner or mode of  
42 procedure prescribed for resolutions tending to obligate such local  
43 unit pecuniarily; and

44 (14) "Environmental services" shall mean any and all services  
45 relative to sanitation, recycling, park and other recreation area  
46 maintenance, demolition, repair or maintenance of unsafe,  
47 unsanitary, or unsound structures, automobile towing and impound,

municipal vehicle maintenance and repair and services related thereto, street and road safety services, snow removal, environmental compliance and education, services necessary or appropriate for neighborhood beautification or environmental improvement, and any other service relative to maintaining a sanitary, safe, and healthy environment within a municipality.

(cf: P.L.1948, c.348, s. 3)

4. Section 4 of P.L.1948, c.348 (C.40:66A-4) is amended to read as follows:

4. (a) The governing body of any municipality may, by ordinance duly adopted, create a public body corporate and politic under the name and style of "the incinerator authority" with all or any significant part of the name of such municipality inserted. The governing body of '[any] a' municipality 'in which an incinerator authority has been established pursuant to P.L.1948, c.348 (C.40:66A-1 et seq.) prior to the effective date of P.L. , c. (pending before the Legislature as this bill)' may, by ordinance duly adopted, create '[a public body corporate and politic] , continue and reestablish the incinerator authority' under the name and style of the "environmental services authority" with all or any significant part of the name of the municipality inserted. An incinerator or environmental services authority created pursuant to this section by a municipality other than a city of the first class shall consist of five members, and an incinerator or environmental services authority created pursuant to this section by a municipality which is a city of the first class shall consist of five or seven members, as determined by the governing body. Members of the incinerator or environmental services authority shall be appointed by resolution of the governing body as hereinafter in this section provided, and the authority shall constitute the incinerator or environmental services authority contemplated and provided for in this act and an agency and instrumentality of said municipality. After the taking effect of such ordinance and the filing of a certified copy thereof as in subsection (c) of this section provided, the members of the incinerator or environmental services authority shall be appointed. The members first appointed shall, by the resolution of appointment, be designated to serve for terms respectively expiring as follows: the terms of the first four members shall expire in turn on each of the first days of the first, second, third and fourth Februaries next ensuing after the date of their appointment, and the remaining members shall be designated to serve for terms expiring on the first day of the fifth February next ensuing after the date of their appointment. On or after the first day of January in each year after such first appointments, one person shall be appointed or reappointed as a member of the incinerator or environmental services authority to succeed each member whose

1 term is expiring, and shall serve for a term commencing on the first  
2 day of February in such year and expiring on the first day of  
3 February in the fifth year after such year. In the event of a vacancy  
4 in the membership of the incinerator or environmental services  
5 authority occurring during an unexpired term of office, a person  
6 shall be appointed as a member of the incinerator or environmental  
7 services authority to serve for such unexpired term.

8 The governing body of a municipality which is a city of the first  
9 class may increase the membership of its incinerator or  
10 environmental services authority to seven members from five  
11 members. The two additional members shall be appointed to serve  
12 five-year terms, commencing on the February 1 next following their  
13 appointment and expiring on February 1 in the fifth year after their  
14 appointment.

15 (b) The governing bodies of any two or more municipalities,  
16 whether or not the areas of such municipalities comprise an integral  
17 body of territory, may, by parallel ordinances duly adopted by each  
18 of such governing bodies within any single calendar year, create a  
19 public body corporate and politic under the name and style of "the  
20 incinerator authority" with all or any significant part of the name of  
21 each such municipality or some identifying geographical phrase  
22 inserted. The governing bodies of any two or more municipalities  
23 'who have established an incinerator authority pursuant to  
24 P.L.1948, c.348 (C.40:66A-1 et seq.) prior to the effective date of  
25 P.L. , c. (pending before the Legislature as this bill)' , whether  
26 or not the areas of such municipalities comprise an integral body of  
27 territory, may, by parallel ordinances duly adopted by each of such  
28 governing bodies within any single calendar year, create '[a public  
29 body corporate and politic] , continue and reestablish the  
30 incinerator authority' under the name and style of "the  
31 environmental services authority" with all or any significant part of  
32 the name of each such municipality or some identifying  
33 geographical phrase inserted. Said body shall consist of the  
34 members thereof, in an aggregate number determined as hereinafter  
35 in this subsection provided, who shall be appointed by resolution of  
36 the several governing bodies as hereinafter in this section provided,  
37 and it shall constitute the incinerator or environmental services  
38 authority contemplated and provided for in this act and an agency  
39 and instrumentality of the said municipalities. The number of  
40 members of the incinerator or environmental services authority to  
41 be appointed at any time for full terms of office by the governing  
42 body of any such municipality or municipalities, as the case may be,  
43 shall be as may be stated in said ordinances which shall be not less  
44 than one nor more than three. After the taking effect of the said  
45 ordinances of all such municipalities and after the filing of certified  
46 copies thereof as in subsection (c) of this section provided, the  
47 appropriate number of persons shall be appointed as members of the

1 incinerator or environmental services authority by the governing  
2 body of each municipality. The members first appointed or to be  
3 first appointed shall serve for terms expiring on the first day of the  
4 fifth February next ensuing after the date of the first appointment of  
5 any member. On or after the first day of January in the year in  
6 which expires the terms of the said members first appointed and in  
7 every fifth year thereafter, the appropriate number of persons shall  
8 be appointed as members of the incinerator or environmental  
9 services authority by the governing body of each municipality, to  
10 serve for terms commencing on the first day of February in such  
11 year and expiring on the first day of February in the fifth year after  
12 such year. In the event of a vacancy in the membership of the  
13 incinerator or environmental services authority occurring during an  
14 unexpired term of office, a person shall be appointed as a member  
15 of the incinerator or environmental services authority to serve for  
16 such unexpired term by the governing body which made the original  
17 appointment for such unexpired term.

18 (c) A copy of each ordinance for the creation of an incinerator  
19 or environmental services authority adopted pursuant to this  
20 section, duly certified by the appropriate officer of the local unit,  
21 shall be filed in the office of the Secretary of State. Upon proof of  
22 such filing of a certified copy of the ordinance or of certified copies  
23 of the parallel ordinances for the creation of an incinerator or  
24 environmental services authority as aforesaid, the incinerator or  
25 environmental services authority therein referred to shall, in any  
26 suit, action or proceeding involving the validity or enforcement of,  
27 or relating to, any contract or obligation or act of the incinerator or  
28 environmental services authority, be conclusively deemed to have  
29 been lawfully and properly created and established and authorized  
30 to transact business and exercise its powers under this act. A copy  
31 of any such certified ordinance, duly certified by or on behalf of the  
32 Secretary of State, shall be admissible in evidence in any suit,  
33 action or proceeding.

34 (d) A copy of each resolution appointing any member of an  
35 incinerator or environmental services authority adopted pursuant to  
36 this section, duly certified by the appropriate officer of the local  
37 unit, shall be filed in the office of the Secretary of State. A copy of  
38 such certified resolution, duly certified by or on behalf of the  
39 Secretary of State, shall be admissible in evidence in any suit,  
40 action or proceeding and, except in a suit, action or proceeding  
41 directly questioning such appointment, shall be conclusive evidence  
42 of the due and proper appointment of the members named therein.

43 (e) <sup>1</sup>~~['No]~~ Except as otherwise provided in subsection (a) or  
44 subsection (b) of this section with respect to the continuation and  
45 reestablishment of an environmental services authority, no<sup>1</sup>  
46 governing body which may create or join in the creation of any  
47 incinerator or environmental services authority pursuant to this

1 section shall thereafter create or join in the creation of any other  
2 incinerator or environmental services authority. No governing body  
3 of any municipality within a district shall create or join in the  
4 creation of any incinerator or environmental services authority  
5 except upon the written consent of the incinerator or environmental  
6 services authority and in accordance with the terms and conditions  
7 of such consent, and in the event such consent be given and an  
8 incinerator or environmental services authority be created pursuant  
9 thereto, the area within the territorial boundaries of such  
10 municipality shall not thereafter be part of the district.

11 (cf: P.L.1994, c.85, s.2)

12

13 5. Section 5 of P.L.1948, c.348 (C.40:66A-5) is amended to  
14 read as follows:

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

27 (b) Each member of an incinerator or environmental services  
28 authority shall hold office for the term for which he was appointed  
29 and until his successor has been appointed and has qualified.

30 (c) No member, officer or employee of an incinerator or  
31 environmental services authority shall have or acquire any interest,  
32 direct or indirect, in the garbage disposal system in any property  
33 included or planned to be included in the garbage disposal system  
34 or in any contract or proposed contract for materials or services to  
35 be furnished to or used by the incinerator or environmental services  
36 authority, but neither the holding of any officer or employment in  
37 the government of any municipality or under any law of the State  
38 nor the owning of any property within the State shall be deemed a  
39 disqualification for membership in or employment by an incinerator  
40 or environmental services authority. A member of an incinerator or  
41 environmental services authority may be removed only by the  
42 governing body by which he was appointed and only for  
43 inefficiency or neglect of duty or misconduct in office and after he  
44 shall have been given a copy of the charges against him and, not  
45 sooner than ten days thereafter, had opportunity in person or by  
46 counsel to be heard thereon by such governing body.

1 (d) An incinerator or environmental services authority may  
2 reimburse its members for necessary expenses incurred in the  
3 discharge of their duties. The ordinance or parallel ordinances for  
4 the creation of an incinerator or environmental services authority  
5 may provide that the members of the incinerator or environmental  
6 services authority may receive compensation for their services  
7 within an annual and other limitations to be stated in such ordinance  
8 or parallel ordinances, and in that event, each member may receive  
9 from the incinerator or environmental services authority such  
10 compensation for his services as the incinerator or environmental  
11 services authority may determine within the limitations stated in  
12 such ordinance or parallel ordinances. No member of any  
13 incinerator or environmental services authority shall receive any  
14 compensation for his services except as provided in this subsection.

15 (e) Every incinerator or environmental services authority, upon  
16 the first appointment of its members and thereafter on or after the  
17 first day of February in each year, shall annually elect from among  
18 its members a chairman and a vice-chairman who shall hold office,  
19 until the first day of February next ensuing and until their respective  
20 successors have been appointed and have qualified. Every  
21 incinerator or environmental services authority may also appoint  
22 and employ a secretary and such professional and technical advisers  
23 and experts and such other officers, agents and employees as it may  
24 require, and it shall determine their qualifications, duties and  
25 compensation.

26 (cf: P.L.1948, c.348, s.5)

27

28 6. Section 6 of P.L.1948, c.348 (C.40:66A-6) is amended to  
29 read as follows:

30 6. Every incinerator or environmental services authority is  
31 hereby authorized and directed, subject to the limitations of this act,  
32 to acquire, in its own name but for the local unit or units, by  
33 purchase, gift, condemnation or otherwise, and, notwithstanding the  
34 provisions of any charter, ordinance or resolution of any county or  
35 municipality to the contrary, to construct, maintain, operate and use  
36 such incinerators, treatment plants or works at such places, and such  
37 other plants, structures, property and conveyances, as in the  
38 judgment of the incinerator or environmental services authority will  
39 provide an effective and satisfactory method for promoting the  
40 purposes of the incinerator or environmental services authority.

41 (cf: P.L.1948, c.348, s.6)

42

43 7. Section 7 of P.L.1948, c.348 (C.40:66A-7) is amended to  
44 read as follows:

45 7. Every incinerator or environmental services authority shall  
46 be a public body politic and corporate constituting a political  
47 subdivision of the State established as an instrumentality exercising



- 1 public and essential governmental functions to provide for the  
2 public health and welfare and shall have perpetual succession and  
3 have the following powers:
- 4 (1) To adopt and have a common seal and to alter the same at  
5 pleasure;
- 6 (2) To sue and to be sued;
- 7 (3) In the name of the incinerator or environmental services  
8 authority and on its behalf, to acquire, hold, use and dispose of its  
9 service charges and other revenues and other moneys;
- 10 (4) In the name of the incinerator or environmental services  
11 authority but for the local unit or unit, to acquire, hold, use and  
12 dispose of other personal property for the purposes of the  
13 incinerator or environmental services authority;
- 14 (5) In the name of the incinerator or environmental services  
15 authority but for the local unit or units, to acquire by purchase, gift,  
16 condemnation or otherwise, real property and easements therein,  
17 necessary or useful and convenient for the purposes of the  
18 incinerator or environmental services authority, and subject to  
19 mortgages, deeds of trust or other liens, or otherwise, and to hold  
20 and to use the same, and to dispose of property so acquired no  
21 longer necessary for the purposes of the incinerator or  
22 environmental services authority;
- 23 (6) To provide for and secure the payment of any bonds and the  
24 rights of the holders thereof, and to purchase, hold and dispose of  
25 any bonds;
- 26 (7) To accept gifts or grants of real or personal property, money,  
27 material, labor or supplies for the purpose of the incinerator or  
28 environmental services authority, and to make and perform such  
29 agreements and contracts as may be necessary or convenient in  
30 connection with the procuring, acceptance or disposition of such  
31 gifts or grants;
- 32 (8) To enter on any lands or premises for the purposes of the  
33 incinerator or environmental services authority;
- 34 (9) To make and enforce bylaws or rules and regulations for the  
35 management and regulation of its business and affairs and for the  
36 use, maintenance and operation of the garbage disposal system and  
37 any other of its properties, and to amend the same;
- 38 (10) To do and perform any acts and things authorized by this act  
39 under, through or by means of its own officers, agents and  
40 employees, or by contracts with any persons; and
- 41 (11) To enter into any and all contracts, execute any and all  
42 instruments, and do and perform any and all acts or things  
43 necessary, convenient or desirable for the purpose of the incinerator  
44 or environmental services authority or to carry out any power  
45 expressly given in this act subject to P.L.1971, c. 198 "Local Public  
46 Contracts Law" (C. 40A:11-1 et seq.).  
47 (cf: P.L.1975, c.96, s.11)

1       8. Section 1 of P.L.1952, c.304 (C.40:66A-7.1) is amended to  
2 read as follows:

3       1. It shall be the duty of every "incinerator or environmental  
4 services authority," created pursuant to the act to which this act is a  
5 supplement, to cause an annual audit of the accounts of the  
6 authority to be made and filed with the authority, and for this  
7 purpose the authority shall employ a registered municipal  
8 accountant of New Jersey or a certified public accountant of New  
9 Jersey. The audit shall be completed and filed with the authority  
10 within four months after the close of the fiscal year of the authority  
11 and a certified duplicate copy thereof shall be filed with the  
12 Director of the Division of Local Government Services in the  
13 Department of **the Treasury** Community Affairs within five days  
14 after the original report is filed with the authority.  
15 (cf: P.L.1952, c.304, s.1)

16

17       9. Section 2 of P.L.1952, c.304 (C.40:66A-7.2) is amended to  
18 read as follows:

19       2. Every such "incinerator or environmental services authority"  
20 shall file a certified copy of every bond resolution as finally passed  
21 with the Director of the Division of Local Government Services in  
22 the Department of **the Treasury** Community Affairs and in  
23 addition shall file a certified copy of all bond proceedings with the  
24 said director.  
25 (cf: P.L.1952, c.304, s.2)

26

27       10. Section 8 of P.L.1948, c.348 (C.40:66A-8) is amended to  
28 read as follows:

29       8. (a) Every incinerator or environmental services authority is  
30 hereby authorized to charge and collect rents, rates, fees or other  
31 charges (in this act sometimes referred to as "service charges") for  
32 the services and facilities of the garbage disposal system.

33       (b) Such rents, rates, fees and charges, being in the nature of use  
34 or service charges, shall as nearly as the incinerator or  
35 environmental services authority shall deem practicable and  
36 equitable be uniform throughout the district for the same type, class  
37 and amount of use or service of the garbage disposal system.

38       (c) The incinerator or environmental services authority shall  
39 prescribe and from time to time when necessary revise the schedule  
40 of such service charges, which in any event shall be such that the  
41 revenues of the incinerator or environmental services authority will  
42 at all times be adequate to pay all expenses of operation and  
43 maintenance of the garbage disposal system, including reserves,  
44 insurance, extensions, and replacements, and to pay punctually the  
45 principal of and interest on any bonds and to maintain such reserves  
46 or sinking funds therefor as may be required by the terms of any  
47 contract of the incinerator or environmental services authority. Said

1 schedule shall thus be prescribed and from time to time revised by  
2 the incinerator or environmental services authority after public  
3 hearing thereon which shall be held by the incinerator or  
4 environmental services authority at least 7 days after publication of  
5 notice of the proposed adjustment of the service charges and of the  
6 time and place of the public hearing in at least two newspapers of  
7 general circulation in the area serviced by the authority. The  
8 incinerator or environmental services authority shall provide  
9 evidence at the hearing showing that the proposed adjustment of the  
10 service charges is necessary and reasonable, and shall provide the  
11 opportunity for cross-examination of persons offering such  
12 evidence, and a transcript of the hearing shall be made and a copy  
13 thereof shall be available upon request to any interested party at a  
14 reasonable fee. The incinerator or environmental services authority  
15 shall likewise fix and determine the time or times when and the  
16 place or places where such service charges shall be due and payable  
17 and may require that such service charges shall be paid in advance  
18 for periods of not more than 1 year. A copy of such schedule of  
19 service charges in effect shall at all times be kept on file at the  
20 principal office of the incinerator or environmental services  
21 authority and shall at all reasonable times be open to public  
22 inspection.

23 (cf: P.L.1981, c.511, s.19)

24  
25 11. Section '[11] 2' of P.L.1948, c.348 (C.40:66A-9) is  
26 amended to read as follows:

27 9. Any local unit shall have power, in the discretion of its  
28 governing body, to appropriate moneys for the purposes of the  
29 incinerator or environmental services authority, and to loan or  
30 donate such moneys to the incinerator or environmental services  
31 authority in such installments and upon such terms as may be  
32 agreed upon between such local unit and the incinerator or  
33 environmental services authority.

34 (cf: P.L.1948, c.348, s.9)

35  
36 12. Section 10 of P.L.1948, c.348 (C.40:66A-10) is amended to  
37 read as follows:

38 10. Revenue bonds may be authorized to be issued under this act  
39 to provide funds to pay the cost of all or any part of the [garbage  
40 disposal] '[incinerator or environmental services] garbage  
41 disposal' system, or for the refunding of any bonds theretofore  
42 issued for such purposes. The purposes for which such revenue  
43 bonds may be issued shall include the payment to the local unit or  
44 local units of the reasonable value of any properties or facilities  
45 deemed necessary or desirable for the purposes of the incinerator or  
46 environmental services authority, and such incinerator or  
47 environmental services authorities are hereby authorized to

1 purchase and acquire such properties or facilities from such local  
2 unit or local units.

3 Such revenue bonds shall be authorized by resolution of the  
4 incinerator or environmental services authority which may be  
5 adopted at the same meeting at which it is introduced by a majority  
6 of all the members thereof then in office, shall take effect  
7 immediately and need not be published or posted. Such revenue  
8 bonds may bear interest at such rate or rates, not exceeding 6% per  
9 annum, may be in **[1]** one or more series, may bear such date or  
10 dates, may mature at such time or times not exceeding 30 years  
11 from their respective dates, may be payable in such medium of  
12 payment at such place or places, may carry such registration  
13 privileges, may be subject to such terms of redemption with or  
14 without premium, may be executed in such manner, may contain  
15 such terms, covenants and conditions, and may be in such form,  
16 either coupon or registered, as such resolution or subsequent  
17 resolution may provide. Such revenue bonds may be sold, all at one  
18 time or in blocks from time to time, at public or private sale, or if  
19 refunding bonds may also be delivered in exchange for the  
20 outstanding obligations to be refunded thereby, in such manner as  
21 the incinerator or environmental services authority shall determine  
22 by resolution, and at such price or prices, computed according to  
23 standard tables of bond values, as will yield to the purchasers or the  
24 holders of the obligations surrendered in exchange, income at a rate  
25 not exceeding 6% per annum to the maturity dates of the several  
26 bonds so sold or exchanged on the money paid or the principal  
27 amount of obligations surrendered therefor to the incinerator or  
28 environmental services authority.

29 (cf: P.L.1954, c.185, s.2)

30

31 13. Section 11 of P.L.1948, c.348 (C.40:66A-11) is amended to  
32 read as follows:

33 11. After sale of any revenue bonds pursuant to this act, the  
34 incinerator or environmental services authority shall have power to  
35 authorize the execution and issuance to the purchasers, pending the  
36 preparation of the definitive bonds, of interim certificates therefor  
37 or of temporary bonds or other temporary instruments exchangeable  
38 for the definitive bonds when prepared, executed and ready for  
39 delivery. The holders of such interim certificates, temporary bonds  
40 or other temporary instruments shall have all the rights and  
41 remedies which they would have as holders of the definitive bonds.

42 (cf: P.L.1948, c.348, s.11)

43

44 14. Section 12 of P.L.1948, c.348 (C.40:66A-12) is amended to  
45 read as follows:

46 12. Any incinerator or environmental services authority may  
47 cause to be published in a newspaper published in the district a

1 notice stating the date of adoption of such bond resolution, the  
2 amount and maturities of the bonds authorized to be issued, and  
3 also stating that any action or proceeding of any kind or nature in  
4 any court questioning the validity of the creation and establishment  
5 of the incinerator or environmental services authority, or the  
6 validity or proper authorization of bonds provided for by the bond  
7 resolution, or the validity of any covenants, agreements or contracts  
8 provided for by the bond resolution shall be commenced within  
9 twenty days after the first publication of such notice. If no such  
10 action or proceeding shall be commenced or instituted within  
11 twenty days after the first publication of such notice, then all  
12 residents and taxpayers and owners of property in the district and  
13 users of the [garbage disposal] <sup>1</sup>[incinerator or environmental  
14 services] garbage disposal<sup>1</sup> system and all other persons  
15 whatsoever shall be forever barred and foreclosed from instituting  
16 or commencing any action or proceeding in any court, or from  
17 pleading any defense to any action or proceeding, questioning the  
18 validity of the creation and establishment of the incinerator or  
19 environmental services authority, the validity or proper  
20 authorization of such bonds, or the validity of any such covenants,  
21 agreements or contracts, and said bonds, covenants, agreements and  
22 contracts shall be conclusively deemed to be valid and binding  
23 obligations in accordance with their terms and tenor.  
24 (cf: P.L.1948, c.348, s.12)

25  
26 15. Section 14 of P.L.1948, c.348 (C.40:66A-14) is amended to  
27 read as follows:

28 14. Any bond resolution of an incinerator or environmental  
29 services authority providing for or authorizing the issuance of any  
30 bonds may contain provisions, and such incinerator or  
31 environmental services authority, in order to secure the payment of  
32 such bonds and in addition to its other powers, shall have power by  
33 provision in the bond resolution to covenant and agree with the  
34 several holders of such bonds, as to:

35 (1) The custody, security, use, expenditure or application of the  
36 proceeds of the bonds;

37 (2) The construction and completion, or replacement, of all or  
38 any part of the garbage disposal system;

39 (3) The use, regulation, operation, maintenance, insurance or  
40 disposition of all or any part of the garbage disposal system, or  
41 restrictions on the exercise of the powers of the incinerator or  
42 environmental services authority to dispose, or to limit or regulate  
43 the use, of all or any part of the garbage disposal system;

44 (4) Payment of the principal of or interest on the bonds, or any  
45 other obligations, and the sources and methods thereof, the rank or  
46 priority of any such bonds as obligations as to any lien or security,  
47 or the acceleration of the maturity of any such bonds or obligations.

1 (5) The use and disposition of any moneys of the incinerator or  
2 environmental services authority, including revenues (in this act  
3 sometimes called "system revenues" ) derived or to be derived from  
4 the operation of all or any part of the garbage disposal system,  
5 including any parts thereof theretofore constructed or acquired;

6 (6) Pledging, setting aside, depositing or trusteeing all or any  
7 part of the system revenues or other moneys of the incinerator or  
8 environmental services authority to secure the payment of the  
9 principal of or interest on the bonds or any other obligations, or the  
10 payment of expenses of operation or maintenance of the garbage  
11 disposal system, and the powers and duties of any trustee with  
12 regard thereto;

13 (7) The setting aside out of the system revenues or other moneys  
14 of the incinerator or environmental services authority of reserves  
15 and sinking funds, and the source, custody, security, regulation,  
16 application and disposition thereof;

17 (8) Determination or definition of the system revenues or of the  
18 expenses of operation and maintenance of the garbage disposal  
19 system;

20 (9) The rents, rates, fees, or other charges for the use of the  
21 services and facilities of the garbage disposal system, including any  
22 parts thereof theretofore constructed or acquired and any parts,  
23 extension, replacements or improvements thereof thereafter  
24 constructed or acquired, and the fixing, establishment, collection  
25 and enforcement of the same, the amount or amounts of system  
26 revenues to be produced thereby, and the disposition and  
27 application of the amounts charged or collected;

28 (10) The assumption or payment or discharge of any  
29 indebtedness, liens or other claims relating to any part of the  
30 garbage disposal system or any obligations having or which may  
31 have a lien on any part of the system revenue;

32 (11) Limitations on the issuance of additional bonds or any  
33 other obligations or on the incurrence of indebtedness of the  
34 incinerator or environmental services authority;

35 (12) Limitations on the powers of the incinerator or  
36 environmental services authority to construct, acquire or operate, or  
37 permit the construction, acquisition, or operation of, any plants,  
38 structures, facilities or properties which may compete or tend to  
39 compete with the garbage disposal system;

40 (13) Vesting in a trustee or trustees such property, rights,  
41 powers and duties in trust as the incinerator or environmental  
42 services authority may determine which may include any or all of  
43 the rights, powers and duties of the trustee appointed by the holders  
44 of bonds pursuant to section seventeen of this act, and limiting or  
45 abrogating the right of such holders to appoint a trustee pursuant to  
46 section fifteen of this act or limiting the rights, duties and powers of  
47 such trustee;

1 (14) Payment of costs or expenses incident to the enforcement  
2 of the bonds or of the provision of the bond resolution or of any  
3 covenant or contract with the holders of bonds;

4 (15) The procedure, if any, by which the terms of any covenant  
5 or contract with, or duty to, the holders of bonds may be amended  
6 or abrogated, the amount of bonds the holders of which must  
7 consent thereto, and the manner in which such consent may be  
8 given or evidenced; or

9 (16) Any other matter or course of conduct which by recital in  
10 the bond resolution, is declared to further secure the payment of the  
11 principal of or interest on the bonds.

12 All such provisions of the bond resolution and all such covenants  
13 and agreements shall constitute valid and legally binding contracts  
14 between the incinerator or environmental services authority and the  
15 several holders of the bonds, regardless of the time of issuance of  
16 such bonds, and shall be enforceable by any such holder or holders  
17 by appropriate action or proceeding in any court of competent  
18 jurisdiction.

19 (cf: P.L.1953, c.37, s.232)

20  
21 16. Section 15 of P.L.1948, c.348 (C.40:66A-15) is amended to  
22 read as follows:

23 15. In the event that there shall be a default in the payment of  
24 principal of or interest on any bonds after the same shall become  
25 due, whether at maturity or upon call for redemption, and such  
26 default shall continue for a period of thirty days, or in the event that  
27 the incinerator or environmental services authority shall fail or  
28 refuse to comply with the provisions of this act or shall fail or  
29 refuse to carry out and perform the terms of any contract with the  
30 holders of any of such bonds, and such failure or refusal shall  
31 continue for a period of thirty days after written notice to the  
32 incinerator 'or environmental services' authority of its existence  
33 and nature, the holders of twenty-five per centum (25%) in  
34 aggregate principal amount of the bonds of such series then  
35 outstanding, by instruments or instrument filed in the office of the  
36 Secretary of State and proved and acknowledged in the same  
37 manner as a deed to be recorded, may appoint a trustee to represent  
38 the holders of the bonds of such series for the purposes in this  
39 section, and to have the powers provided in this section.

40 (a) Such trustee may and upon written request of the holders of  
41 twenty-five per centum (25%) in aggregate principal amount of the  
42 bonds of such series then outstanding shall, in his or its own name:

43 (1) By an action or proceeding in a court of competent  
44 jurisdiction, enforce all rights of the holders of such bonds,  
45 including the right to require the incinerator or environmental  
46 services authority to charge and collect service charges adequate to  
47 carry out any contract as to, or pledge of, system revenues, and to

1 require the incinerator or environmental services authority to carry  
2 out and perform the terms of any contract with the holders of such  
3 bonds or its duties under this act;

4 (2) Bring an action upon all or any part of such bonds or interest  
5 coupons or claims appurtenant thereto;

6 (3) By an action require the incinerator or environmental  
7 services authority to account as if it were the trustee of an express  
8 trust for the holders of such bonds;

9 (4) By an action enjoin any acts or things which may be  
10 unlawful or in violation of the rights of the holders of such bonds;  
11 or

12 (5) Declare all such bonds due and payable, whether or not in  
13 advance of maturity, upon thirty days' prior notice in writing to the  
14 incinerator or environmental services authority and, if all defaults  
15 shall be made good, then with the consent of the holders of twenty-  
16 five per centum (25%) of the principal amount of such bonds then  
17 outstanding, annul such declaration and its consequences.

18 (b) Such trustee shall, in addition to the foregoing, have and  
19 possess all of the powers necessary or appropriate for the exercise  
20 of the functions specifically set forth herein or incident to the  
21 general representation of the holders of bonds of such series in the  
22 enforcement and protection of their rights.

23 (c) In any action or proceeding by such trustee, the fees, counsel  
24 fees and expenses of the trustee and of the receiver, if any,  
25 appointed pursuant to this act, may be allowed by the court as  
26 taxable costs and disbursements or otherwise, when so allowed,  
27 shall be a first charge upon any service charges and system  
28 revenues of the incinerator or environmental services authority  
29 pledged for the payment or security of bonds of such series.

30 (d) Such trustee, upon such default referred to in this section,  
31 whether or not all of the bonds of such series shall have been  
32 declared due and payable, shall be entitled as of right to the  
33 appointment of a receiver of the garbage disposal system, and such  
34 receiver may enter upon and take possession of all moneys and  
35 other property derived from or applicable to the acquisition,  
36 construction, operation, maintenance or reconstruction of the  
37 garbage disposal system and proceed with such acquisition,  
38 construction, operation, maintenance or reconstruction which the  
39 incinerator 'or environmental services' authority is under any  
40 obligation to do, and operate, maintain and reconstruct the garbage  
41 disposal system and fix, charge, collect, enforce and receive the  
42 service charges and all system revenues thereafter arising subject to  
43 any pledge thereof or contract with the holders of such bonds  
44 relating thereto and perform the public duties and carry out the  
45 contracts and obligations of the incinerator or environmental  
46 services authority in the same manner as incinerator 'or



1 environmental services<sup>1</sup> authority itself might do and under the  
2 direction of the court.

3 (cf: P.L.1953, c.37, s.233)  
4

5 17. Section 16 of P.L.1948, c.348 (C.40:66A-16) is amended to  
6 read as follows:

7 16. Neither the members of the incinerator or environmental  
8 services authority nor any person executing bonds issued pursuant  
9 to this act shall be liable personally on the bonds by reason of the  
10 issuance pursuant to this act shall not be in any way a debt or  
11 liability of the State, and bonds or other obligations issued by an  
12 incinerator or environmental services authority pursuant to this act  
13 shall not be in any way a debt or liability of the State or of any local  
14 unit or municipality.

15 (cf: P.L.1948, c.348, s.16)  
16

17 18. Section 17 of P.L.1948, c.348 (C.40:66A-17) is amended to  
18 read as follows:

19 17. Every incinerator or environmental services authority is  
20 hereby empowered, in its own name but for the local unit or units,  
21 to acquire by purchase, gift, grant or devise and to take for public  
22 use real property, within or without the district, which may be  
23 deemed by the incinerator or environmental services authority  
24 necessary for its purposes. Such incinerator <sup>1</sup>or environmental  
25 services<sup>1</sup> authority is hereby empowered to acquire and take such  
26 real property by condemnation, in the manner provided by chapter  
27 one of Title 20, Eminent Domain, of the Revised Statutes (R.S.,  
28 section 20:1-1 et seq.) and, to that end, may invoke and exercise in  
29 the manner or mode of procedure prescribed in said chapter, either  
30 in its own name or in the name of any local unit or units, all of the  
31 powers of such local unit or units to acquire or take property for  
32 public use.

33 (cf: P.L.1948, c.348, s.17)  
34

35 19. Section 18 of P.L.1948, c.348 (C.40:66A-18) is amended to  
36 read as follows:

37 18. (a) In the event that a service charge of any incinerator or  
38 environmental services authority with regard to any parcel of real  
39 property shall not be paid as and when due, interest shall accrue and  
40 be due to the incinerator or environmental services authority on the  
41 unpaid balance at the rate of one per centum (1%) per month until  
42 such service charge, and the interest thereon, shall be fully paid to  
43 the incinerator or environmental services authority.

44 (b) In the event that a service charge of any incinerator or  
45 environmental services authority with regard to any parcel of real  
46 property owned by any person, firm, corporation or association  
47 shall not be paid as and when due, the unpaid balance thereof and

1 all interest accruing thereon shall be a lien on such parcel. Such  
2 lien shall be superior and paramount to the interest in such parcel of  
3 any owner, lessee, tenant, mortgagee or other person except the lien  
4 of State, county and municipal taxes and shall be on a parity with  
5 and deemed equal to the lien on such parcel of State, county and  
6 municipal taxes.

7 (c) In the event that a service charge of any incinerator or  
8 environmental services authority with regard to any parcel of real  
9 property shall not be paid as and when due, the incinerator or  
10 environmental services authority may, in its discretion, discontinue  
11 the furnishing of any of the services and facilities of said garbage  
12 disposal system until such service charge and any subsequent  
13 service charge with regard to such parcel and all interest accrued  
14 thereon shall be fully paid to the incinerator or environmental  
15 services authority.

16 (d) The collector or other officer of every municipality charged  
17 by law with the duty of enforcing municipal liens on real property  
18 shall enforce, with and as any other municipal lien on real property  
19 in such municipality, all service charges and the lien thereof and  
20 shall pay over to the incinerator or environmental services authority  
21 the sums or a pro rata share of the sums realized upon such  
22 enforcement or upon liquidation of any property acquired by the  
23 municipality by virtue of such enforcement.

24 (e) In the event that any service charge of an incinerator or  
25 environmental services authority shall not be paid as and when due,  
26 the unpaid balance thereof and all interest accrued thereon, together  
27 with attorneys' fees and costs, may be recovered by the incinerator  
28 or environmental services authority in a civil action, and any lien on  
29 real property for such service charge and interest accrued thereon  
30 may be foreclosed or otherwise enforced by the incinerator or  
31 environmental services authority by action or suit in equity as for  
32 the foreclosure of a mortgage on such real property.

33 (f) All rights and remedies granted by this act for the collection  
34 and enforcement of service charges shall be cumulative and  
35 concurrent.

36 (cf: P.L.1948, c.348, s.18)

37  
38 20. Section 19 of P.L.1948, c.348 (C.40:66A-19) is amended to  
39 read as follows:

40 19. Any county, by resolution of its board of chosen freeholders,  
41 or any municipality, by ordinance of its governing body, or any  
42 other person is hereby empowered, without any referendum and  
43 without the consent of any board, officer or other agency of the  
44 State, to sell, lease, lend, grant or convey to any incinerator or  
45 environmental services authority, or to permit any incinerator or  
46 environmental services authority **[in]** to use, maintain or operate as  
47 part of the garbage disposal system, any real or personal property

1 owned by it, which may be necessary or useful and convenient for  
2 the purposes of the incinerator or environmental services authority  
3 and which may be accepted by the incinerator or environmental  
4 services authority. Any such sale, lease, loan, grant, conveyance or  
5 permit may be made with or without consideration and for a  
6 specified or an unlimited period of time and under any agreement  
7 and in any terms and conditions which may be approved by such  
8 county, municipality or other person and which may be agreed to by  
9 the incinerator or environmental services authority in conformity  
10 with its contracts with the holders of bonds, the incinerator or  
11 environmental services authority may enter into and perform any  
12 and all agreements for the assumption of principal or interest or  
13 both of indebtedness of such county, municipality or other person or  
14 of any mortgage or lien existing with respect to such property or for  
15 the operation and maintenance of such property as part of the  
16 garbage disposal system.

17 (cf: P.L.1948, c.348, s.19)

18  
19 21. Section 20 of P.L.1948, c.348 (C.40:66A-20) is amended to  
20 read as follows:

21 20. Any incinerator or environmental services authority and any  
22 municipality within the district by ordinance of its governing body  
23 may enter into a contract or contracts providing for or relating to  
24 the collection, treatment and disposal of garbage and refuse  
25 originating in the district or in such municipality by means of the  
26 garbage disposal system, and the cost and expense of such  
27 collection, treatment and disposal. Such contract or contracts may  
28 provide for the payment to the incinerator or environmental services  
29 authority by such municipality annually or otherwise of such sum or  
30 sums of money, computed at fixed amounts or by a formula based  
31 on any factors or other matters described in subsection (b) of  
32 section 8 of this act or in any other manner, as said contract or  
33 contracts may provide, and the sum or sums so payable may include  
34 provision for all or any part or a share of the amounts necessary (1)  
35 to pay or provide for the expenses of operation and maintenance of  
36 the garbage disposal system, including without limitation insurance,  
37 extensions, betterments and replacements and the principal of and  
38 interest on any bonds, and (2) to provide for any deficits resulting  
39 from failure to receive sums payable to the incinerator or  
40 environmental services authority by such municipality, any other  
41 municipality, or any person, or from any other cause, and (3) to  
42 maintain such reserves or sinking funds for any of the foregoing as  
43 may be required by the terms of any contract of the incinerator or  
44 environmental services authority or as may be deemed necessary or  
45 desirable by the incinerator or environmental services authority.  
46 Any such contract may provide that the sum or sums so payable to  
47 the incinerator or environmental services authority shall be in lieu

1 of all or any part of the service charges which would otherwise be  
2 charged and collected by the incinerator or environmental services  
3 authority with regard to persons or real property within such  
4 municipality. Such contract or contracts may also contain  
5 provisions as to the financing and payment of expenses to be  
6 incurred by the incinerator or environmental services authority and  
7 determined by it to be necessary for its purposes prior to the placing  
8 in operation of the garbage disposal system and may provide for the  
9 payment by such municipality to the incinerator or environmental  
10 services authority for application to such expenses or indebtedness  
11 therefor such sum or sums of money, not in the aggregate exceeding  
12 an amount stated or otherwise limited in said contract or contracts  
13 plus interest thereon, as said contract or contracts may provide and  
14 as the governing body of said municipality shall, by virtue of its  
15 authorization of and entry into said contract or contracts, determine  
16 to be necessary for the purposes of the incinerator or environmental  
17 services authority. Any such contract may be made with or without  
18 consideration and for a specified or an unlimited time and on any  
19 terms and conditions which may be approved by such municipality  
20 and which may be agreed to by the incinerator or environmental  
21 services authority in conformity with its contracts with the holders  
22 of any bonds, and shall be valid whether or not an appropriation  
23 with respect thereto is made by such municipality prior to  
24 authorization or execution thereof. Subject to any such contracts  
25 with the holders of bonds, such municipality is hereby authorized  
26 and directed to do and perform any and all acts or things necessary,  
27 convenient or desirable to carry out and perform every such  
28 contract and to provide for the payment or discharge of any  
29 obligation thereunder in the same manner as other obligations of  
30 such municipality and, in accordance with any such contract, to  
31 waive, modify, suspend or reduce the service charges which would  
32 otherwise be charged and collected by the incinerator or  
33 environmental services authority with regard to persons or real  
34 property within such municipality. Nothing in this section,  
35 however, shall prevent the incinerator or environmental services  
36 authority from collecting additional fees and charges from the  
37 owners or occupants of all parcels of real estate served by it within  
38 such municipality if for any reason such additional fees or charges  
39 shall be necessary in order for the incinerator or environmental  
40 services authority to pay all operating expenses, debt service and  
41 other payments required pursuant to contracts with bondholders;  
42 and notwithstanding such contracts with such municipalities, the  
43 incinerator or environmental services authority shall at all times  
44 have power and be obligated to collect sufficient additional fees and  
45 charges whenever necessary to pay all operating costs, debt service  
46 and all other payments required by contracts with bondholders.  
47 (cf: P.L.1954, c.185, s.1)

1       22. Section 21 of P.L.1948, c.348 (C.40:66A-21) is amended to  
2 read as follows:

3       21. Each county, municipality and other public body shall  
4 promptly pay to any incinerator or environmental services authority  
5 all service charges which the incinerator or environmental services  
6 authority may charge to it, as owner or occupant of any real  
7 property and shall provide for the payment thereof in the same  
8 manner as other obligations of such county, municipality or public  
9 body.  
10 (cf: P.L.1948, c.348, s.21)

11  
12       23. Section 22 of P.L.1948, c.348 (C.40:66A-22) is amended to  
13 read as follows:

14       22. Neither the incinerator or environmental services authority  
15 nor any local unit shall have power to mortgage, pledge, encumber  
16 or otherwise dispose of any part of the garbage disposal system,  
17 except that the incinerator or environmental services authority may  
18 dispose of such part or parts thereof as may be no longer necessary  
19 for the purposes of the incinerator or environmental services  
20 authority. The provisions of this section shall be deemed to  
21 constitute a part of the contract with the holder of any bonds. All  
22 property of an incinerator or environmental services authority shall  
23 be exempt from levy and sale by virtue of an execution and no  
24 execution or other judicial process shall issue against the same nor  
25 shall any judgment against an incinerator or environmental services  
26 authority be a charge or lien upon its property; provided, that  
27 nothing herein contained shall apply to or limit the rights of the  
28 holder of any bonds to pursue any remedy for the enforcement of  
29 any pledge or lien given by an incinerator or environmental services  
30 authority on its system revenues.  
31 (cf: P.L.1948, c.348, s.22)

32  
33       24. Section 24 of P.L.1948, c.348 (C.40:66A-24) is amended to  
34 read as follows:

35       24. Every garbage disposal system and all other property of an  
36 incinerator or environmental services authority are hereby declared  
37 to be public property of a political subdivision of the State and  
38 devoted to an essential public and governmental function and  
39 purpose and shall be exempt from all taxes and special assessments  
40 of the State or any subdivision thereof. All bonds issued pursuant  
41 to this act are hereby declared to be issued by a political subdivision  
42 of this State and for an essential public and governmental purpose  
43 and to be a public instrumentality, and such bonds, and the interest  
44 thereon and the income therefrom, and all service charges, funds,  
45 revenues and other moneys pledged or available to pay or secure the  
46 payment of such bonds, or interest thereon, shall at all times be

1 exempt from taxation except for transfer, inheritance and estate  
2 taxes.  
3 (cf: P.L.1948, c.348, s.24)  
4

5 25. Section 25 of P.L.1948, c.348 (C.40:66A-25) is amended to  
6 read as follows:

7 25. The State of New Jersey does hereby pledge to and covenant  
8 and agree with the holders of any bonds issued pursuant to this act  
9 that the State will not authorize or permit the construction or  
10 maintenance of any incinerator or garbage disposal system which  
11 will be competitive with the garbage disposal system of the  
12 incinerator or environmental services authority, and will not limit or  
13 alter the rights hereby vested in the incinerator or environmental  
14 services authority to acquire, construct, maintain, reconstruct and  
15 operate its garbage disposal system, and to fix, establish, charge and  
16 collect its service charges and to fulfill the terms of any agreement  
17 made with the holders of such bonds or other obligations, and will  
18 not in any way impair the rights or remedies of such holders, and  
19 will not modify in any way the exemptions from taxation provided  
20 for in this act, until such bonds, together with interest thereon, with  
21 interest on any unpaid installments of interest, and all costs and  
22 expenses in connection with any action or proceeding by or on  
23 behalf of such holders, are fully met and discharged.  
24 (cf: P.L.1948, c.348, s.25)  
25

26 26. Section 26 of P.L.1948, c.348 (C.40:66A-26) is amended to  
27 read as follows:

28 26. All banks, bankers, trust companies, savings banks,  
29 investment companies and other persons carrying on a banking  
30 business are hereby authorized to give to any incinerator or  
31 environmental services authority a good and sufficient undertaking  
32 with such sureties as shall be approved by the incinerator or  
33 environmental services authority to the effect that such bank or  
34 banking institution as hereinbefore described shall faithfully keep  
35 and pay over to the order of or upon the warrant of the incinerator  
36 or environmental services authority or its authorized agent all such  
37 funds as may be deposited with it by the incinerator or  
38 environmental services authority and agreed interest thereon, at  
39 such times or upon such demands as may be agreed upon with the  
40 authority or, in lieu of such sureties, deposit with the incinerator or  
41 environmental services authority or its authorized agent or any  
42 trustee therefor or for the holders of any bonds, as collateral, such  
43 securities as the incinerator or environmental services authority may  
44 approve; provided, such securities shall consist of obligations in  
45 which public officers and bodies of the State and its municipal  
46 subdivisions, savings institutions, including savings and loan  
47 associations, insurance companies and associations, executors,

1 administrators, guardians, trustees and other fiduciaries in the State  
2 may properly and legally invest the funds within their control, in  
3 such principal amount, market value or other description as may be  
4 approved by the incinerator or environmental services authority.  
5 The deposits of the incinerator or environmental services authority  
6 may be evidenced by a depository collateral agreement in such form  
7 and upon such terms and conditions as may be agreed upon by the  
8 incinerator or environmental services authority and such bank or  
9 banking institution.

10 (cf: P.L.1948, c.348, s.26)

11  
12 27. Section 27 of P.L.1948, c.348 (C.40:66A-27) is amended to  
13 read as follows:

14 27. After the creation of an incinerator or environmental  
15 services authority as provided herein, no municipality within the  
16 district shall have power to engage in, grant any license or permit  
17 for, or enter into any contract for, the collection, treatment and  
18 disposal of garbage and refuse; and no such municipality, or any  
19 person, firm, corporation or association shall engage in any  
20 activities within such municipality which would be competitive  
21 with the purposes of the incinerator or environmental services  
22 authority as provided in this act.

23 It is hereby determined and declared that it is necessary for the  
24 health and welfare of the inhabitants of every district within which  
25 an incinerator or environmental services authority is created that the  
26 facilities and services of such incinerator or environmental services  
27 authority shall be used by the owners or occupants of all lands,  
28 buildings and premises within such district, and the incinerator or  
29 environmental services authority may by resolution require the  
30 owners or occupants of all lands, buildings and premises therein to  
31 use the services and facilities of the incinerator or environmental  
32 services authority under such rules and regulations as the  
33 incinerator or environmental services authority shall fix and  
34 establish.

35 The provisions of this section shall not be construed, however, to  
36 affect or impair any contracts entered into prior to the creation of an  
37 incinerator or environmental services authority.

38 (cf: P.L.1948, c.348, s.27)

39  
40 28. This act shall take effect immediately.